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Cover photo (l. to r.): Edelgard Abrahams – employee Financial Accounting and Receivables Management, Torben Dählmann – employee Logistics and Vehicle Fleet, Susanne Lang – employee Public Relations, Dr Christine Hawighorst – Head of Public Relations and CSR, Holger Pargmann – Facility Manager, Isabell Fiorito – employee (Voluntary Ecological Service Year) at the NABU Oldenburger Land office, Meike Kersken – employee Public Relations, Dörte Cibis – Key Account Assistant
SUSTAINABILITY AT CEWE

Specialists from all departments work hand in hand

The sustainability activities of the entire corporate group are consolidated at CEWE in the Sustainability Coordination Group. This regularly brings together experts from all specialist departments, who discuss topical issues, initiate new projects, define targets and compare results to those from the previous year.
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L. to r.: Dr Matthias Hausmann – Divisional Manager Chemistry, Process Engineering and Environment, Axel Weber – Head of Investor Relations, Planning and Reporting, Thomas Mehls – Board of Management member responsible for Marketing, PR, Sustainability and New Business Acquisition, Alf Meyer – Divisional Manager Corporate Purchasing and Materials Management, Meike Kersken – employee Public Relations, Torsten Müller – Head of Merchandising Germany, Austria and Switzerland, Dr Christine Hawighorst – Head of Public Relations and CSR, Oliver Thomsen – Divisional Manager Legal, Thorsten Grüten – Head of Logistics, Marion Gerdes – Head of Human Resources, Dr Joachim Marz – Divisional Manager Corporate IT, Sabine Guhl – Project Manager Retail Marketing, Elwira Wall – employee IT
FOREWORD

Dr Rolf Hollander – Chairman of the Board of Management of the Neumüller CEWE COLOR Foundation
DEAR READER,

Let me begin with the good news: 2015 proved to be another successful year for CEWE. But what, exactly, do we mean by successful? To us it’s when the main focus of our actions is on people. In internal relations this is reflected in staff promotion and motivation, and in external relations in increasing customer satisfaction and the ability of our products to make more people happy each year. Over the past year, we succeeded both in this and in fulfilling our business targets. We are keen to share part of our commercial success with the society in which we operate and are therefore supporting a growing number of social and environmental projects. Step by step, we are continuing to develop our sustainability strategy and implement it along the entire value chain. We define sustainability goals in a dialogue with our stakeholders. What demands do they place on us, what are their key issues and where could we do better? These are just some of the questions we once again asked stakeholder groups within and outside the company in the past year.

The results show that among internal stakeholders the topic of sustainability plays a significantly more important role than was the case last year. It is perceived more strongly as an integral part of our corporate values and culture. It is similarly gratifying to note that all our employees see improvements in the way sustainability is communicated. Our goal to encourage more employees to play an active role in sustainability issues has led to the development of an advanced training programme. The programme syllabus has been designed by the Sustainability Coordination Group and is being taught in collaboration with the Oldenburg Chamber of Industry and Commerce (IHK). We have also extended our cooperation with the SOS Children’s Villages organisation and the Nature and Biodiversity Conservation Union (NABU). We are counting an ever growing number of enthusiastic, hands-on CEWE employees – whether helping with the construction of a garden house at the Düsseldorf-Garath SOS Day Care Centre or with the various renaturation activities on the new site at the company’s headquarters in Oldenburg.

External stakeholders gave even greater priority to the topics of conserving resources and saving energy. We responded to this development last year by rolling out our energy management system at our German processing plants as an extension of our environmental management system. A labour-intensive commitment that pays off both in terms of protecting the environment and improving energy efficiency. Since 2010, we have regularly published our emission values within the scope of the Carbon Disclosure Project. Our outstanding achievements in the areas of environmental and climate protection last year earned us the “Carbon Disclosure Leadership Index Award 2015”, making us one of the top ten performers in our industry in the DACH region (Germany, Austria and Switzerland). We also owe our growing success over the years to our efforts to bolster recognition of the CEWE brand. Aided brand awareness grew last year from 60 to 70 per cent. Our many measures designed to turn satisfied customers into loyal customers are bearing fruit. Customers like our products and make a conscious decision in favour of CEWE. Perhaps because they also know that our responsibility doesn’t stop with delivering a top-quality product.

