

SUSTAINABILITY REPORT 2016-2018

# WORLÉE

## Protecting today for the benefit of tomorrow



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## PROTECT NOW AND PRESERVE FOR THE FUTURE

Our thinking takes a long term approach. The same is true for the development of our company, our products and our relationships with suppliers. What is meant to last requires special care and attention in the here and now. Our developments today will influence those in the future.

## REPORT PROFILE

In 2017, Worlée-Chemie GmbH published its first Sustainability Report for the years 2013 to 2015. This is our second report, which describes the social, environmental and economic aspects of Worlée-Chemie's sustainability activities.

This report was prepared in compliance with the standards of the Global Reporting Initiative (GRI standards, Core option) and is structured in accordance with the GRI standard reporting format. The precise positions within the report where the information concerning the respective GRI requirements can be found are documented in accordance with the GRI content index. The internal audit is carried out by the Sustainability Steering Committee at Worlée-Chemie. An external audit was not carried out.

The essential subject areas are determined on the basis of the regularly updated materiality matrix and the stakeholder analysis conducted by Worlée-Chemie. To present the development of our sustainability activities on an ongoing basis, the key subject areas covered in the Sustainability Report 2013–2015 are continued in the current report.

This Sustainability Report covers the years 2016, 2017 and 2018. Unless otherwise stated, the key performance indicators and information presented in this report refer to our production facilities in Lauenburg and Lübeck, as well as our location in Hamburg, which houses the head office of Worlée-Chemie GmbH, ChemieHandel and WorléeCosmetics with a small-scale production facility. Our goal is to revise and publish this Sustainability Report on a biannual basis.

We further aim to update the key performance indicators, which are summarised in a table at the end of the report, on an annual basis and publish them on our website.

If you have any questions or suggestions, please contact:

Worlée-Chemie GmbH  
Barbara Eschke  
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## THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)

The Sustainable Development Goals (SDGs) were adopted by the United Nations in the year 2015 and outline the 17 targets and 169 sub-targets agreed by 193 countries. These targets address the big global challenges and identify the most important areas requiring action in the time between now and the year 2030. The objective is to form a mutual understanding between political actors, the business community and society with regard to the fight against poverty, environmental and climate protection, and growing prosperity.

As an international company, we operate within global structures and take advantage of the global division of labour. We therefore accept our responsibility to contribute to the attainment of the SDGs. In particular, we aim to achieve the following goals:

- Quality workplaces and sustainable economic growth
- Responsible consumption
- Climate protection
- Partnerships



Our contribution to the SDGs is outlined in the Economy, Environment and Social sections of this report.

# WELCOME TO WORLÉE-CHEMIE



> Reinhold von Eben-Worlée

Managing Partner, Worlée-Chemie

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We are delighted to present you with our second Sustainability Report. Sustainability at Worlée is the result of our experience gained as a Hanseatic trading and industrial company based in Hamburg since 1851. Worlée has factories in Hamburg and the federal state of Schleswig-Holstein. Today, we continue to develop the tradition and style of our family business, which is in its fifth generation of owner management, by formulating and pursuing certain sustainability goals together.

You know Worlée-Chemie as a responsible supplier, manufacturer and distributor of raw materials for the paint, lacquer and coating products industry. Our company offers a wide range of innovative, high-quality binding agents, additives and admixtures that are produced in a safe environment. Our raw materials are developed in our R&D laboratories and, together with our trade products, assessed for their suitability in our technical centres. Our technical field service explains and markets our products together with reference formulas and samples, while our quality management department ensures that only top-quality products are dispatched from our factories and warehouses. Our raw materials can be found in countless paint, heat insulation, building protection and cosmetic products available on both the professional and DIY markets, as well as in numerous other applications, without ever being visible to the end consumer's eye.

Our success in ensuring the sustainable development of our family business is based on the long-standing and trustful relationships with our development partners, principals, suppliers and service providers, often developed over decades. But our most demanding task is to offer top-quality solutions that satisfy the requirements of our customers. This is because they decide whether our raw materials meet their requirements for use in production and further processing – not only with regard to their quality but also under economic, environmental and social aspects.

**'Giving thought to future generations is an integral part of our corporate philosophy. This is why we continue to develop the tradition and style of our family-owned company on the basis of concrete sustainability goals.'**

We want to seize the huge opportunity to, together with our customers, develop products and applications that contribute to the protection of our environment and climate along the entire value chain – from making use of renewable raw materials to our company's carbon footprint and recycling. This requires a sustainable, forward-looking perspective and innovative strength that combines new solutions for climate and resource protection with economic benefits. This demands professional, responsible and socially oriented dedication and efficient handling of the resources entrusted to us by our employees, most of whom have been trained in-house. This endeavour is supported by the willingness of our partners to reinvest a significant part of our company's profits into the preservation and expansion of our production and business activities.

As a manufacturer and supplier of chemical raw materials, we acknowledge our responsibility to ensure safety in the production, storage, transport and diligent handling of our products throughout, until they reach the end consumer. This is why we joined the Responsible Care initiative of the German Chemical Industry Association (VCI) back in the mid-1990s and why we were the first company in the chemical industry to become a member of the Group of Excellence of Klimaschutz-Unternehmen e. V. (Association of Climate Protection Companies) in 2010.

Building on our integrated management system, our company became a pilot participant in the sustainability project 'Chemie<sup>3</sup>'. Interdisciplinary teams have defined and

formulated twelve relevant subject areas in the field of sustainability. We found that our company has already attained a good or excellent position in many sustainability-relevant areas. We discovered room for improvement in other areas and were able to identify adequate solutions for these issues. The more recent findings, experiences and

will be able to take motivated action that results in the development of pioneering ideas and solutions. A trust-based, collaborative working environment with adequate flexibility is one of the essential foundations of our understanding of innovation and sustainability as well as how to master future challenges as a team. I am therefore particu-

**'We have established a corporate culture that promotes an awareness of the kind of sustainable thinking and acting that supports the economic, environmental and social targets.'**

results of this work were given due consideration in this second Sustainability Report.

This Sustainability Report also serves as our company's UN Global Compact Progress Report, which summarises and documents our activities aimed at supporting the ten principles of the UN Global Compact in the areas of human rights, labour standards, environmental protection and the fight against corruption. We will continue to support these ten principles in the years to come and continuously work on supporting their goals and actively integrating them into our daily business processes.

Worlée-Chemie is only a small part of the entire chemical industry in Europe. Our company is however an important connecting link in the value chain between the manufacturers of primary raw materials and the downstream industries. We can only master this task successfully if all our employees support our sustainable management strategy. This is why we have established a corporate culture that promotes an awareness of the kind of sustainable thinking and acting that supports the economic, environmental and social targets. Our employees regularly attend trainings and professional development activities, including on sustainability-relevant subjects.

Only those who are given the opportunity to make their expertise and personality count

larly delighted that in 2018 Worlée-Chemie employees were presented for the tenth time with the environment award of the association Studien- und Fördergesellschaft der Schleswig-Holsteinischen Wirtschaft e.V. for their contribution to environmental protection.

For myself as the Managing Partner of a chemical company in its fifth generation of family management, it is crystal clear that only a comprehensive approach to the further development and promotion of our sustainability activities will allow us to pass on our company to the next generation in line with the principles of sustainability and with a distinct emphasis on the common good of all.

I hope you enjoy reading this report.

Reinhold von Eben-Worlée  
Managing Partner  
Worlée-Chemie GmbH



**GENERAL  
INFORMATION**

# For today and tomorrow

Our company has acknowledged its responsibility, which is why SAFETY is our top priority and diligence an integral element in every single work step carried out at our company.



## COMPANY PROFILE

Worlée-Chemie GmbH produces and distributes binding agents and additives as well as other speciality chemical raw materials. This Report covers the activities of

Worlée-Chemie GmbH  
Grusonstrasse 26, 22113 Hamburg,  
Germany

with its business units ChemieHandel and WorléeCosmetics operating at the same location and the production facilities in Lauenburg and Lübeck, as well as

Worlée-Chemie GmbH & Co KG  
Worléestrasse 1, 21481 Lauenburg/Elbe,  
Germany

which has been conducting its business together with Worlée-Chemie GmbH at the Lauenburg location since mid-2017 in the form of a joint venture and operates the majority of its production and ancillary facilities together with warehouses at this site.

With eleven branches and 44 representatives, we are close to our customers around the world. They support our operations in Germany with their qualified technical and commercial advice and their services in the distribution of our products.

### A family-owned business with a long tradition

Merchants from the Worlée family became actively involved in the import of raw materials from Europe and overseas as far back as the year 1783; their activities specifically included trade with tropical tree resins, the usual raw materials for the production of paints and lacquers at that time, found in Southeast Asia and Africa. The product list from 1851, the year the original company E.H. Worlée & Co. was founded, not only features exotic spices and fragrances, but also gum arabic, shellac, dammar, rosin, amber and copal. This tradition gave rise to the development of modern product ranges for industry and trade that were geared to users' requirements. These days, Worlée is in the business of creating binding agents and additives for the colourful world of paints, lacquers and printing inks in all varieties, as well as raw materials for cosmetics. From its head office in Hamburg, the company expanded its trade with chemical raw materials such as pigments and binding agents as well

as cosmetic raw materials such as aloe vera and carbon black into an internationally operating trade and service network. Over the course of 165+ years, Worlée-Chemie has made a name for itself in Germany and beyond with its high-quality additives and binding agents for the paint and lacquer products industry.

### Our products and their applications

Worlée-Chemie produces all resins and additives in a highly environmentally and resource-friendly way. We combine sustainability and top quality to achieve our goal of offering advanced products. We also constantly work on further improving our products.

Our current range of standard solutions encompasses water-based, solvent-based and solvent-free acrylate, alkyd and polyester resins, polyester polyols, epoxy esters, amine hardeners and various additives. In addition to our products manufactured in-house, we also offer products from other reputable manufacturers. These products are used in paints, different types of lacquers, industrial and powder coatings, in construction chemistry, printing inks, wood coatings, adhesives and many specialised applications. We also develop individual solutions for our customers. Our experts in our research and development departments in Lauenburg and Lübeck work closely with our customers and trading partners and develop solutions for innovative requirements.

Our cosmetics department offers a wide range of innovative raw materials for the personal care industry. All our products are manufactured in Germany to the highest quality and safety standards and are geared to the specific requirements of our customers. Here, too, our range is complemented by the products of other reputable partners around the world. In addition to aloe vera, we offer polymers, pigment dispersion products, natural abrasives and encapsulated agents.

### Sales markets and sales development

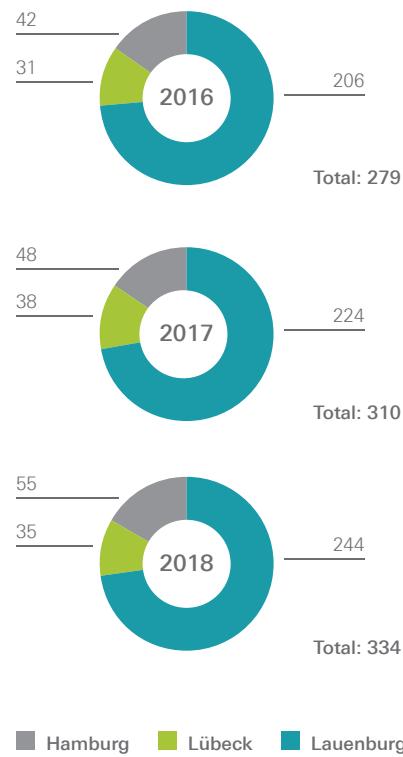
Approximately half of our sales are generated within Germany, with the other half coming from our international markets. The largest share of exports are delivered to customers within Europe. Total sales of Worlée-Chemie in the reporting period: see the illustration below

### Total sales development

EUR million



### Development of employee numbers (number of persons)



■ Hamburg ■ Lübeck ■ Lauenburg

You can find detailed information at the end of the report on page 40.

## Supply chain

Worlée-Chemie procures raw materials from its suppliers, processes them or trades in them. The majority of our suppliers are in Europe. Their deliveries are supplemented by those from our suppliers in America and Asia. We started to systematically review and assess the sustainability performance of our raw material suppliers in the year 2017 and will continue along this path in the years to come.

Lauenburg factory, Lübeck factory, ChemieHandel, cosmetics department	2016	2017	2018
Number of raw material suppliers	228	214	211
Estimated number of suppliers along the entire supply chain	468	453	441
Estimated net present value of payments made to suppliers	EUR 76.1 million	EUR 86.2 million	EUR 79.5 million



## GUIDING PRINCIPLES

### The values governing our actions

As a manufacturer and supplier of chemical raw materials, we acknowledge our responsibility and take all the necessary steps to ensure safety in the production, storage and transport of these materials. It goes without saying that we handle our products diligently throughout, until they reach the consumer.