We have set ourselves the goal to continue to sustainably improve our performance. We prepare an extensive annual report on a voluntary basis documenting our progress in accordance with the GRI G4 Standard Disclosures, confirmed by an independent auditing firm. Parallel to this, we have been a member of the UN Global Compact for the past six years and report on our progress in implementing the Ten Principles in terms of sustainable corporate governance. We have recently drawn up the declaration of conformity with the German Sustainability Code (DNK). Our disclosures pursuant to the code, which contains 20 criteria relating to environmental, social and economic aspects, are published in the DNK database.

As you can see, our commitment has many facets. But we wouldn’t be CEWE if we let it rest at that. And that’s a promise.

Oldenburg, May 2016

Yours sincerely,

Rolf Holländer
MANAGING SUSTAINABLY

Comprehensive reporting

Global Reporting Initiative GRI G4
For CEWE, sustainability has become an integral part of the company’s business performance and corporate communications. CEWE was one of the first SDAX companies to embrace the idea early on of preparing a sustainability report on a voluntary basis. Since 2010, the company has annually reviewed its company-wide progress based on standards in accordance with the Global Reporting Initiative (GRI). The Sustainability Reporting Guidelines developed by the GRI are the most widely applied internationally. They contain principles and indicators for presenting an organisation’s economic, environmental and social performance in a transparent manner. Materiality, clarity and timeliness are among the fundamental principles for defining reporting. Since 2014, CEWE has reported in accordance with the GRI G4 Core option. For the 2014 and 2015 reports, an Independent Assurance Report was also drawn up by an auditing firm.

German Sustainability Code¹
Parallel to this, CEWE has issued the declaration of conformity with the German Sustainability Code (DNK). The cross-sector transparency standard provides companies with a basis for reporting on sustainability performances. Drafted in 2011 by the German Council for Sustainable Development on behalf of the German government, the code covers 20 criteria relating to the environmental, social and economic dimension. CEWE’s disclosures are published in the DNK database.

UN Global Compact²
CEWE has been a member of the UN Global Compact, the most important initiative for responsible corporate governance, since September 2010. Like all participating companies, CEWE has committed to report annually on its progress in implementing the Ten Principles as well as efforts to promote sustainable development. This annual Communication on Progress (COP) is directed at all company stakeholders.


Thomas Mehls – Board of Management member responsible for Marketing, PR and New Business Acquisition also assumed responsibility for Sustainability with effect from 1 January 2016.

“At CEWE, sustainability means assuming responsibility across all departments with a view to the future of the company, the environment and society. I look forward to continuing this committed work together with the Sustainability Coordination Group.”

6 Introduction
Sustainability as part of corporate governance

CEWE has set itself the goal to continuously improve its performance in terms of sustainability and to systematically develop and define its understanding of sustainability management. This is implemented as an integral component of corporate governance in five pillars. Alongside corporate responsibility, these encompass economic viability, resource conservation and environmental protection, responsibility for employees and social commitment. From 2008 to 2015, Sustainability was part of the remit of Board of Management member Andreas F. L. Heydemann. From 1 January 2016, responsibility for Sustainability passed to Thomas Mehlis, Board of Management member with responsibility for International and National Marketing as well as New Business Acquisition. Together with Dr Christine Hawighorst, Head of Public Relations and CSR, he ensures product and process-related commitment and implementation at all locations.

The sustainability activities of all divisions are consolidated at CEWE in the Sustainability Coordination Group. This regularly brings together experts from all specialist departments, who discuss topical issues, initiate new projects, define targets and compare results to those from the previous year. Sustainability issues are the responsibility of the managing directors at the respective national and international locations. They have appointed Sustainability Officers, who in turn maintain contact to the Sustainability Coordination Group. Employees are increasingly active in internal and external working groups and projects and therefore participate in special training courses on sustainability. In order to encourage employees to become proactive ambassadors for sustainability, a new advanced training programme has been set up that will be offered for the first time in 2016. The programme syllabus was designed by the Sustainability Coordination Group and will be taught in collaboration with the Oldenburg Chamber of Industry and Commerce (IHK). The course focuses on the communication of basic CSR topics by employees for employees using concrete examples from CEWE’s sustainability management.

Sustainability management at the CEWE Group
Stakeholder management

For CEWE, sustainability management also means an exchange of views with the stakeholders concerning all important impacts, requirements and developments related to the topic of sustainability. Building on this principle, 630 internal and 15 external stakeholders participated in an extensive survey in 2014. The result of the survey provided the basis for the materiality matrix.

For this year’s report, the 2014 stakeholder survey was revised in order to provide a more differentiated picture of the expectations and opinions and identify concrete topic areas. These included the importance and understanding of sustainability, key topics, awareness of CEWE’s commitment, status of the sustainability strategy and sustainability management, as well as challenges for implementation. The basis for selection was CEWE’s key stakeholder groups, as this allowed coverage of as many different perspectives as possible. Seventeen employees took part in an in-house survey, while 22 interviews were conducted with external stakeholders. The 39 interviewees belonged to 11 different stakeholder groups: sales and retail partners, purchasing and suppliers, IT and technology, logistics, production, environment, HR, marketing, finance, media and public relations and one unassigned group.

The results show that among internal stakeholders the topic of sustainability plays a significantly more important role and is perceived more strongly as an integral part of CEWE’s values and CEWE’s culture. All employees see improvements in the way sustainability is communicated. The sustainability topics covered are considered to be even more relevant, with conserving resources and saving energy as well as social engagement ranking top for those interviewed.

The external survey reveals that the topics identified as material remain unchanged. The relevance of the individual topics varies considerably within the stakeholder groups. The individual results are being reviewed by the relevant departments and will be integrated into future strategies.

Materiality analysis

The results of the stakeholder survey formed the basis of the materiality matrix. The individual points are deemed to be material if both the stakeholders and the company identify them as important. All internal materiality aspects tend also to indirectly have an external relevance, e.g. environmental protection. Boundaries are defined by only including aspects which directly have an impact outside the organisation.

There were no significant changes from previous reporting periods in the Scope and Aspect Boundaries.
Materiality matrix

1: Scale in logarithms for purposes of presentation. | 2: Includes handling of chemicals.

Relevance for CEWE | Relevance for stakeholders | Important | Very important

- Occupational health and safety
- Social commitment
- Demographic change
- Diversity and equal opportunity
- Energy consumption
- Environmental protection
- Environmental product optimisation
- Input materials
- Sustainable procurement
- Waste/wastewater
- (CO2) emissions
- Fair labour practices
- Product labelling
- Environmentally friendly transport
- Supply chain (traceability)
- Water consumption

Introduction

Introduction
Continuous stakeholder engagement

CEWE’s corporate culture encourages a high degree of self-responsibility and offers employees plenty of possibilities to contribute their own ideas to the processes of continuous improvement, as well as to participate in corresponding training and education offerings. In addition to regular discussions with employees, communication media used are the Intranet, staff information brochures (CEWE AKTUELL), IT-based information platforms and company meetings. Increasingly, employees from different departments are involved in specific projects relevant to sustainability. Accordingly, the focus is on a direct exchange of experience and authentic communication between the employees. Employees’ families are also becoming increasingly involved, for example through the organisation of family days and holiday camps. A continuous exchange with the Works Council takes place, and it is included in all important agendas. CEWE utilises a wide variety of event formats to foster direct contact and dialogue with contact partners and representatives from the stakeholder groups.

In the interests of continuous business partnerships, CEWE cultivates long-term relationships to suppliers. Quality assurance agreements support this goal. The inclusion of environmental and social topics, as well as anti-corruption, enhances the quality of supplier relationships. This helps to reduce reputational and credit risks posed by suppliers, for example due to non-compliance with environmental regulations, in a timely manner.

In marketing its products, CEWE cooperates with around 25,000 retail partners and is present in 24 countries Europe-wide. Retailers are therefore a key link to consumers and are addressed through a variety of different measures, for example at trade fairs, personal visits, etc. CEWE places great importance on providing investors with continuous and transparent information. In addition to information in writing, a large number of personal contacts are fostered. This gives investors the opportunity to communicate their needs and suggestions, and CEWE the possibility to implement them.

By demonstrating responsible behaviour, CEWE positions itself as a reliable partner and attractive employer in its respective regional environments, and through its economic activities and social commitment makes a sustainable contribution to a positive development of society. CEWE aims to increase the number of local suppliers and partners it works with. The objective of this strategy is to leverage geographical advantages in an environmentally and economically sustainable manner. The dialogue with sponsorship partners takes place on a transparent, situation-based and equal footing. Primary communication measures include high-quality media work as well as participation in and hosting of media events (e.g. company tours).