We are committed to comprehensive and preventative occupational health and safety measures as well as forward-looking environmental protection as one of our corporate goals.

Worlée-Chemie fully accepts its societal and social responsibility and has dedicated itself to treating its business partners and employees in a fair manner. Our fundamental values defined by our company's management are anchored in our company's guiding principles and Code of Conduct, both of which are published in German and English.

We acknowledge that our company's philosophy is as much a commitment as a challenge. By setting concrete targets and following a concrete Code of Conduct, our managers and employees work on implementing our guiding principles and advancing our company in their daily work lives. All Worlée-Chemie employees are required to abide by our corporate principles and the Code of Conduct and are regularly trained in their application.

We firmly believe that integrity, fairness, responsibility and a high degree of transparency form the basis for trustful and long-lasting business relationships. We expect our suppliers to support the principles set out in our Supplier Code of Conduct, consistently abide by them and consider them as far as possible when selecting their own suppliers.

### We observe international quality standards

We operate a certified integrated management system in accordance with ISO 9001:2015, 14001:2015, 50001 and OHSAS 18001, which is currently being upgraded to comply with the requirements of ISO 45001.

A comprehensive health management system following DIN Spec 91020 has been introduced.

At our Lauenburg location, we also operate a safety management system in accordance with the Hazardous Incident Ordinance. This system has been adopted in Lübeck on a voluntary basis.

Worlée-Chemie is committed to the UN's Universal Declaration of Human Rights and supports the ILO fundamental principles and core labour standards, the twelve guidelines for sustainability for the chemical industry in Germany published by the Chemie<sup>3</sup> initiative, and the Responsible Care initiative.

#### We support the ten principles of the UN Global Compact

We have been an official participant in the UN Global Compact since April 2017 and support its ten principles concerning human rights, labour standards, environmental protection and the fight against corruption. Our first progress report was submitted in April 2018. Our strategies, measures, implementation and objectives for the years 2016 to 2018 have been integrated into this Sustainability Report and represent our Progress Report 2019.



#### Worlée-Chemie

##### is actively involved in national and international sustainability initiatives.

In 2010, Worlée-Chemie was the first company in the chemical industry to be accepted into the exclusive group of 'climate protection companies'. This group resulted from the Excellence Initiative of the 'Partnership for Climate Protection, Energy Efficiency and Innovation' under the lead of the Federal Ministry for the Environment, Environmental Protection and Nuclear Safety (BMU), the Federal Ministry for the Economy and Energy (BMWi), and the Association of German Chambers of Commerce and Industry (DIHK). It is distinguished by voluntarily adopted high targets in the area of climate protection and energy efficiency, which must be demonstrated by measurable results and further developed on a continuous basis. A Worlée-Chemie employee has been federal chairman since its change of entity into an incorporated association in the year 2013.



By participating in international and national research projects, we aspire to make a further contribution to resource conservation and climate change prevention. We are currently involved in the EU's Horizon 2020 research project MAESTRI 'Energy and resource management systems for improved efficiency in the process industries', as well as in the project initiative 'NEW 4.0' (Northern German Energy Transition).

Our company has been actively involved in the Responsible Care programme and regularly participates in competitions with great success ever since the initiative was started. The reporting period saw Worlée-Chemie proudly accepting the following awards:

#### 2016

Presentation of the National Responsible Care Award for SMEs on the topic of 'Product responsibility and the quest for sustainability in accordance with the Responsible Care guidelines 4 and 7'.

#### 2018

First place in the VCI Nord Responsible Care competition and the National Responsible Care competition with the project 'Development of a value chain based on sustainably and locally produced renewable raw materials as a contribution to attaining the UN goal SDG 12 "Sustainable consumption"'.

#### Our goal is to continuously improve ourselves

Accepting the stated principles and standards as our foundation, we continuously set ourselves ambitious targets for improving our performance in all areas of sustainability. We carry out regular internal and external audits to evaluate our progress in attaining the targets and implementing actions on a management level.

#### OUR CONTRIBUTION TO THE SDGS



## ASSOCIATION MEMBERSHIPS

Worlée-Chemie is a member in numerous industry and professional associations. Its employees hold various positions on the executive boards and committees of these associations.

Association	Membership
AGA Unternehmensverband Großhandel, Außenhandel, Dienstleistung e. V.	Member of the Presidential Committee
Arbeitgeberverband Chemie	Member
Energy Transition and Climate Protection Advisory Board of Ministerium für Energiewende, Landwirtschaft, Umwelt und ländliche Räume of the federal state of Schleswig-Holstein (MELUR) [Eventuell: Energy Transition and Climate Protection Advisory Board of the Ministry of Energy, Agriculture, the Environment, Nature and Digitalization (MELUND) of the federal state of Schleswig-Holstein]	Member
BGA – Bundesverband Großhandel, Außenhandel, Dienstleistungen e. V.	Member of the BGA Committee on the Environment
Biorizon	Member
Lauenburg Region Citizen's Trust	Member of the Board of Trustees
European Chemical Industry Council (Cefic)	Member
* Member in the association and the following trade association: Solvent Resin Manufacturer (SRM).	
DECHEMA e. V.	Member
Deutsche Gesellschaft für Wissenschaftliche und Angewandte Kosmetik e. V.	Sponsoring member
Die Familienunternehmer e. V.	President, member of the Commission on Energy, Taxes and Public Ordinance
Forschungsforum Schleswig-Holstein e. V. (Jugend forscht)	Member
Forschungsgesellschaft für Pigmente und Lacke e. V.	Member and member of the research advisory board
Association of Friends and Patrons of the Helmut Schmidt University	Member
Verein der Freunde & Förderer der HSBA e.V.	Member
European Cleaning and Hygiene Technology Research Association (FRT)	Member and member of the research advisory board
H2 Wasserstoff-Gesellschaft Hamburg e. V.	Member
Lübeck Chamber of Commerce and Industry	Member of the Committee on the Environment and Energy
Industrieverband Hamburg e. V. (BDI state representative for Hamburg)	Member
Klimaschutz-Unternehmen e. V.	Federal chairman
Künstlerhaus Lauenburg	Sponsoring member
Netzwerk Oberfläche NRW e. V.	Member
Neue Philanthropische Gesellschaft e. V.	Member
Society of Chemical Industry (SCI)	Member
SEPAWA e. V.	Sponsoring member
Stiftung Herzogtum Lauenburg	Member of the Board of Trustees
Studien- und Fördergesellschaft der Schleswig-Holsteinischen Wirtschaft e. V.	Board member Member of the Committee on the Environment and Energy
Übersee-Club e. V.	Vice President
UmweltPartnerschaft Hamburg	Partner/member
UVNord – Vereinigung der Unternehmensverbände in Hamburg und Schleswig-Holstein e. V. (BDI state representative for Schleswig-Holstein)	Vice President
German Chemical Industry Association (VCI)*	Treasurer Member of the Presidential Committee Member of the Committee on Entrepreneurs and Business Owners
* Membership of the German Chemical Industry Association (VCI) and the following trade associations:	
• Deutsche Bauchemie e. V.	Member
• Industrieverband Klebstoffe e. V.	Member
• TEGEWA e. V.	Member
• Verband der deutschen Lack- und Druckfarbenindustrie e. V.	Associate member Board member
Verband der Chemischen Industrie e. V. Landesverband Nord	Vice chairman of the Environmental Committee, member of the Energy and Climate working group
Verband der Südholtsteinischen Wirtschaft	Member
Versammlung Eines Ehrbaren Kaufmanns zu Hamburg e. V.	Board member
VILF – Verband der Ingenieure des Farben- und Lackfaches	Chairman of the Board
VSW – Verband und Serviceorganisation der Wirtschaftsregionen Holstein und Hamburg e. V.	Member
Wasserstoff-Gesellschaft Hamburg	Member
Economic Advisory Board	Member of the Federal Commission on Energy Policy
WTSH – Wirtschaftsförderung und Technologietransfer Schleswig-Holstein GmbH	Member

## COMPANY MANAGEMENT

The Directors of Worlée-Chemie GmbH are Dr Albrecht von Eben-Worlée, Reinhold von Eben-Worlée and Joachim Freude; the Directors of Worlée-Chemie GmbH & Co. KG are Reinhold von Eben-Worlée and Joachim Freude. The Board of Directors defines the strategic direction of the company. It is implemented in close coordination with the Advisory Board, which is the company's top-level advisory body.

The Board of Directors supports company management and is comprised of the Head of Human Resources, the Plant Manager, the Head of Sales for Germany, Austria and Switzerland, and the Head of Global Sales Export. A number of different staff positions adjunct to the Management Board support the board in its work.

Sustainability management that systematically incorporates all three pillars of sustainability – economics, environment and society – has been established on the basis of the integrated management systems. The responsibility lies with the Board of Directors, whilst operational implementation falls to the staff positions and specialists in the respective areas. The persons responsible for the operational work on sustainability-related issues set targets for further development of company sustainability and ensure agreement on measures to attain these targets.



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> Left to right: Joachim Freude (General Manager), Andreas Jaschinski (Head of Sales), Dr Stefan Mansel (Global Sales Director), Worlée-Chemie

## INCLUSION OF STAKEHOLDERS

Stakeholder and materiality analyses are regularly carried out as part of our sustainability management and under the responsibility of the Board of Directors.

These analyses are based on the 33 subject areas identified in the sustainability check published by the Chemie<sup>3</sup> initiative. They are developed from comprehensive analysis car-

ried out by the three alliance partners of the Chemie<sup>3</sup> initiative (VCI, BGAV, IG BCE), with the involvement and questioning of various stakeholders as well as evaluation of various studies and literature. The stakeholder and materiality analyses we carried out on this basis in the year 2014 are reviewed and updated on an annual basis by the sustainability management team together with the Board of Directors.



> Left to right: Reinhold von Eben-Worlée, Dr Albrecht von Eben-Worlée (Managing Partners of the Worlée Group)

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### Our most important stakeholder groups

Our company's most important stakeholder groups are our customers, employees, business partners and suppliers, shareholders/partners, associations, neighbours and public authorities, legislators, NGOs, educational institutions, the press and the media. The stakeholder groups have a variety of different interests in relation to our company and also exercise certain influence on it.

Worlée-Chemie is open to a lively exchange with all stakeholder groups and, during the reporting period, welcomed many visitor groups and individual guests from associations, politics, schools, universities, customers and suppliers, public authorities, the media and the neighbourhood.

A special highlight is the company's regular attendance at the 'Day of Chemistry', which is held by the German Chemical Industry Association (VCI) once every three to four years. On 22 September 2018, we welcomed more than 650 participants during our open day at the Lauenburg factory.

### Close customer contact for continuous improvement

Our global field service guarantees close and personal contact with our customers, who review our performance regularly and share their assessments with us.



We analyse these carefully and derive important insights on how to continuously improve performance. New products and advanced developments are presented to a large audience of interested persons at international trade exhibitions and specialist conferences.

#### **Suggestion scheme and workshops for employee inclusion**

We give our employees the opportunity to contribute to the development of our company in a number of ways. All three locations offer a suggestion scheme for internal improvements with an emphasis on important issues such as plant safety, occupational health and safety, environment, energy efficiency, resource conservation, quality and work efficiency. The opportunity to contribute to our development in this way is very well received among our staff.

In 2018, a qualified external agency conducted workshops under the heading 'Responsibility for work safety' for staff on all management levels. The objective was to further improve our safety-related work with our employees. To prepare these workshops, which will be continued in 2019, all employees at the Lauenburg and Lübeck production sites were asked to provide information in a questionnaire. This was supplemented by obtaining a representative overview from all areas of the company in individual interviews aimed at ascertaining opinions and proposals for optimisation with regard to the status quo in work safety.

Because our employees' health is so important to us, we hold an annual employee health day, which alternates between Lauenburg and Hamburg, where we provide our employees with information about health-promoting measures available at their workplace.

Our employees are paid on the basis of collective agreements: the employees at the Lauenburg and Lübeck factories in accordance with the collective agreement for the chemical industry and the employees in Hamburg in accordance with the collective agreement for the wholesale and export trade industries.

#### **We accept responsibility within our supply chain**

Demonstrating responsibility within the supply chain is also very important to us. Requirements and demands from legislators, customers and other stakeholders are be-

coming more and more complex on a global scale. They expect the highest-possible degree of transparency in sustainable corporate management regarding compliance with human rights and environmental and social standards. The 'National Action Plan' (NAP) adopted by the Federal Government demands diligence in the observance of human rights by companies.

Notwithstanding the fact that, as a family-owned company with fewer than 500 employees, we are currently not officially required to report on our compliance with this obligation, we have decided to do so voluntarily and make a contribution to implementing the NAP.

A pilot project on the subject of 'Sustainability in the supply chain', which was initiated by Chemie<sup>3</sup>, saw the development of guidelines that are intended to support SMEs in the development of a practical supply chain management system.

Our active collaboration in this pilot project allowed us to collect practical experience in the identification of sustainability aspects in supply chains and included, for example, the preparation of risk analyses for individual

phases of the value chain. Worlée-Chemie has already undergone an internal assessment on the 'EcoVadis' sustainability platform on two previous occasions and achieved a very good result. In March 2018, we were presented with the 'Gold Recognition Level' certificate for the second time, on this occasion with the distinction 'Advanced'. We are convinced of the methodological reliability and for this reason have contracted EcoVadis to carry out assessments of our suppliers' sustainability performance over time. To start with, 10% of our raw material suppliers in a supply chain that is of particular importance in terms of sustainability underwent an EcoVadis assessment. The response rate was excellent. Additional assessments are currently underway and we will continue this process.

#### **Preparation of a materiality matrix**

Taking into account all the feedback at our disposal regarding the different stakeholders as illustrated in the example above, we prepare an annual materiality matrix that assists us in identifying issues that bear material significance for the sustainable management of our company, working on these issues and responding in an adequate way.



# MATERIALITY MATRIX

FROM THE STAKEHOLDERS' PERSPECTIVE

	Social partnership and collective agreements	Human resources policy	Product-specific compliance	Sales: Complaints management Customer feedback	Partnerships with business partners and stakeholders	Integration of sustainability into the corporate strategy
Retirement planning	Age and generation-adequate design of work processes	Sustainability information		Research and development	Training opportunities	Company management and supervision
Worktime models	Sustainability management	Cooperative customer relationships		Emergency plans	Recruitment and retention of skilled workers	Occupational health and safety Health management
Local/regional business relationships	Social involvement on a local level	Product-specific communication and customer information		Employee retention	Climate protection	
Leadership and corporate culture	Stakeholder dialogue; feedback system, Communications	Employee inclusion processes and feedback systems		Key performance indicators	Environmental protection	
	Dialogue with neighbours			Resource efficiency	Sustainability in the supply and value chains	
				Compatibility of family and job/work-life balance	Data protection	
				Human and environmental safety		
				Waste management		
						Qualification
						Value generation strategy
						Business and investment plan

Material

Non-material

Material

FROM THE COMPANY'S PERSPECTIVE

# Solid ECONOMY foundation

With our sights set on the future, we act responsibly as a local company with roots in Hamburg and thereby safeguard the solid foundation of our business.



## MANAGEMENT APPROACH

The sustainable development of our corporate group is more important to Worlée-Chemie than maximising our profits in the short term. Because we aspire to continuously increase the value of our company, we pay particular attention to aspects concerned with environmental compatibility in our investment decisions for the expansion and maintenance of our plants, machines and buildings and frequently surpass the statutory requirements. The high investments yield a good return over the years, both from the environmental as well as the economic perspective.

Our production locations, research and development facilities, and the technical marketing departments in Hamburg, Lauenburg and Lübeck support regional, national and international economic structures. Our innovative and sustainable products allow us to improve at all times and thus continue to offer attractive solutions in the future. We also strive for sustainable development at our company, which in turn allows us to secure workplaces at our company over the long term. These sustainability aspects are also incorporated into our efforts to further develop the global customer and supplier networks of ChemieHandel and WorléeCosmetics.

Commitment, experience and creativity are essential components of our company's sustainable success and strengthen our innovative capacity. New ideas need the right working environment to come to fruition, which is why attractive working conditions, financial security during sickness or incapacity, a friendly atmosphere and personal appreciation are very important to us. They help us retain our valued employees. All employees are offered remuneration packages under collective agreements that exceed the statutory minimum wage. Voluntary insurance benefits as part of our extensive health management are offered to all employees who have completed their first year at our company and are a contribution to our sustainable and forward-looking human resources policy. Our company is proud to have men and women from many different countries working together in teams and contributing their experience and ideas. This is supported by a large-scale employee suggestion scheme. We recruit our employees and managers locally whenever possible, as they're already familiar with the cultural needs and local particularities. Our company benefits from this close proximity to our customers.

As part of our integrated management system for quality, environment, energy, work and plant safety, we set ourselves long-term strategic targets and comprehensive operational targets and define the necessary measures along with the persons responsible and time frames. A number of different discussion rounds regularly monitor and report on the attainment of these targets. Where targets are missed, we discuss and implement adequate corrective measures.

## ECONOMIC PERFORMANCE

At all our locations in Germany, our employees are paid attractive supplemental contributions for their retirement planning – an offer most of our employees are happy to take advantage of. They can choose between contributions paid into one of the public retirement or pension funds, or take out insurance directly themselves. We have selected a reputable reinsurance provider with whom we have taken out life insurance policies to guarantee cover for all retirement benefits of our employees. These benefits are also reinsured by the Pension Insurance Association. Employees are provided with current information about their retirement benefits on an annual basis.

## MARKET PRESENCE

The wages and salaries paid by Worlée-Chemie are significantly higher than the statutory minimum wage. The financial remuneration is essentially based on the collective agreements for the chemical industry in Germany (Lauenburg and Lübeck locations), or the collective agreements for the wholesale and export trade industry (Hamburg). The remuneration of managers and persons in special positions is supplemented by additional benefits not provided for in the collective agreements and agreed on an individual basis with the respective employee.

Our employees and managers working in foreign countries are also remunerated generously.

The gender pay gap is, of course, unheard of at our company.

Management positions at our international locations are filled with locally recruited

managers wherever possible. All the managers at our subsidiaries in India, Malaysia and China were recruited from the local employment markets.

## PROCUREMENT PRACTICES

We see the protection of international human rights as part of our due duty of care as entrepreneurs and business owners. This is why we published an updated 'Supplier Code of Conduct' on 1 November 2017 and began urging initial suppliers to abide by the Code in early 2018. We intend to send out a corresponding request to all raw material suppliers in the first half of 2019. This campaign will be continued in the following months until we have attained our target to communicate the Code of Conduct to 100% of our suppliers, including technical suppliers and service providers.

As part of Chemie<sup>3</sup> – the sustainability initiative of the chemical industry in Germany – Worlée-Chemie participated in the project 'Sustainability in the supply chain' as a pilot company and has also contributed to the development of guidelines for SMEs. These guidelines are predominantly intended to help SMEs in the chemical industry implement a sustainable supply chain management system.



The pilot project allowed us to collect practical experience in the identification of sustainability aspects in supply chains and to carry out risk analyses for individual phases of the value chain. Business partners from the supply chains identified on this basis were requested to undergo an EcoVadis assessment. These assessments consider the following criteria: environment, work practices and human rights, fair business practices and sustainable procurement. By the end of 2018, we had contacted approximately 20% of our raw material suppliers and the largest part of the results are already available to us. Our objective is to continuously have additional suppliers assessed until we have covered all of our most important suppliers.

We additionally intend to introduce a complaints office as part of our compliance management.

**ecovadis**



Our strategy is to procure, as far as possible, the goods and services required at our main business locations in Hamburg, Lauenburg and Lübeck from local suppliers in northern Germany (federal states of Schleswig-Holstein, Hamburg, Lower Saxony and Mecklenburg-Western Pomerania).

Information about the proportion of local suppliers in relation to the total number of suppliers can be found in the KPI table on page 37 at the end of this report.

## FIGHTING CORRUPTION AND ANTI-COMPETITIVE CONDUCT

Worlée-Chemie has joined the fight against all kinds of corruption, bribery and anti-competitive conduct. Unfair business practices are not tolerated. We only permit gifts and invitations in our business relationships provided these benefits are reasonable and it is clear that they cannot influence any decision-making processes.

This principle is defined in our Code of Conduct dated 30 May 2016, which is regularly communicated to all our employees, as well as in our Supplier Code of Conduct dated 1st November 2017.

A compliance management unit with a complaints office is currently being set up.

Our business locations in northern Germany are not exposed to an elevated corruption risk.

Our other eleven business locations around the world are regularly assessed for corruption risks, and relevant developments are continuously being monitored. None of these business locations is situated in a country with a particularly high corruption risk.

No corruption incidents were reported in the reporting period and there were no legal proceedings for anti-competitive conduct or infringements against antitrust law and laws on monopolies.



## OUR CONTRIBUTION TO THE SDGS



# FROM GERMANY TO THE REST OF THE WORLD

Worlée ChemieHandel fosters international relationships and business partnerships

'1851' is not only part of our company logo, but also states the year our company was founded. Almost 170 years ago, Emil Heinrich Worlée laid the foundations for the Worlée Group's success story, which spans decades. It all started with the trade in tropical resins such as copal, dammar, elemi and sandarac. The company supplied the German lacquer and printing ink industry that emerged during the age of industrialisation. But Worlée not only supplied customers in Germany, but also all over Europe. Over the years, the company has developed an international network of customers and suppliers which continues to grow to this day.

These days, the lacquer industry mainly uses artificial resins, which Worlée produces in its Lauenburg and Lübeck factories. In addition to the production of alkyd and acrylic resins, the trade with the speciality products of international partner companies complements the broad product range offered by Worlée. The continuous growth of the Worlée subsidiary ChemieHandel is owed to the strong commitment of the company and each and

every current and former employee. The success can be measured in numbers: as of today, approximately 560 product types are delivered to 1,000 customers in more than 50 countries. We cooperate with 40 so-called principals, our trading partners, for whom Worlée acts as a trusted sales partner in selected countries. They are supported by a team of 20 laboratory technicians, engineers, product managers, field service staff, salespersons and assistants, technicians and traders, most of whom work in Hamburg and Lauenburg. The departments work hand in hand.

The quality of our cooperation with business partners and principals is based first and

foremost on a long-standing relationship, which has allowed for mutual trust to develop over the years. We appreciate each other and know that we are stronger together. This often gives rise to new projects with innovative ideas.

Our product range is broad, our supply program diverse. After all, we aspire to meet the requirements of our principals and satisfy those of our customers. This frequently requires us to respond with flexibility to new circumstances and to adjust our offers accordingly. This aspiration allows us to continuously advance ourselves.

**560**  
Product types  
**1,000**  
customers in more than  
**50**  
countries

## An overview of our partners:



**BRUNO BOCK**  
THIOCHEMICALS

**CABOT**

**CINKARNA**



**cwl**  
Welt der Chemie online!

**DOWSIL™**  
silicones by

**ESTRON**  
CHEMICAL  
THE EDGE OF INNOVATION

**GLASS**  
FLAKE

**ISK**

**KahlWax**

**KING**  
INDUSTRIES  
SPECIALTY CHEMICALS

**polyols & polymers**

**SINLOIHI CO.,LTD.**

**synthomer**

**vanBaerle**  
Better. For you.

**VencoreX**

# SUSTAINABILITY ALONG THE SUPPLY CHAIN

In 2017, Chemie<sup>3</sup> – the sustainability initiative of the chemical industry in Germany, in which Worlée-Chemie has been actively involved since the beginning of 2014 – initiated a pilot project on the subject of 'Sustainability in the supply chain'. This project saw the development of guidelines intended to support, in particular, SMEs in the development of a practical supply chain management system. We were delighted to seize the opportunity to participate in this project as a pilot company and thus find for ourselves a pragmatic approach to securing the social and environmental structure of our supply chain.

In concrete terms, we identified the individual components of supply chains along with the associated sustainability issues and carried out risk analyses. We then decided to start with a supply chain that is of particular importance for us in terms of sustainability aspects, informed the relevant suppliers about our project and urged them to undergo an EcoVadis assessment. We also used

this opportunity to provide our suppliers with our Supplier Code of Conduct.

Because our experiences with this approach were so positive, we have decided to continue on this path and to successively subject the sustainability performance of preferably all raw material suppliers to reliable analysis conducted by this globally recognised sustainability platform between now and mid-2021 on the basis of a priority list.

With our commitment, we were once again successful in the assessment on the EcoVadis sustainability platform in March 2018, resulting in our company being presented with the 'Gold Recognition Level' certificate for the second time and even receiving the distinction 'Advanced'.

We are proud of this achievement and will continue to pursue this path in the future.