Management systems in use

CEWE has integrated concepts and instruments designed to improve social, environmental and economic aspects into its organisational management in a number of corporate divisions. Certified environmental management systems (DIN EN ISO 14001), from which sustainability-relevant data can be directly derived, have been in place in many business units since 2013. In 2015, these were extended at the German locations by the DIN EN ISO 50001 energy management system. Work–life balance audits were also performed in the area of HR (Hertie Foundation, TÜV Rheinland). In the area of materials procurement, separate audits are carried out as needed to assess sustainability factors. Internal and external reviews of the application of environmental and ethical principles draw on quality, product safety, occupational health and safety and supplier management. The risk management system assesses the overall level of opportunities and risks associated with the individual risk areas in an annual Group-wide risk inventory, and the internal control system (ICS) forms an integral component of the business processes of the CEWE Group.
The present report describes the management approaches in greater detail. The information presented is for the most part based on data that is regularly collected, processed and analysed within the organisation. To optimise data monitoring, dedicated sustainability management software was rolled out in 2015.

Legal structure combines the advantages of the capital market and a family approach

The legal form of a KGaA (partnership limited by shares) enables the CEWE Group to combine the typical strengths of capital market-oriented companies with those of family firms. The company’s founder, Senator h. c. Heinz Neumüller wanted to ensure that his entrepreneurial principles would remain permanently established within the company and to secure the company’s long-term future. This is safeguarded by the Neumüller CEWE COLOR Foundation and the major interest held by ACN Vermögensverwaltungs-gesellschaft GmbH & Co. KG (the heirs of Senator h. c. Heinz Neumüller, the largest shareholder with 27.4 per cent). The foundation guarantees that the Group continues to be operated true to the legacy of Senator h. c. Heinz Neumüller, and thus upholds the character of a family enterprise. It stands for a business policy with a long-term focus. For this reason, it also assumes a management function.

The company founder continuously emphasised the need for the CEWE Group to operate innovatively while optimising income. The capital market effectively promotes these entrepreneurial objectives. The decision-making of the company’s executive bodies – i.e. its Board of Management and Supervisory Board – supports and promotes its shareholders’ interest in an attractive investment. Here, too, the focus is on the company’s solid long-term development and sustainable capital growth – and thus on each shareholder’s investment. The combination of these two advantages is the key to an innovative company with a management approach geared towards economic viability and profit maximisation, while fulfilling its social role as an employer and economic factor.

Organisational structure of the CEWE Group

**Limited shareholders**

**Annual General Meeting**

**Supervisory Board**

**Board of Trustees**

**General partner:**
Neumüller CEWE COLOR Foundation

CEWE Stiftung & Co. KGaA, Oldenburg (operations)
Organisational profile

With 12 high-tech production sites (previous year: 11) and approximately 3,400 employees (previous year 3,200), CEWE is present in 24 European countries as an innovative photo and online printing service. The company was founded by Senator h. c. Heinz Neumüller in Oldenburg, Germany, in 1961, and was floated on the stock exchange by Hubert Rothärmel in 1993. CEWE Stiftung & Co. KGaA is listed on the SDAX (German stock market index for small and medium-sized companies). In 2015, approximately 2.2 billion photos and more than 6 million CEWE PHOTOBKOKS and photo gift items were delivered to around 25,000 retail outlets. Revenue in the 2015 financial year amounted to EUR 554.2 million. As at 31 December 2015, the market capitalisation amounted to around EUR 400 million (7.4 million shares at a market price of EUR 54.61 each).

CEWE continuously provides fresh impetus in the photography sector with innovations relating to the joy of photography. The new “Commercial online printing service” business segment markets business stationery via the CEWE-PRINT.de, SAXOPRINT and viaprinto sales platforms. CEWE relies on holistic multichannel concepts to sell its products. In doing so, the company takes advantage of various distribution channels and cooperates with retail partners in the over-the-counter segment (food retail trade, chemist’s, electronics and specialist photography stores) as well as with online retailers. CEWE customers can have their orders sent to them by post or collect them from the nearest branch of their chosen CEWE retail partner. In close cooperation with Marketing, CEWE’s Sales division comprehensively manages relationships with retail partners, equips and maintains points of sale in line with the brand image and coordinates campaigns.
CORPORATE RESPONSIBILITY

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FOR THE LONG TERM
Focusing on stakeholders