## Worlée Supplier Code of Conduct

### In accordance with:

- UN's Universal Declaration of Human Rights
- Ten principles of the UN Global Compact
- ILO fundamental principles and core labour standards

### Contains requirements pertaining to:

- Compliance
- Anti-corruption
- Antitrust law
- Data protection
- Environmental protection
- Working and social conditions

### Of particular importance to Worlée:

- Integrity
- Fairness
- Responsibility
- Transparency

## WORLÉE-CHEMIE GMBH (GROUP)

has been granted a

### Gold Recognition Level

Based on their EcoVadis CSR rating

March 2018



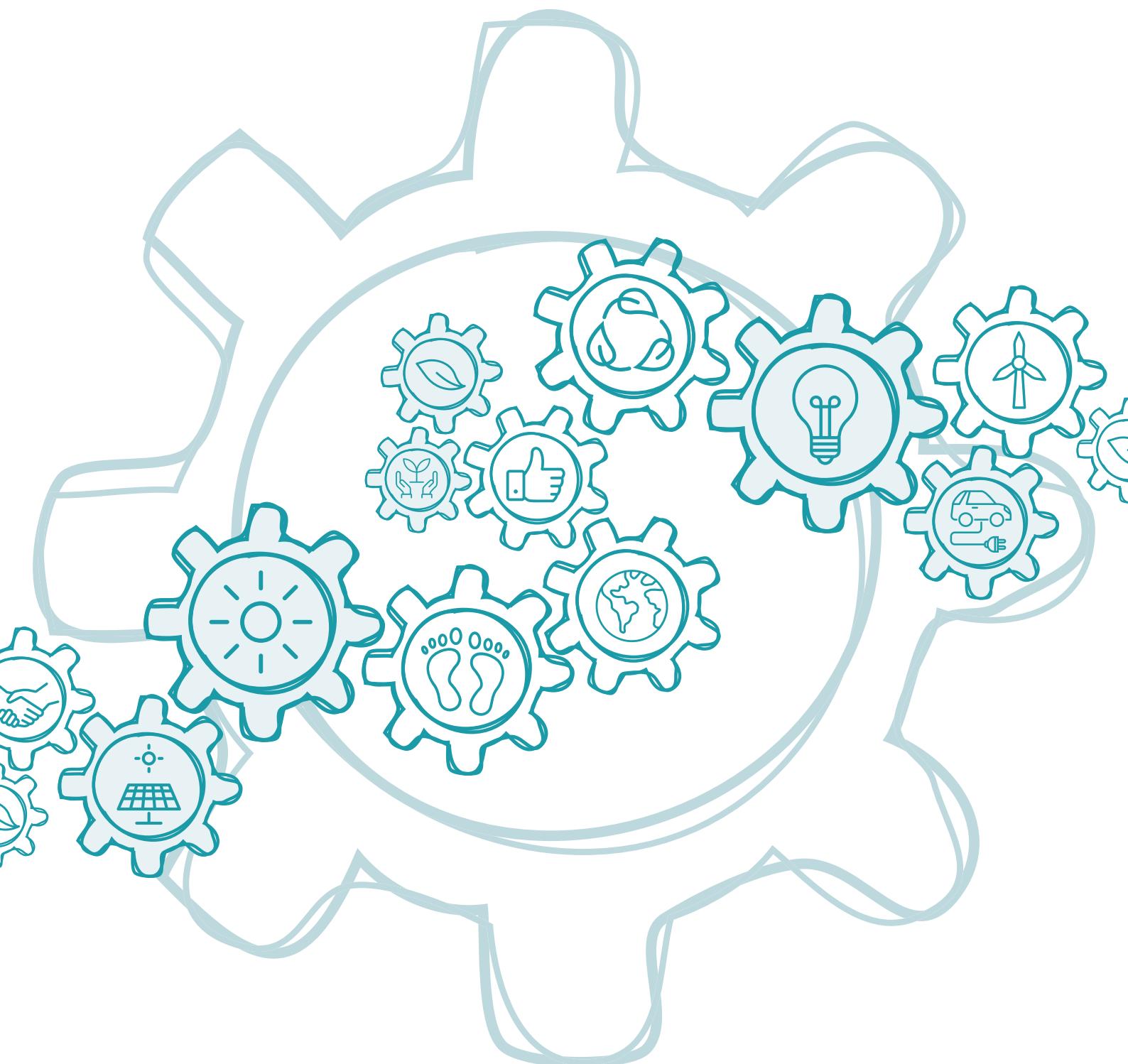
'The pilot project "Sustainability in the supply chain" supported us in identifying a practical approach to this important issue. We are delighted about the positive response from our suppliers and about the fact that, with our partners, we were able to make a contribution to sustainable supply chain management.'

Barbara Eschke, Manager Integrated management systems/  
sustainability management at Worlée-Chemie

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HIGHLIGHT



# High quality ECOLOGY and environmental compatibility

To sustainably conserve natural resources, we place great value on the high quality and environmental compatibility of our products

## MANAGEMENT APPROACH

We are convinced that it takes responsible action to conserve our natural resources, which are water, air and soil. Only then will we be able to safeguard the survival of future generations. Responsible action is also required in the consumption of energy and other resources. This is why we place great value on giving careful consideration to the environmental impact of our products, production methods and systems when making business decisions.

Worlée-Chemie complies with the applicable laws, regulations and self-commitments and is also dedicated to a process of continuous improvement for the protection of humanity and our natural environment. We voluntarily set ourselves ambitious targets in the areas of climate protection and energy efficiency and are involved in initiatives, associations and interest groups to implement these targets.

We also expect our suppliers to abide by all applicable environmental laws and standards and to take preventative and forward-looking action for the protection of the environment in the production and handling of their products. This applies to all process steps, from development to manufacturing, transport and disposal.

The development of environmentally friendly, sustainable products is a focal area of our research and development department at our production factories in Lauenburg and Lübeck, as well as at WorléeCosmetics in Hamburg. Our products are gentle on the environment and support our customers in maintaining compliance with an increasingly demanding regulatory framework. Partnerships with tertiary education institutions and research institutes allow us to utilise the latest scientific insights for the sustainable advancement of our products.

Our target is to increasingly use renewable raw materials and to prioritise the development of water-based resins. We are currently working on the following development targets and measures:

- Use of environmentally friendly (renewable) raw materials
- Development of binding agents with a high proportion of renewable raw materials (> 95%)

- Development of water-based products instead of hydrocarbon-based products
- Replacement of aromatic solvents with aromatic-free and dearomatised solvents
- Recycling and reuse of solvents
- Improved shelf life of lacquers and coatings based on our binding agents
- Consideration of health, safety and environmental aspects in the development of products and their application

We never stop exploring new possibilities for producing our products as environmentally friendly as possible, with a view on both resource conservation and energy efficiency. Plant insulation, heat recovery and efficient drive systems have allowed us to significantly reduce our energy consumption. Our thermal oxidation system not only cleans our exhaust air, but the combustion process also generates process heat we can use for the production of our products.

We set extensive goals for the continuous minimisation of our environmental footprint on an annual basis and define the corresponding measures, including those to improve energy efficiency, conserve resources and protect the climate.

Our environmental management system based on the ISO 14001 standard was successfully upgraded to comply with the revised 2015 standard in spring 2018. We also operate a certified energy management system in accordance with ISO 50001.

## MATERIALS

We clean our equipment by rinsing it with sodium hydroxide solution, which is, subject to uncompromised quality, reused a number of times.

The polymerisation process at our Lauenburg and Lübeck factories uses isopropanol (IPA) as a reaction medium. This allows for two thirds of the applied quantity to be atmospherically distilled off. The IPA can be reused at least ten times.

In Lübeck, approximately 50% of the applied IPAs is reused for water-based IPA/water-types. Some of the extracted IPA is sold to distilling companies and offered on the secondary market as a raw material.

The key performance indicators can be found on page 37 at the end of this report.

## ENERGY AND WATER

The key performance indicators can be found on page 38 at the end of this report.

## BIODIVERSITY

Our Lauenburg factory is nestled in the Elbe valley floodplains. While our factory is not located within a conservation area, we are well aware of the special significance of this landscape and its conservation areas and take great care to not damage them in any way. We reduce our emissions, protect the soil and groundwater, and minimise our impact to the highest degree possible in this area. Preventative environmental protection measures are taken at all business locations to prevent any contamination by fuels, oils or chemicals. No contamination incidents of this kind occurred at any of our business locations during the reporting period. A number of compensatory areas were acquired in the vicinity of the Lauenburg factory to compensate for past or future detrimental interference with natural habitats.

## EMISSIONS, SEWAGE AND WASTE

The key performance indicators can be found on page 39 at the end of this report.

## ENVIRONMENTAL COMPLIANCE

No infringements against laws or regulatory requirements became known to the company or a public authority in the reporting period. As a result, no financial penalties or non-monetary sanctions were imposed against the company due to non-compliance with environmental laws and regulations.



# WORLÉE EMPLOYEES TAKE CLIMATE PROTECTION ACTION

## ENVIRONMENTAL ASSESSMENT OF SUPPLIERS

### New suppliers that were assessed based on environmental criteria

100% of all new raw material suppliers making deliveries to the Lauenburg and Lübeck factories are assessed and rated using a questionnaire designed to evaluate environmental criteria.

At the end of 2018, the company also started urging all new raw material suppliers to undergo an EcoVadis assessment, which also evaluates certain environmental criteria.

### Incidents of negative environmental impact within the supply chain and measures taken in response

By the end of 2018, around 20% of our raw material suppliers were urged to undergo an EcoVadis assessment. A majority of the results are available. No negative environmental effects have been identified within our supply chain thus far. It is our objective to continue assessing additional supply chains until we have evaluated all suppliers. If potential negative results require us to take measures at some point in the future, we will determine these measures on a case-by-case basis and report on them.

## OUR CONTRIBUTION TO THE SDGS



Jan Eschke is Head of Digitisation, Innovation and Resource Efficiency at Worfée-Chemie. He is also Chairman of the Association of Climate Protection Companies (Klimaschutz-Unternehmen e.V.)

These climate protection companies form a national cross-industry network for climate protection and energy efficiency that was initiated by the Federal Ministry for the Environment, the Federal Ministry for the Economy and DIHK. All members have undergone a demanding application procedure, demon-

strating that in the past they have taken extraordinary and innovative action to improve energy efficiency at their companies, and undertake to continue these efforts in future. There is a lively exchange going on within the network – regular meetings give an opportunity to discuss new projects and technical questions.

Worfée also carefully fosters its contacts in politics and offers its expertise and experience for the clarification of technical questions.



> The Autumn Conference of Klimaschutz-Unternehmen e. V.,  
hosted by Georgsmarienhütte GmbH

© Klimaschutz-Unternehmen e. V.

© Jenner Egberis Foto+Film



**'As a chemical company, we acknowledge that it is our responsibility and primary duty to fully comply with stringent environmental requirements and to actively protect our planet's climate.'**

**Jan Eschke**, Head of Digitalisation,  
Innovation and Resource Efficiency,  
Worfée-Chemie

# TRAINEES AS ENERGY SCOUTS

The qualification as an 'Energy Scout' is organised by the SME Initiative Energy Transition and Climate Protection in cooperation with the Chamber of Commerce and Industry (IHK). It teaches trainees how to identify potential for energy savings and harness these savings at their companies. To qualify for the 'Energy Scout' badge, Worlée trainees Christopher Boldt and Niko Stell attended a seminar on the subjects of 'The fundamentals of energy efficiency' and 'Modern energy-saving techniques'. After the workshop had finished, the two went back to their project work, where they were searching for leaks in the nitrogen network

at Worlée's production site in Lauenburg. They used an ultrasound device and ended up finding a number of leaks that had occurred recently. Once these leaks had been repaired, nitrogen consumption dropped dramatically.

After successfully completing their training and receiving the 'Energy Scout' certificate in Hamburg in autumn 2016, Christopher Boldt and Niko Stell set out for Berlin for the prize ceremony of the national competition. This gave them the opportunity to measure their skills against those of Energy Scouts from other Chambers of Commerce and In-

dustry. The Federal Minister for the Environment Barbara Hendricks and DIHK President Eric Schweitzer honoured Christopher Boldt and Niko Stell with the 'Energy Scout of the Year 2017' award.



© HK HH Ulrich Perrey

## SAVING ENERGY AT THE LÜBECK FACTORY WORLÉE EMPLOYEE RECEIVES ENVIRONMENTAL PROTECTION AWARD



> Stefan Ogasa (right)

Worlée employee Stefan Ogasa, Head of E-Technology at the Lübeck factory, was presented with the 'Umweltschutz-Nadel' environmental protection award of the business community by Studien-und Fördergesellschaft der Schleswig-Holsteinischen Wirtschaft e. V. in October 2018. This was the ninth time a project conducted by Worlée-Chemie employees was awarded the environmental protection award for employees. The expert jury honoured him for his exceptional commitment in the area of energy efficiency: Stefan Ogasa has developed an energy

measurement system that allows Worlée to document, visualise and analyse all important energy-consuming equipment. This system provides Worlée with the data used to implement further sophisticated energy efficiency measures at the Lübeck factory. The system also displays current consumption figures in the production control room, allowing the control room personnel to identify peak loads and take the necessary action to prevent them. In addition to the development of an energy measurement system, Stefan Ogasa was also responsible for converting the lighting systems to LED technology throughout the Lübeck factory. This resulted in the electricity consumption for lighting systems to drop by more than 50%. 'We are delighted to hear about this distinction being awarded to our colleague Stefan Ogasa. For us, this not only means that we can continue to improve energy efficiency at the Lübeck factory, we are also extremely proud of our highly committed employees: his personal commitment makes Mr Ogasa a good example of how each individual here at Worlée is committed to attaining the sustainability targets that we have set for ourselves,' explains Joachim Freude, Managing Director of Worlée-Chemie GmbH.



© Jenner Egberts Foto+Film

**'We are very proud of our committed employees. The personal commitment of each and every employee greatly assists the company in attaining its sustainability targets.'**

**Joachim Freude**, General Manager,  
Worlée-Chemie

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# WORLÉE DEVELOPS NEW BINDING AGENT on the basis of camelina oil

Worlée is continuously conducting research on how to take advantage of sustainably produced raw materials. The family-owned company uses camelina oil as a basis for the binding agent used in the production of alkyd resins.

Camelina is an oil-producing plant that is particularly sustainable when cultivated alongside peas. The mixed cultivation does not affect the yield of peas when harvested. This allows for the production of a renewable raw material that is not in competition with plants cultivated for food or animal feed.

Because the mixed cultivation approach promotes biodiversity in the fields, Deutsche Amphibolin-Werke and Worlée applied to the Federal Programme for Biodiversity for government subsidies that would assist them in the large-scale mixed cultivation of peas and camelina plants.

The Federal Office for Environmental Protection started the project with funding from the Federal Ministry for the Environment, Environmental Protection and Nuclear Safety in January 2018:



> Bee on a camelina flower

© Dr. Katharina Spethmann

'Establishment of large-scale mixed cultivation with peas and camelina to strengthen biodiversity and ecosystem performance and development of a value chain based on sustainably produced, local and renewable raw materials'. The project is conducted in

The project started in January 2018 as part of the Federal Programme for Biodiversity: 'Establishment of large-scale mixed cultivation with peas and camelina to strengthen biodiversity and ecosystem performance and development of a value chain based on sustainably produced, local and renewable raw materials'. The project is conducted in cooperation with long-standing business partner Deutsche Amphibolin-Werke.

cooperation with long-standing business partner Deutsche Amphibolin-Werke.

Worlée is responsible for the development of a stable and sustainable supply chain. Last year saw testing carried out on three different sustainable cultivation methods. The camelina plants grow rapidly and can therefore also be cultivated on temporarily fallow fields (intercrop cultivation), or directly after the feeding rye (catch crop) that is grown for biogas plants has been harvested. The mixed cultivation with peas not only saves arable land, but also reduces the need for pesticides, as the camelina plant's rapid growth effectively suppresses the growth of weeds. Camelina has also been shown to attract wild bees, honey bees and other insects. In agricultural regions with large monocultures, food sources can frequently become scarce for bees and other pollinating insects in the months after June. This is precisely the time during which the camelina plant has its flowering period, which spans

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**'The camelina plants we use do not require any additional arable land and are therefore not in competition with food production,' explains Dr Toine Biemans, Head of Research and Development at Worlée-Chemie.**

**Dr Toine Biemans**, Head of Research and Development, Worlée-Chemie

## HIGHLIGHT

a number of weeks. This is significant from an environmental perspective because, according to current estimates, approximately 35% of global food production depends on pollinating insects such as wild bees, and the insufficient availability of food sources is one of the main causes of the demise of the insect population.

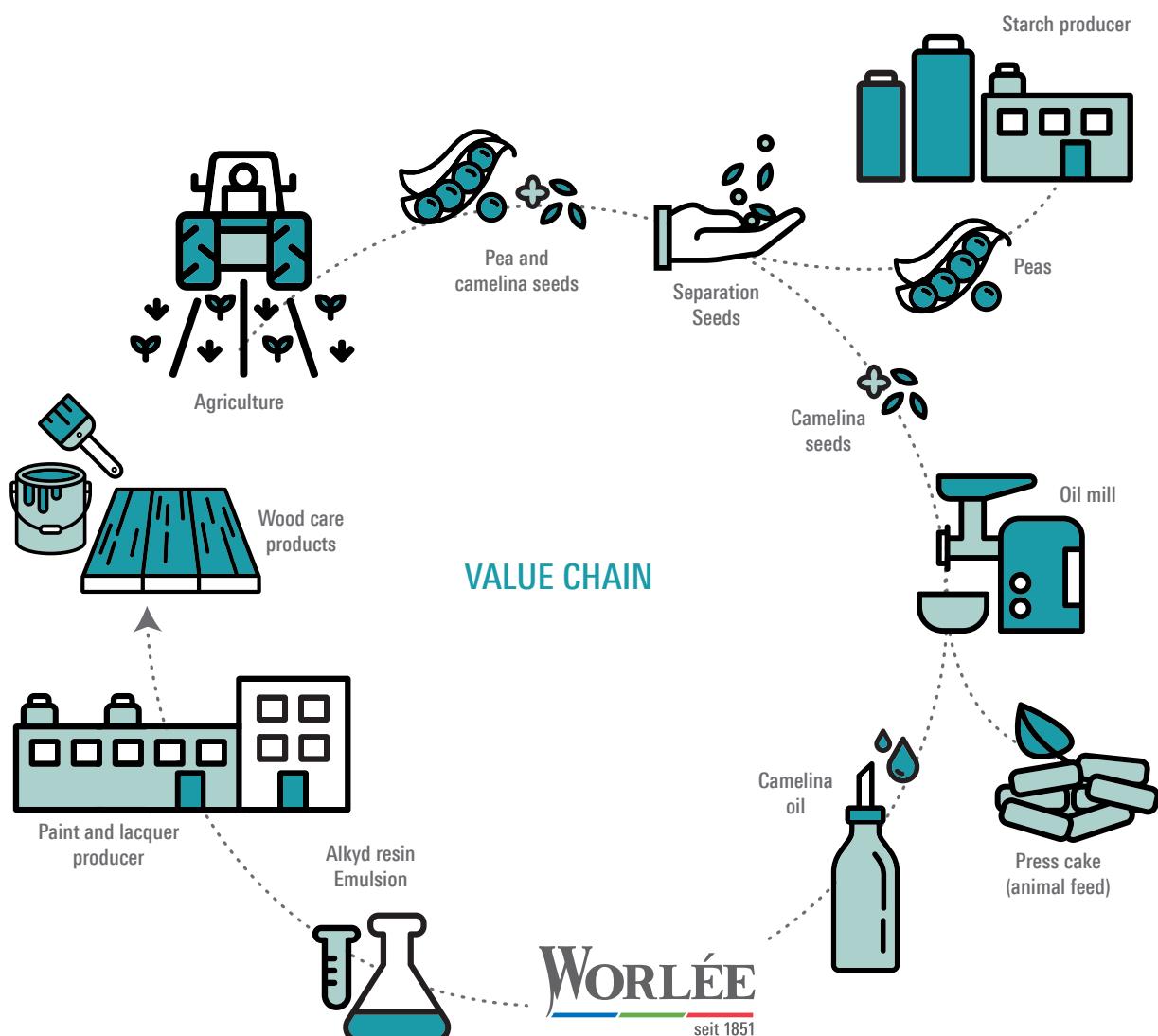
Due to the exceptional sustainability qualities of mixed cultivation with peas and camelina, the Federal Programme for Biodiversity has granted the project funding for a period of five years.

Worlée is responsible for cultivation methods and for organising the separation, drying and pressing of the harvest.



> Worlée uses the extracted camelina oil as a base for binding agents. The camelina press cake is sold to the animal feed industry.

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# WORLÉE BEADS

## The environmentally friendly alternative to PE and PP peeling particles



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The pollution of our oceans with plastic has become one of the biggest environmental problems of our time. Scientists discovered tiny plastic particles in the environment, especially on beaches, as early as the 1970s. But plastic emissions have only recently caught the attention of society, the media, the science community and politics.

In public and scientific discourse, experts distinguish between two types of plastic emissions: macro and microplastic. Both standard terms describe solid objects made from thermoplastic, elastomers or thermo-setting plastics that end up in the environment either directly or indirectly as a result of human activity.<sup>1</sup> The environmental impact of microplastic is an issue frequently raised in connection with cosmetic products. Microplastic refers to solid, non-water-soluble and non-biodegradable particles and fibres with a size of less than 5 mm. It is estimated that microplastic emissions from cosmetic,

laundry, body care and cleaning products amount to 1,000 tonnes per year in Germany alone. This corresponds to annual emissions of approximately 12 kg per person and around 0.3% of the total annual microplastic emissions.<sup>2</sup>

Despite the fact that cosmetic products in reality only account for a minuscule contribution to the overall pollution, many cosmetics producers have voluntarily decided to review their cosmetic formulas with regard to their environmental impact and to discontinue the use of solid, non-biodegradable plastic particles. In Germany, the proportion of these plastic particles in cosmetic products was reduced by 97 percent between the years 2012 and 2017. The German Cosmetic, Toiletry, Perfumery and Detergent Association (IKW) believes that the cosmetic industry will have completely stopped the use of solid plastic particles by 2020.<sup>3</sup>

In the past, abrasive particles used to create peeling effects and to improve the cleaning effect of body care products, in particular, were predominantly made from polyethylene (PE) and polypropylene (PP) and therefore contributed to the pollution of the environment with microplastics. As a company that accepts its responsibilities, Worlée-Chemie put this problem on its corporate agenda many years ago and focused on developing environmentally friendly alternatives to PE and PP peeling particles in its cosmetics division.



> Microplastic on a beach  
© Kalaeva/Shutterstock.com

HIGHLIGHT



### The environmentally friendly alternatives developed by Worlée

Under the product names **WorléeBeads HCO** and **Jojoba**, Worlée develops peeling particles based on jojoba wax and castor wax, which are made of more than 90% renewable natural waxes.

What is crucial in this respect is that these peeling particles are biodegradable, non-toxic and not water-polluting, which makes them less problematic for the environment than micro plastic particles. The peeling particles made from jojoba wax and castor wax clean the skin gently without causing irritation or injuries.

The product group **WorléeBeads CELL**, which Worlée-Chemie only introduced last year, is also environmentally friendly. These round peeling particles are produced on the basis of microcrystalline cellulose extracted from wood. This product is made from over 95% renewable raw materials. Microcrystalline cellulose is a substance known in the food and pharmaceutical industries, where the white, freely flowing powder is used as an indigestible fibre for calorie-reduced food products, as a release agent, binding agent or carrier substance. Microcrystalline cellulose is biodegradable and non-toxic.

When compared to WorléeBeads on a wax base, the WorléeBeads CELL have the advantage of being heat-resistant and stable, including in highly surfactant products. They also allow for a gentle cleaning of the skin.

Another product group that is used as environmentally friendly peeling particles in body care products is **WorléeSil**. The granules are made of 100% silicate, a naturally occurring silica salt. It has an angular particle morphology, which gives it a stronger abrasive effect than other peeling products. WorléeSil is frequently used as an ingredient in body scrubs because it performs excellently in removing dead skin cells. WorléeSil does however have the disadvantage of irritating the skin when used inappropriately or too frequently.

As natural alternatives to PE or PP peeling particles, both WorléeBeads and WorléeSil products have the advantage of conforming with the environmental, economic and technical application requirements of the cosmetics industry. The diverse range of cosmetic raw materials made by Worlée-Chemie offers producers of cosmetic products a solution for their specific requirements. It is also possible to combine different products.

<sup>1</sup> Fraunhofer Institute for Environmental, Safety, and Energy Technology UMSICHT, Kunststoffe in der Umwelt: Mikro- und Makoplastik

<sup>2</sup> Fraunhofer Institute for Environmental, Safety, and Energy Technology UMSICHT, Mikroplastik und synthetische Polymere in Kosmetikprodukten sowie Wasch-, Putz- und Reinigungsmitteln

<sup>3</sup> The German Cosmetic, Toiletry, Perfumery and Detergent Association (IKW): <https://www.ikw.org/schoenheitspflege/themen/detail/kosmetikindustrie-setzt-fast-keine-festen-kunststoffpartikel-mehr-ein-463/>



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# Fairness in our relationships

SOCIAL AFFAIRS

Fairness safeguards and nurtures our long-standing relationships with business partners and employees



## MANAGEMENT APPROACH

Chapters 1 and 2 provide a fundamental description of our management approach to the key topics covered in the 'Social' section, with regard to our employees and the social assessment of the supply chain. In the following sections, we would like to describe our extensive approach to some of the materially significant issues that result from the GIA standard 400.

Our forward-looking and employee-focused human resources strategy is an important pillar of the sustainable management of our company. Worlée-Chemie ensures attractive and competitive working conditions at all its business locations by meticulously planning for the long term and exercising prudence in its actions. The human resources strategy supports the company in attaining its corporate targets.