CEWE fosters open dialogue with a number of stakeholder groups. For fund management firms such as Loys AG, earning sustainable returns on their clients’ invested capital is a top priority. Through value-driven and prudent corporate governance, CEWE ensures security and long-term capital appreciation for its investors.
Sustainability - modelled on the “honourable businessman”

Sustainability and responsibility are two very closely interwoven concepts. They play an important role in all CEWE company divisions. Even since the company’s foundation over 50 years ago, its aim has been to align ethical principles and economic interests. The company achieves this with the help of its employees, who show consideration and respect in their dealings with the company and its customers. And even if the role model of the “honourable businessman” may seem somewhat outdated today – responsible behaviour in the sense of reliability, honesty, longevity, decency, integrity, trust and diligence are values that CEWE lives and breathes. CEWE’s employees act with forethought and foresight – always with a focus on the needs of customers, business partners, employees and society. Secure in the knowledge that at times like these trust and an excellent reputation are the best currency.

Sustainable behaviour is an economic success factor at a number of levels

The effectiveness of sustainable behaviour in achieving economic success can manifest itself in various ways. A few examples are listed here:

- Recruiting staff because CEWE’s environmentally friendly behaviour is convincing and makes it an attractive employer for potential employees
- Attracting customers through a consistent focus on the environment
- Stabilising the supply chain by choosing sustainable companies as suppliers. This ensures a long-term ability to supply goods at the required quality level, resulting in satisfied customers and ultimately sustainable product sales.
- Saving costs by avoiding materials that are transported over long distances. Not only does this help to protect the environment, it also helps to save costs.
CEWE's vision

Integrity, trustworthiness and responsibility are the hallmarks of CEWE’s corporate culture.

Our philosophy

CEWE is the leading photofinisher and technology leader in industrial photofinishing in Europe. We aim to further expand this position exclusively through our performance, honesty and sound business practices. Customer focus, the quality of our products, an outstanding ability to innovate and the good reputation of our Group are at the heart of everything we do. CEWE considers it important to convince customers with skilled and dedicated staff as well as high-quality products. We are committed to providing a fair and just working environment, because our employees are our greatest asset.

Entrepreneurial spirit and leadership philosophy

Partnership and respect for the individual are the hallmarks of our corporate culture. Our partnership-based leadership philosophy is based on mutual trust, respect for each and every individual and the delegation of responsibility. Our employees have a great deal of scope for action and, within the range of their responsibilities, they participate both in decision-making processes and in the economic success of the company. The companies in our Group are administered by managing directors and managers who think and act with business acumen.

Business partners and competitors

Our relationship with our business partners is based on trust and fairness. We are a reliable partner, and we expect the applicable laws and regulations to be observed in all aspects of business. We therefore refuse to accept any behaviour that discredits or threatens our integrity. We are

Five dimensions of sustainable Corporate Social Responsibility

<table>
<thead>
<tr>
<th>Corporate Responsibility</th>
<th>Compliance with the German Corporate Governance Code, vision, anti-corruption principles, etc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Viability</td>
<td>Long-term value creation, risk management, supplier and product safety management</td>
</tr>
<tr>
<td>Resource Conservation and Environmental Protection</td>
<td>Environmental and energy management systems, waste management, green IT, occupational health and safety</td>
</tr>
<tr>
<td>Responsibility for Employees</td>
<td>Equal opportunity, work-life balance, employee participation, pension scheme, training and education</td>
</tr>
<tr>
<td>Social Commitment</td>
<td>Education networks, photography as a cultural asset, sports sponsoring, social partnership SOS Children’s Villages</td>
</tr>
</tbody>
</table>
opposed to unlawful agreements and bogus offers. Consequently, we are not interested in obtaining orders by granting or offering spurious advantages.

Community and social responsibility
Our shareholders understand that ownership is also an obligation to society. They believe the company’s position in the market economy is also legitimated by its contribution to society. They always behave responsibly both internally and externally and are guided by ethical principles. We feel a particular obligation to protect our employees and the environment, and we fulfil this obligation through sustainability.

Undertaking
Our business principles are subject to a constant process of critical review and development. We expect all employees to align themselves with the objectives and basic values and to act accordingly at all times. Management staff have a particular responsibility in this regard and are expected to set an example.