### Important elements of our human resources policy are:

- Work safety
- Appreciation, tolerance and respect for all employees in an unprejudiced working environment, irrespective of their gender, age, sexual orientation or identity, ethnic origin or philosophical conviction.
- Attractive and safe working conditions that strengthen the satisfaction and loyalty of our employees
- Flexitime and flexible working time models
- Implementation of collective agreements
- Extensive additional employee benefits such as private supplemental health insurance and occupational disability insurance for all employees
- Health management
- Family-friendliness
- Trustful cooperation between the Board of Directors and the Works Council
- Training opportunities and programmes
- Employee suggestion scheme
- Canteen
- Free hot beverages
- Car parking for all employees
- Modern workplaces and ergonomically designed office workstations with height-adjustable desks, office chairs with optimum sitting position, monitors that are gentle on the eyes

### Numerous measures in the area of occupational health and safety were implemented on behalf of our employees in the years 2016, 2017 and 2018. These include:

- Analysis of work situations to improve health and increase workplace satisfaction
- Employee seminars 'Healthy leadership' and 'Motivation and self-responsibility'
- Annual health days, alternating between Lauenburg and Hamburg
- Introduction of 'life stage coaching' to support all employees in need
- Quit-smoking seminars
- Workshop 'Creating the future at Worlée' for research and development employees
- Fresh fruit
- Massages
- brainLight chairs
- Mental relaxation and spinal health courses at the Hamburg and Lauenburg locations
- Interviews with all employees in Lauenburg and Lübeck on the situation concerning work safety
- Workshops for all management levels on the subject of 'Responsibility for work safety'
- Promoting safety and responsibility-focused action (to be continued in 2019)

We recruit young talent mainly from our own training programmes and thereby ensure the sustainable development of our personnel. We are delighted to see many of our skilled employees spend many years at our company. A growing number of employees spend their entire work life at Worlée.

As one of the largest local employers, Worlée is actively involved in a number of different projects taking place in Lauenburg, including regular support for schools and childcare facilities. But Worlée is also looking to attract young talent from beyond the city borders – at trade exhibitions such as the IdeenExpo in Hanover and at the training events for Energy Scouts.

There are many different ways in which we seek to make contact with a variety of interest groups: product presentations at trade exhibitions, various engagements and lectures at industry associations, and our global on-site customer care provided by our technical field service. Regular dialogue with local committees and institutions (e.g. the voluntary fire brigade) is as much a part of these efforts as openness to our employees, their needs and ideas.

In an effort to maximise transparency, Worlée regularly opens its doors to visitors: our factories regularly welcome visitors from the press, politics, public authorities, associations, schools and other interested citizens and hold an open day for our neighbours and other interested persons every three to four years.

## EMPLOYMENT

Due to our collective agreements, we do not differentiate between salaried employees and workers. All employees are paid in accordance with the pay scales specified in the applicable collective agreement.

All Worlée employees, regardless of whether they work full or part-time, are offered the same contractual benefits. Temporary staff are excluded from participating in the company pension scheme, the supplementary health insurance scheme and the occupational disability insurance.

The key performance indicators can be found on page 41 and 42 at the end of this report.



## EMPLOYER/ EMPLOYEE RELATIONSHIP

The Works Council is always involved in all changes to processes within our company; detailed discussions about these changes take place with ample lead time prior to implementation. Personal information, team meetings, company meetings, notice boards, personal letters and emails ensure that our employees are promptly informed of planned changes within the periods prescribed by law.

## OCCUPATIONAL HEALTH AND SAFETY

The Occupational Health and Safety Committee holds quarterly meetings for each business location. Our employees are represented by two delegates from the Works Council and at least two OH&S officers from the local workforce. The Committee's work is concerned with all the activities and workplaces of all our employees and therefore covers 100% of our workforce.

We have learned of any risk or elevated occurrence of certain illnesses caused by any work activities carried out at our company.

Certain health and social services agreed with the trade unions are included in the collective agreements adopted by Worlée-Chemie. Our company also operates a certified work safety management system in accordance with OHSAS 18001/ISO 45001 and a health management system in accordance with DIN Spec 91020 with many social benefits offered on a voluntary basis. These systems ensure that comprehensive action in the area of work safety is taken to preserve and promote our employees' health. Most work accidents that occurred during the reporting period are not classified as industry-specific. We continuously work on achieving our goal of reporting 'zero work accidents' as soon as possible. These efforts include interviews with our employees and external analyses on the subject of work safety at our Lauenburg and Lübeck factories in 2018. Based on the results, we then offered external seminars on the subject 'Responsibility for work safety' that were accompanied by a qualified psychologist. These seminars were attended by employees from all three business loca-

tions and management levels, accounting for approximately 25% of our entire workforce in the currently ongoing first phase.

[The key performance indicators can be found on page 42 and 43 at the end of this report.](#)

## TRAINING OPPORTUNITIES

We build on the expertise of our employees and thus allow them the opportunity to develop. The programmes are diverse and geared towards specific target groups as well as personal and technical strengths.

Our employees are, for example, allowed to opt for part-time work before and after their retirement.

The general professional development programme offered by Worlée consists of in-house training sessions and external seminars that are offered to all employees and enjoy good participation rates.



**> Trainees benefit from the experience of our senior employees.**

We also offer sophisticated trainee programmes for those seeking to start a career in management. New employees are given the opportunity to gather experience in a number of different areas within the company. They spend time in different departments, conduct small-scale project tasks and enjoy external training sessions on personality management, presentation techniques and project management.

Providing our employees with sensible support in their development requires us to know about the wishes and aspirations of each individual as well as our company's operational requirements. Once a year, our

managers therefore meet with their staff members for a personal conversation, which takes place in an informal environment. Our objective is to start a dialogue with our employees and to jointly work out an individualised plan for their professional development and their goals. A review of the employee's performance using a catalogue of criteria is not a priority of this meeting. This concept has turned out to be very successful at Worlée: the relaxed atmosphere helps our employees to share their desires, goals and potential with their managers and work out the next steps together with them. The high degree of autonomy results in higher motivation and thus improved work performance.

Based on the number of employees, we invested the following time in training per year without differentiating between gender and employee category:

**2016: 4,185 h, 2017: 4,636 h, 2018: 5,010 h**

## DIVERSITY AND EQUAL OPPORTUNITY

Our company depends on the skills and commitment of each and every employee. We categorically reject discriminatory or disparaging behaviour of any kind. All our employees are paid in accordance with the applicable collective agreement without regard to gender.

[The key performance indicators can be found on page 40 at the end of this report.](#)

### Equal treatment

Employees may report any instances of discrimination to their supervisor, the Works Council or the HR department. No discrimination incidents were reported to us in the reporting period.

### Human rights and responsibility

Worlée-Chemie upholds the UN's Universal Declaration of Human Rights, the four ILO fundamental principles, the eight ILO core labour standards and the ten principles of the UN Global Compact.

We have documented compliance with these fundamental principles in our Code of Conduct dated 30 May 2016 and demand this of our suppliers in our 'Supplier Conduct of Conduct'.

All employees are provided with written information about our Code of Conduct on an annual basis; new employees are trained in person.

We use the EcoVadis sustainability platform to ensure compliance with the fundamental principles within our supply chain. The issues at the heart of the fundamental principles are important components of the assessment. We are planning to carry out EcoVadis assessments of all our raw material suppliers between now and summer 2021.

Strict compliance with all the German and European laws at the main business locations of Worlée-Chemie means that they are not exposed to any risks that could result in violations of the mentioned rights or the prohibition of child, forced or compulsory labour.

Our eleven branches around the world co-operate closely with the Board of Directors in Germany and are subject to the Board's supervision. No violations of the outlined fundamental principles were identified.

#### Local communities

Worlée-Chemie is one of the biggest employers and taxpayers in Lauenburg. The company provides financial support for cultural events and social services at all its business locations.

Due to the insignificance of the effects of the planned investments and plant modifications on the environment, no environmental impact assessments have been carried out in Lauenburg or Lübeck thus far.

In 2018, the adequate protective clearance of the operational area at the Lauenburg location was determined in accordance with the requirements of the revised Hazardous Incident Ordinance.

In accordance with the requirements of the Hazardous Incident Ordinance, 'Information for our neighbours' pamphlets are regularly distributed to all residents living within 500 m of the Lauenburg factory. The pamphlet is also available on our website. Neighbours who have questions or would like to make a suggestion can contact us by sending an email to [Nachbarschaft@worlee.de](mailto:Nachbarschaft@worlee.de), or by calling +49 (0)4153 5960.

We always seek to engage in a constructive dialogue with our neighbours and other stakeholders. Politicians on the federal, state, district and municipal levels as well as the NGOs with activities in the wider Lauenburg

region are invited to our regular open days, which are a great opportunity to start a conversation.

Members of the Work Councils at all locations are fully involved in the work of all committees and teams that deal with issues relating to the environment, work safety and sustainability. These committees include the Committee for Environmental and Energy Planning, the Work Safety Committee and the Sustainability Steering Team. Our employee suggestion scheme has been very well received and we are delighted to obtain suggestions touching on sustainability aspects from our employees.

Odour-intensive substances are used in some of the production processes at our Lübeck factory. While odour emissions have remained below the permitted quantity and frequency thresholds at all times, we still seek an open dialogue with our neighbours and are always open to new information. We steadfastly aim to further minimise any odour emissions by voluntarily implementing additional measures such as frequent filter replacements and the installation of roof openings.

## SOCIAL ASSESSMENT OF SUPPLIERS

In October 2018, Worlée-Chemie started urging all new suppliers to undergo a CSR assessment on the EcoVadis sustainability platform. By the end of 2018, 22% of all raw material suppliers had undergone a CSR assessment. The assessments carried out to date have not identified any actual or potential significant negative social impacts.

## POLITICAL INFLUENCE

Worlée-Chemie sees itself as a part of our society, which is why we accept responsibility in the regional environment of our business locations. In Lauenburg, for example, we support the voluntary fire brigade and the Citizen's Trust and are also involved in a number of different projects that aim at improving career guidance services. We are also active in regional and national associations that support the development and preservation of the social market economy system.

We donate to charitable and non-profit foundations and organisations. Worlée has not made any donations to political parties.

## CUSTOMER HEALTH AND SAFETY, MARKETING AND LABELLING

We accept responsibility for our products. We guarantee that the responsible and appropriate use of our products will never pose a risk for people and the environment. We continuously update our product data sheets to ensure the customer's safety and access to the best-possible information. Technical specification sheets, safety data sheets and regulatory product information set out the relevant information in detail.

No infringements against regulations and/or voluntary rules of conduct in relation to product information, labelling, marketing and communication or in connection with the health and safety consequences of our products were identified in the reporting period.

## PROTECTION OF CUSTOMER DATA

No justified complaints about incidents where the protection of our customers' data was compromised were received in the reporting period.

## SOCIO-ECONOMIC COMPLIANCE

No justified complaints about violations of laws and/or social and commercial regulations were identified in the reporting period.



OUR CONTRIBUTION TO THE ATTAINMENT OF THE SDGS



5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH

# WORKSHOP – RESPONSIBILITY FOR WORK SAFETY

We address very extensively the issue of 'Work safety for our employees'. We organised a workshop to assure our employees that the company does everything in its power to minimise risks at their workplace.

The workshop educates managers about the responsibility they have for their employees and explores ways to exercise influence. It is an opportunity to raise awareness of work safety across all departments and management levels within the company and thus

ensures that all work is consistently safe and accident-free.

The pilot workshop was attended by selected departmental heads, a representative of the Works Council, the OH&S officers and the work safety specialist. Additional workshops for all employees in management positions were held in January 2019.

## Topics covered in the workshop included:

- Legal fundamentals and guidelines, the legal consequences of breaches of duty
- Critical self-evaluation
- Characteristics of efficient work safety management systems
- Delegation of duties and responsibilities
- Acting responsibly in organisation, selection and supervision
- Hazard analysis and elimination with examples from daily operations
- Key areas of efficient leadership: hazard analysis – safety instructions – guidance – monitoring – improvement
- Investigation of accidents and incidents
- Handling of problematic behaviour and difficult employees
- Demands on managers
- Preparation of a personal action plan



> A conscious approach to our raw materials that takes work safety precautions into account is indispensable.

© Jenner Egberts Foto+Film



“

'The workshop motivated me to question and re-evaluate the issue of work safety in my area of responsibility.'

**Jennifer Müller**, Head of Training and Deputy Chairwoman of the Works Council, Worlée-Chemie

## HIGHLIGHT

# TRAINEESHIP AT WORLÉE

Worlée offers many career training programs in a variety of training formats. Career training and the combined academic and practical curriculum are well-established programs. The first 'traineeship' programme was offered in the year 2017.

In the conversation, Dr Stefan Mansel, Global Sales Director and port of call for the two export trainees Caroline Matthiesen and Annika Almstedt, reflects on his initial experiences and offers a glimpse at the traineeship programme at Worlée.

### How did the traineeship programme come about?

**Dr Stefan Mansel:** Worlée's export volume has continuously increased over the past few years and the number of countries to which we now export has increased to over 60. In most of these countries, Worlée operates its own branches or is represented by local agents or distributors. This growth resulted in an increased demand for customer care and customer advice, which requires us to make the necessary human resources available. This is why we have introduced the export management trainee programme. The training is aimed at Worlée employees who already work at the application technology laboratories and have discovered a penchant for sales, or at graduates from universities with relevant technical and commercial training.

### What do the trainees learn in your programme?

**Dr Stefan Mansel:** The eleven-month trainee programme in our export management unit is broken down into an introductory and a specialisation phase: at the beginning of their training, Annika Almstedt and Caroline Matthiesen spent time in a number of different specialist departments such as R&D, application technology, quality management, order processing and chemical trade. The time spent in the departments allowed them to acquire general theoretical and practical expertise in the different products and relevant processes. This was followed by the specialisation phase in the export management unit under my supervision. Our young employees were also able to optimise their discussion and presentation techniques in additional external training sessions.

### How are the countries that need to be assisted allocated or broken down?

**Dr Stefan Mansel:** We had already selected the export countries that require a higher level of assistance or offer potential for additional growth before the start of the trainee programme. These countries were then assigned to the two trainees on the basis of their individual preferences. The two colleagues attended trade exhibitions around the world such as the European Coating Show 2017 and visited customers abroad, which allowed them to gain important experience in doing business with international customers during the course of their trainee programme. It also allowed them to learn essential skills they need for giving professional advice and care to their customers, agents and distributors.

### Are there more trainee programmes in the pipeline?

**Dr Stefan Mansel:** Trainee programmes are also offered in other areas. Two trainees started the programme in 2017, one in facto-

ry development and technology and the other in process technology. A trainee was also hired in 2018 for sales in Germany, Austria and Switzerland.



> Dr Stefan Mansel, Global Sales Director,  
Worlée-Chemie  
© Jenner Egberts Foto + Film

### And what highlights did the programme offer them as trainees?

Caroline Matthiesen: '**One of my personal highlights was the language trip to Scotland organised by Worlée at the beginning of my traineeship. I was able to polish my English skills, which gave me the self-confidence I later needed on my international trips to customers.**'

Annika Almstedt: '**We were frequently on the go, but that's precisely what makes this job exciting. Both of us also loved the 'PräsenTorik' seminar, which was, as suggested by the name, about presentation skills. We have learned many details about rhetorical skills and have already made use of them in presentations at international trade exhibitions.**'



> Annika Almstedt (left) and Caroline Matthiesen (right) in the lab



> Caroline Matthiesen (left) and Annika Almstedt (right) at the European Coatings Show 2017

# PRODUCT SAFETY

is a top priority at Wörleé



> Wörleé relies on comprehensive quality management.



Photos: © Jenner Egberts Foto+Film

## Who says that a product must be safe?

In Europe, the legislator stipulates that products offered on the market must not endanger the safety and health of people if used as intended or in a foreseeable way. Chemicals are governed by the REACH Regulation, which stands for registration, evaluation, authorisation and restriction of chemicals.

## When did product safety start to gain importance?

The introduction of the REACH Regulation was an important turning point. This regulation is not only about requiring all substances produced or imported by us to be registered. At the end of 2018, classification and labelling were also revised from scratch to reflect the supplemental CLP regulation as well as the various changes in the laws regulating cosmetic products. Since then, the legal frameworks have continued to develop; regulations and guidelines are subject to ongoing revision. For us, this means that each modification must be assessed to determine any actions that we need to take.

## How is product safety embedded in our business processes?

The Product Safety department is one of the first decision-making processes a product has to pass through before it can be launched on the market. That's because the REACH regulation requires all products to be registered before being marketed. The Product Safety department at Wörleé is thus re-

sponsible for ensuring the legal compliance of our products. Only then are we permitted to sell our products. Our customers also want to have all regulatory issues clarified before even considering our products.

## What are the specific tasks of Wörleé's Product Safety department?

Our tasks include the preparation of safety data sheets and labels as well as the provision of information that explains the conformity of our products with various regulations and guidelines. We must also give consideration to the laws of the countries we export our products to, countries in Asia, the USA and a number of other countries.

## What makes product safety sustainable?

Our products allow us to exercise a significant degree of influence, which is why product safety is an important sustainability-related issue for us. Our most important task is to ensure that our customers can safely use the products supplied by us. Chemicals are generally allocated to different hazard classes. By providing carefully prepared information in our safety data sheets, we ensure that our customers know how to minimise risks in their operations. We also provide our R&D department with important new information about hazardous substances. Our objective is to supply products that have the smallest-possible risk of endangering people and the environment.



'It goes without saying that our customers need to be able to use our products safely.'

**Barbara Schnittke,**  
Product Safety employee,  
Wörleé-Chemie



# HEALTHY EMPLOYEES

are the key to our company's success

'We are delighted that our employees take less sick leave than the average employee in Germany,' explains Maike Rosenberg, who works in the Human Resources department and is part of the team that organises the health days in Lauenburg. 'The health of our employees is an essential success factor for Worlée. Each individual contributes to our company's success, which means that each individual is important to us.' To keep our employees healthy, Worlée operates a comprehensive health management system. Its main focus is on the regular health day, which alternates between Lauenburg and Hamburg. The topics vary so that everyone can find what is interesting and right for them. It ranges from dietary advice to relaxation sessions and health check-ups. The T-wall, an interactive sport and training device that measures and helps improve reaction, coordination and mobility, was very well received at the 2018 health day.

It is very important to Worlée that its employees are given an opportunity to talk to the coaches and receive support in their development of an individual training programme at these health days. The event offers Worlée employees an opportunity to think about their health. Maike Rosenberg works in the Human Resources department and is part of the team that organises the health day in Lauenburg. Preparing the event for colleagues is not only fun for her, but she can also clearly see the practical benefits: 'You know how it is: with all the hustle and bustle at work and privately, you sometimes just don't have the time to take preventative action that keeps you healthy. Turning our canteen into a kind of "health centre" with different stations has allowed our colleagues to take care of their health while they are at work. The feedback is always good, which makes us in the organisation team very happy.'



> Employees can win healthy raffle prizes and take advantage of a range of health tests offered at the health day.

“

**'We are excited to see the acceptance of the health days increasing further with each event. The free health tests offered at the event, in particular, are always very popular. The event is supposed to help our colleagues take care of their health in an effective way.'**

**Ursel Nitsch-Kotthof,**  
Head of Human Resources, Worlée-Chemie



## GRI CONTENT INDEX

This Worlée-Chemie Sustainability Report was compiled in compliance with the 2016 standards of the Global Reporting Initiative (GRI) with the Core option. An external audit was not carried out. The following GRI content index shows the management approaches and key performance indicators along with the corresponding GRI standards and page numbers in the report for all materially significant aspects.

GRI standard	Title	Page
<b>General information</b>	<b>For today and tomorrow</b>	
102-45 to 102-56	Report profile	3, GRI content index
102-14	Welcome Management's preface	4, 5
102-1, 102-2, 102-3, 102-4 102-5, 102-6, 102-7	Company profile	7
102-8	Development of employee numbers	7, 40
102-9	Supply chain	8
102-11, 102-12, 102-16	Guiding principles/ethics and integrity	8, 9
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<b>Economy</b>	<b>Solid foundation</b>	
103	Management approach	15
201-3	Economic performance	15
202-1, 202-2	Market presence	15
204-1, 308-1, 308-2, 414-1, 414-2	Procurement practices	15
204-1	Proportion of local suppliers	16, 37
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103	Management approach	21
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419-1	Socio-economic compliance	31

## KEY PERFORMANCE INDICATORS

### KEY PERFORMANCE INDICATORS, CHAPTER 2

**204-1 Local suppliers:** Our local suppliers are from the federal states Schleswig-Holstein, Hamburg, Lower Saxony, Bremen and Mecklenburg-West Pomerania in the northern half of Germany.

#### Technical suppliers of the Lauenburg and Lübeck factories

Calendar year	Number of active suppliers	Local suppliers	% local suppliers
2016	222	146	65.8%
2017	227	165	72.7%
2018	227	163	71.8%

#### Suppliers of raw materials/packaging for the Lauenburg and Lübeck factories

Calendar year	Number of active suppliers	Local suppliers	% local suppliers
2016	203	44	21.7%
2017	199	44	22.1%
2018	195	45	23.1%

### KEY PERFORMANCE INDICATORS, CHAPTER 3

#### Materials

Total weight of used materials	Value 2016	Value 2017	Value 2018
non-renewable raw materials [ t ]	26,381	26,952	0*
renewable raw materials [ t ]	15,716	17,002	16,499
Portion of recycled raw materials [ kg/kg ]	0.023	0.028	0*
<b>Total</b>	<b>42,097</b>	<b>43,954</b>	<b>0*</b>

\* Values were not available at the time of printing. The Sustainability Report available for download on our website contains the current values as soon as they are available.

The materials contain only raw materials. Auxiliary and operating materials are not included. The quantities are based on measurements. Packaging materials are not recorded by weight. If possible under quality aspects, processed used packaging will be used. Raw material packaging and packaging used for internal purposes are mostly given for reprocessing.

All raw materials are sourced from external suppliers.

## Energy

Energy consumption within the organisation	Value 2016	Value 2017	Value 2018
Fuel consumption from non-renewable sources (calorific value) [ kWh ]	23,227.933	23,539.729	22,191.039
Fuel consumption from renewable sources (calorific value) [ kWh ]	0	0	0
Annual electricity consumption [ kWh ]	8,749.063	9,019.395	9,356.759
Annual heating energy consumption [ kWh ]	1,210.915	504,128	1,173
Total annual energy consumption [ GJ ]	119,476	119,028	113,576
Energy intensity quotient [ kWh/kg ]	0.587	0.575	0.605

Fuel consumption includes natural gas, heating oil, liquefied petroleum gas, car fuels of company cars and the thermal solvent after-combustion mixture (HLMG) from cleaning processes. Due to the lack of analyzes and constantly changing composition, the value of heavy heating oil was taken as calorific value of the HLMG. The calorific value of the natural gas used was taken from the information provided by the supplier. The conversion factors for determining the calorific value of other fuels are taken from the Allocation Regulation 2012 (UBA).

The heating energy consumption includes only heat sourced from outside. At the Lauenburg site, the amount of process heat received from a biogas plant has declined due to technical problems.

The energy intensity includes only the total energy consumption within the organization and refers to the production volume.

## Water

Water extraction by source	Value 2016	Value 2017	Value 2018
Rainwater (Annual amount) [ m³ ]	1,418	1,901	996
Portable water consumption [ m³ ]	36,248	46,060	44,715
<b>Total</b>	<b>37,666</b>	<b>47,961</b>	<b>45,711</b>

No water is taken from surface waters and no groundwater. At the Lauenburg site, rainwater is collected on roof surfaces and used as cooling water.

The extracted drinking water is used for sanitary purposes and after treatment (softening) as cooling water, boiler feed water and as a solvent for products.

The cooling water is recooled and reused after use. How often the cooling water is reused can not be determined. The evaporation and desalination losses in the cooling towers are replaced by rainwater and treated drinking water.

## KEY PERFORMANCE INDICATORS

### Sewage and waste

Annual volume of sewage	Value 2016	Value 2017	Value 2018
<b>Sewage discharge</b> by quality and point of discharge [ m <sup>3</sup> ]	23,953	28,681	27,082
<b>Annual volume of waste</b>			
<b>Waste, total</b> Waste by type and disposal method Hazardous waste - total weight [ t ]	7,132	8,207	7,627
<b>Hazardous waste for recycling</b> Waste by type and disposal method Hazardous waste Recycling [ t ]	1,776	2,092	2,524
<b>Hazardous waste recovery</b> Waste by type and disposal method Hazardous waste Recovery, including Energy recovery [ t ]	2,143	2,134	1,916
<b>Non-hazardous waste</b> Waste by type and disposal method Non-hazardous waste - total weight [ t ]	300.6	320.8	325.7
<b>External disposal - recycling</b> Waste by type and disposal method Hazardous waste Waste incineration [ t ]	3,179	3,886	3,063
<b>External disposal - removal</b> Waste by type and disposal method Hazardous waste Landfill [ t ]	34.1	94.9	123.5
<b>Transported hazardous waste</b> [ t ]	4,689	5,752	5,385

The waste water is fed into the municipal sewage treatment plants of the respective locations. The quantities were determined by subtracting the quantities of water that evaporate in the cooling towers or are used as solvents for products are determined by the fresh water supply. At the Lauenburg site, in addition to sanitary wastewater, only salted water from water softening is discharged. Other industrial waste water is not produced in Lauenburg.

All waste is disposed of in accordance with the applicable laws and regulations. No waste has been shipped abroad.

No harmful substances were released in significant quantities during the reporting period.