Corporate Governance Code
The Board of Management and the Supervisory Board have for a long time been committed to the principles of modern corporate governance. To reflect the importance of these principles, particularly for investors, customers and employees, Board of Management member Andreas F. L. Heydemann was appointed Corporate Governance Officer at the beginning of 2009. His tenure ended at the end of 2015. He was succeeded with effect from 1 January 2016 by the Head of the Legal department, Mr Oliver Thomsen, who reports directly to the Board of Management and the Supervisory Board.

CEWE's objective is to uphold and further reinforce the confidence which investors, financial markets, business partners, employees and the public place in the company. In order to comply with applicable requirements, CEWE therefore implemented the necessary organisational measures early on:

- Publication of all capital-market-related information on the Internet
- Active, open and transparent communication
- Close cooperation between the Board of Management and the Supervisory Board
- Responsible risk management

CEWE regularly monitors implementation of the Corporate Governance Code and adjusts its policies in line with current developments. In 2015, the company once again complied with almost all of the provisions of the German Corporate Governance Code. For more details, please refer to the 2015 Annual Report, page 122 ff.

Composition of the Supervisory Board
The Supervisory Board of CEWE Stiftung & Co. KGaA consists of 12 members. In its current composition, it almost fully complies with Section 5.4.1. (2) of the German Corporate Governance Code. The Supervisory Board has two female members from among the shareholder representatives and three female members from among the employee representatives. The company therefore complies with the new statutory requirement that 30 per cent of Supervisory Board members be female. In compliance with statutory requirements, the Supervisory Board will in future nominations also give appropriate consideration to whether candidates have the necessary skills, competences and technical experience required to serve on the Supervisory Board.

1: www.corporate-governance-code.de.
Illegal practices are incompatible with CEWE’s basic values and business principles. Within the scope of the compliance system, appropriate standards of conduct have been drawn up to prevent white-collar crime. All members of the governing body have received training in combatting corruption. Furthermore, all members were trained in the context of lectures.

In this context, an external ombudsman was appointed. Employees, business partners and third parties may contact the ombudsman if they want to confidentially report any indications of suspected cases of corruption, fraud, embezzlement or any other serious irregularities. Information on suspected cases can, of course, also be submitted anonymously. In the 2015 reporting period, the ombudsman did not receive any reports and there were no violations of laws or regulations.

The issues of data privacy and data protection are a very high priority for CEWE. To meet the requirements of the affected parties, the company’s Data Protection Officer, Elisabeth Mählmann is supported by a team made up of staff members from different corporate divisions. Each member of the team makes a valuable contribution through their specialised knowledge in specific areas. If necessary, the team can be supported by external consultants. Due to the increasing complexity of the systems, they need to be reviewed on a regular basis. Furthermore, employees receive regular training on the topics of data privacy and data protection.

There were no identified incidents of data leaks, thefts or losses or substantiated complaints regarding breaches of customer privacy and losses of customer data in the reporting period. Correspondingly, no significant fines were reported.

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ECONOMIC VIABILITY

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L. to r.: Keno Pieper – second-year apprentice Mechatronics Engineering, Rainer Reil – Head of the Research & Development Mechanical Engineering department and Niklas Hilljegerdes – second-year apprentice Mechatronics Engineering
SMART DEVELOPERS
Safeguarding the future with smart technology

Innovation leadership is a crucial competitive advantage. This is something CEWE recognised decades ago and since then has been developing its own production systems. Experienced staff members pass their expertise on to junior employees and thus new machines are developed that significantly increase the level of productivity and quality in print finishing and shipping.
Company development

The company achieved its financial targets again in 2015. Revenue increased to EUR 554.2 million (previous year: EUR 523.8 million), clearly exceeding the target of EUR 515 million to EUR 535 million. A total of 868,352,586 CEWE products were dispatched. CEWE benefited from the growing portfolio of value-added products and from the high level of brand recognition. According to a GfK analysis from January 2016, assisted brand recognition of the CEWE PHOTOBOOK increased in Germany from 60 to 70 per cent. CEWE aims to further build on this brand strength. The commercial online printing business segment also fulfilled the high growth expectations. Revenue grew by 10.4 per cent to EUR 77.8 million. With VAT on photo books at the same level, Group revenue is forecast to increase slightly in 2016 from EUR 554.2 million in 2015 to between EUR 555 million and EUR 575 million on average. Earnings per share are expected to range between EUR 3.53 and EUR 4.10 in 2016.