## CO<sub>2</sub> emissions

GHG emissions	Value 2016	Value 2017	Value 2018
<b>Direct (Scope 1)</b> Gross volume, [ t ]	5,063	5,064	4,753
<b>Indirect (Scope 1)</b> Gross volume, [ t ]	2,868.00	41.04	34.19
<b>Specific</b> Intensity of GHG emissions Intensity quotient Annual amount of GHG emissions/ Annual production volume [ kg/kg ]	0.140	0.089	0.092

The calculation of direct CO<sub>2</sub> emissions includes all fuels with their CO<sub>2</sub> equivalent. The production processes produce no THG. Worlée-Chemie is not subject to emissions trading.

The emission factor of the HLMG is that for heavy fuel oil. The emission factors for other fuels come from the Allocation Ordinance 2012 (UBA).

Since 2017, electricity has mainly been purchased from renewable sources. Only small secondary connections are supplied with grey electricity. The specific GHG emissions are calculated from the sum of the GHG emissions Scope 1 and Scope 2 and relate to the production quantity.

## KEY PERFORMANCE INDICATORS, CHAPTER 4

**102-8:** Percentage of employees per employee category in each of the following diversity categories: gender,

age brackets: under 30 years of age, 30–50 years of age, over 50 years of age

**405-1a:** Percentage of persons in management bodies of an organisation in the category specified above

The stated percentage is in relation to total employment in the respective region

	Employees as of 31/12	M	%	F	%	< 30	%	30–50	%	> 50	%
<b>Lauenburg</b>	206	159	77.18	47	22.82	39	18.93	93	45.15	74	35.92
<b>Hamburg</b>	42	16	38.10	26	61.90	9	21.43	23	54.76	10	23.81
<b>Lübeck</b>	31	25	80.65	6	19.35	1	3.23	16	51.61	14	45.16
<b>Total for 2016</b>	<b>279</b>	<b>200</b>	<b>71.68</b>	<b>79</b>	<b>28.32</b>	<b>49</b>	<b>17.56</b>	<b>132</b>	<b>47.31</b>	<b>98</b>	<b>35.13</b>
<b>% in manage- ment bodies</b>		92.84		7.16		1.56		40.63		57.81	
<b>Lauenburg</b>	224	176	78.57	48	21.43	47	20.98	97	43.30	79	35.27
<b>Hamburg</b>	48	19	39.58	29	60.42	8	16.67	30	62.50	10	20.83
<b>Lübeck</b>	38	33	86.84	5	13.16	4	10.53	14	36.84	20	52.63
<b>Total for 2017</b>	<b>309</b>	<b>227</b>	<b>73.46</b>	<b>82</b>	<b>26.54</b>	<b>59</b>	<b>19.09</b>	<b>141</b>	<b>45.63</b>	<b>109</b>	<b>35.28</b>
<b>% in manage- ment bodies</b>		93.53		6.47		3.12		39.06		57.82	
<b>Lauenburg</b>	244	190	77.87	54	22.13	53	21.72	108	44.26	83	34.02
<b>Hamburg</b>	55	20	36.36	35	63.64	10	18.18	34	61.82	11	20.00
<b>Lübeck</b>	35	30	85.71	5	14.29	4	11.43	11	31.43	20	57.14
<b>Total for 2018</b>	<b>334</b>	<b>240</b>	<b>71.86</b>	<b>94</b>	<b>28.14</b>	<b>67</b>	<b>20.06</b>	<b>152</b>	<b>45.51</b>	<b>115</b>	<b>34.43</b>
<b>% in manage- ment bodies</b>		93.42		6.68		3.15		40.62		56.23	

KEY PERFORMANCE INDICATORS

**401-1a:** Total number and percentage of new employees broken down by age bracket, gender and region.  
The stated percentage is in relation to total employment in the respective region

	New employees	%	M	%	F	%	< 30	%	30–50	%	> 50	%
<b>Lauenburg</b>	16	7.77	10	4.85	6	2.91	9	4.369	7	3.40	0	0.00
<b>Hamburg</b>	2	4.76	0	0.00	2	4.76	2	4.762	0	0.00	0	0.00
<b>Lübeck</b>	1	3.23	1	3.23	0	0.00	1	3.226	0	0.00	0	0.00
<b>Total for 2016</b>	<b>19</b>	<b>6.81</b>	<b>11</b>	<b>3.94</b>	<b>8</b>	<b>2.87</b>	<b>12</b>	<b>4.301</b>	<b>7</b>	<b>2.51</b>	<b>0</b>	<b>0.00</b>
<b>Lauenburg</b>	27	12.05	25	11.16	2	0.89	12	5.357	13	5.80	2	0.89
<b>Hamburg</b>	6	12.50	3	6.25	3	6.25	3	6.25	3	6.25	0	0.00
<b>Lübeck</b>	7	18.42	6	15.79	1	2.63	4	10.53	2	5.26	1	2.63
<b>Total for 2017</b>	<b>39</b>	<b>12.62</b>	<b>32</b>	<b>10.36</b>	<b>6</b>	<b>1.94</b>	<b>20</b>	<b>6.472</b>	<b>16</b>	<b>5.18</b>	<b>3</b>	<b>0.97</b>
<b>Lauenburg</b>	26	10.66	18	7.38	8	3.28	10	4.098	15	6.15	1	0.41
<b>Hamburg</b>	8	14.55	1	1.82	7	12.73	4	7.273	4	7.27	0	0.00
<b>Lübeck</b>	0	0.00	0	0.00	0	0.00	0	0	0	0.00	0	0.00
<b>Total for 2018</b>	<b>35</b>	<b>10.48</b>	<b>26</b>	<b>7.78</b>	<b>9</b>	<b>2.69</b>	<b>14</b>	<b>4.192</b>	<b>20</b>	<b>5.99</b>	<b>1</b>	<b>0.30</b>

**401-1b:** Total number and percentage of employee fluctuation during the reporting period, broken down by age bracket, gender and region  
The stated percentage is in relation to total employment in the respective region

	New employees	%	M	%	F	%	< 30	%	30–50	%	> 50	%
<b>Lauenburg</b>	9	4.37	9	4.37	0	0.00	2	0.97	2	0.97	5	2.43
<b>Hamburg</b>	3	7.14	2	4.76	1	2.38	0	0.00	3	7.14	0	0.00
<b>Lübeck</b>	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
<b>Total for 2016</b>	<b>12</b>	<b>4.30</b>	<b>11</b>	<b>3.94</b>	<b>1</b>	<b>0.36</b>	<b>2</b>	<b>0.72</b>	<b>5</b>	<b>1.79</b>	<b>5</b>	<b>1.79</b>
<b>Lauenburg</b>	9	4.02	8	3.57	1	0.45	4	1.79	1	0.45	4	1.79
<b>Hamburg</b>	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
<b>Lübeck</b>	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
<b>Total for 2017</b>	<b>9</b>	<b>2.91</b>	<b>8</b>	<b>2.59</b>	<b>1</b>	<b>0.32</b>	<b>4</b>	<b>1.29</b>	<b>1</b>	<b>0.32</b>	<b>4</b>	<b>1.29</b>
<b>Lauenburg</b>	6	2.46	4	1.64	2	0.82	4	1.64	1	0.41	1	0.41
<b>Hamburg</b>	1	1.82	0	0.00	1	1.82	0	0.00	0	0.00	1	1.82
<b>Lübeck</b>	3	8.57	3	8.57	0	0.00	0	0.00	0	0.00	3	8.57
<b>Total for 2018</b>	<b>10</b>	<b>2.99</b>	<b>7</b>	<b>2.10</b>	<b>3</b>	<b>0.90</b>	<b>4</b>	<b>1.20</b>	<b>1</b>	<b>0.30</b>	<b>5</b>	<b>1.50</b>

**401-3-a to e:**

**Total number of employees  
with entitlement to parental leave according to gender:**

	<b>Total</b>	<b>m</b>	<b>f</b>
<b>2016</b>	<b>9</b>	<b>5</b>	<b>4</b>
<b>Lauenburg</b>	<b>5</b>	<b>3</b>	<b>2</b>
<b>Hamburg</b>	<b>4</b>	<b>2</b>	<b>2</b>
<b>2017</b>	<b>12</b>	<b>9</b>	<b>3</b>
<b>Lauenburg</b>	<b>8</b>	<b>7</b>	<b>1</b>
<b>Hamburg</b>	<b>4</b>	<b>2</b>	<b>2</b>
<b>2018</b>	<b>9</b>	<b>7</b>	<b>2</b>
<b>Lauenburg</b>	<b>5</b>	<b>4</b>	<b>1</b>
<b>Hamburg</b>	<b>3</b>	<b>2</b>	<b>1</b>
<b>Lübeck</b>	<b>1</b>	<b>1</b>	<b>0</b>

**401-3-a to e:**

**Total number of employees,  
parental leave by gender:**

	<b>Total</b>	<b>m</b>	<b>f</b>
<b>2016</b>	<b>9</b>	<b>5</b>	<b>4</b>
<b>Lauenburg</b>	<b>5</b>	<b>3</b>	<b>2</b>
<b>Hamburg</b>	<b>4</b>	<b>2</b>	<b>2</b>
<b>2017</b>	<b>11</b>	<b>8</b>	<b>3</b>
<b>Lauenburg</b>	<b>7</b>	<b>6</b>	<b>1</b>
<b>Hamburg</b>	<b>4</b>	<b>2</b>	<b>2</b>
<b>2018</b>	<b>6</b>	<b>4</b>	<b>2</b>
<b>Lauenburg</b>	<b>3</b>	<b>2</b>	<b>1</b>
<b>Hamburg</b>	<b>3</b>	<b>2</b>	<b>1</b>

Total number of employees who returned to work after parental leave during the reference period, by gender: ALL.

Total number of employees who returned to work after parental leave and 12 months after their return to work job were still employed, by gender: ALL

Return rate to work and retention rate of employees on parental leave by gender: 100%.

**403-2a:** Type of injuries, injury rate, occupational disease rate, Rate of work loss days, absence rate, and work-related deaths of employees (salaried and industrial) with a subdivision according to:

	<b>Type of injuries</b>	<b>Injury rate</b>	<b>Occupational disease rate</b>	<b>m</b>	<b>f</b>
<b>2016</b>					
<b>Lauenburg</b>	9 Injuries of which 3 notifiable 7 occupational accidents, 2 commuting accidents	2244.5 Hours downtime 0.672 % Injury rate	0	8	1
<b>Lübeck</b>	2 Injury rate of which 2 notifiable 2 occupational accidents	218.92 Hours downtime 0.424 % Injury rate	0	2	0
<b>Hamburg</b>	1 notifiable commuting accident	123.2 Hours downtime 0.173 % Injury rate	0	0	1
<b>2017</b>					
<b>Lauenburg</b>	7 Injuries (+ 1 overarching from 2016) thereof 5 reportable 6 occupational accidents, 2 commuting accidents (1 overarching from 2016)	1207.05 Hours downtime 0.331 % Injury rate	0	7	1
<b>Lübeck</b>	2 occupational accidents, both notifiable	84.38 Hours downtime 0.153 % Injury rate	0	2	0
<b>Hamburg</b>	0	0	0	0	0
<b>2018</b>					
<b>Lauenburg</b>	4 occupational accidents (+1 across the board), of which 3 notifiable 1 non-notifiable commuting accident (+ 1 overarching from 2016)	630.08 Hours 0.157 % Injury rate	0	5	2
<b>Lübeck</b>	0	0	0	0	0
<b>Hamburg</b>	3 commuting accidents of which 3 notifiable	377.9 Hours downtime 0.405 %	0	1	2

## KEY PERFORMANCE INDICATORS

**403-2b:** Type of injuries, injury rate and work-related deaths of all staff (excluding employees) whose work or place of work is under the control of the organisation, broken down by type:

	Type of injuries	Injury rate	Occupational disease rate	m	f
<b>2016</b>					
<b>Lauenburg</b>	5 injuries of which 2 notifiable 5 occupational accidents	318.6 Hours downtime 0.095 % Injury rate	0	5	0
<b>Lübeck</b>	2 Injuries of which 2 notifiable 2 occupational accidents	218.92 Hours downtime 0.424 % Injury rate	0	2	0
<b>Hamburg</b>	0	0	0	0	0
<b>2017</b>					
<b>Lauenburg</b>	4 Injuries of which 3 notifiable 4 occupational accidents	163.73 Hours downtime 0.045 % Injury rate	0	4	0
<b>Lübeck</b>	2 occupational accidents, both notifiable	84.38 Hours downtime 0.153 % Injury rate	0	2	0
<b>Hamburg</b>	0	0	0	0	0
<b>2018</b>					
<b>Lauenburg</b>	3 occupational accidents, of which 3 notifiable	361.3 Hours downtime 0.090 % Injury rate	0	2	0
<b>Lübeck</b>	0	0	0	0	0
<b>Hamburg</b>	0	0	0	0	0

**403-2c:** The set of rules used for recording and reporting accident statistics: Internal time recording program.



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