Revenue in EUR million

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>469.0</td>
<td>507.2</td>
<td>536.2</td>
<td>523.8</td>
<td>554.2</td>
</tr>
<tr>
<td>Change compared to previous year</td>
<td>+5.0%</td>
<td>+8.1%</td>
<td>+5.7%</td>
<td>−2.3%</td>
<td>+5.8%</td>
</tr>
</tbody>
</table>

Economic forecast based on visible trends

The starting point for working on a long-term, healthy economic performance at CEWE is the uptake of technology and other market trends from all conceivable sources: results from market research institutes, conferences and symposiums, trade press and general financial press, con-
Conversations with suppliers, retail partners and consumers. The information acquired in this way populates the long-term CEWE forecast model and provides management with a view of potential future income statements, balance sheets and cash flows.

Continuous corporate transformation:
CEWE defines initiatives and implements them rigorously
On the basis of this forecast, CEWE defines initiatives that it can use to shape its future development in the interests of the company and all its stakeholders. The effects of these initiatives are also added to the CEWE forecast model.

While this planning work is mostly performed once a year – except for in exceptional situations – follow-up work is continuously underway on the initiatives, and their implementation is closely tracked in regular meetings (including meetings of the Board of Management). In this way, CEWE is continuously working on its transformation.

Focus on long-term profit and corporate value
CEWE uses these measures to focus clearly on optimising the long-term corporate situation. Consequently, quarterly results and sometimes even annual results are less crucial than the long-term vitality of the company. CEWE thinks in terms of decades. In the forecast model, such long-term aspects can in many cases be identified in the going-concern value of the company.

Key business segments with their brands and products

Strengthening the brand in the photofinishing core business
In the photofinishing segment, CEWE is maintaining its focus on cementing the position of the CEWE PHOTOBOOK as a premium-segment brand not only in the core markets of Germany, Switzerland and Austria, but also in all other European countries that CEWE supplies. Apart from the established CEWE PHOTOBOOK, since 2013 additional product brands with similar positioning have been added with CEWE CALENDARS, CEWE CARDS and CEWE WALL ART. The aim is to leverage the positive consumer behaviour and high level of brand recognition enjoyed by the CEWE PHOTOBOOK for the other product groups by progressively transferring the differentiation advantages of the satisfaction and quality guarantee the CEWE brand is known for to a growing product portfolio. At the same time, this boosts advertising effectiveness and CEWE’s products can be sold to customers “in advance”, also to the benefit of the CEWE retail partner.

Growth in commercial online printing
With the three brands CEWE-PRINT.de, SAXOPRINT and viaprinto, CEWE is now active in ten countries in the commercial online printing segment. In addition to online shops in Germany, the UK, France, Spain, Italy, Switzerland and Austria, CEWE is currently offering business stationery products in the Netherlands, Belgium and Poland. The company also has plans to expand into other European countries. New products launched on the online printing portals in 2015 included envelopes, labels, sticky notes and files. New types of paper and formats have also been added to the company’s existing range of standard products. The online printing portals now offer notepaper, business cards, flyers, greetings cards and folders in the environmentally friendly recycled version. Recycled paper is made from 100 per cent recycled waste paper.

Retail: strong performance for CEWE RETAIL
CEWE operates multichannel retailing in Poland, the Czech Republic, Slovakia as well as Norway and Sweden in the form of bricks-and-mortar stores and online shops (brands include Fotojoker, Fotolab, Japan Photo). CEWE RETAIL offers its customers an attractive selection of cameras, lenses, accessories and services, as well as CEWE’s entire photofinishing range. In 2015, CEWE RETAIL maintained or even expanded its strong market position in Norway, the Czech Republic and Slovakia. In the year under review, the company continued
to make adjustments to its business model in Poland through repositioning, significantly reducing the number of branches and modernising more stores.

**Further development of options for future business segments**

Through targeted equity investments in young companies, CEWE intends to continue to develop future business segments in line with its model for commercial online printing. Above all, for potential investments, CEWE is interested in online business models which – just like CEWE – produce customised, high-quality products with a substantial customer benefit and thus build a strong brand, while offering the potential of developing CEWE’s business in future. To start off with, these investments are small. However, if a company shows promising development and fits well with CEWE, CEWE may increase its shareholding. A first example of this is futalis.

**Sustainable financial management**

CEWE creates value with its operational activities rather than financial fine-tuning

At CEWE, the role of financial management is to keep operational value creation in R&D, marketing, sales, production and all other functions free of all financial constraints. The golden rule is that covenants¹, payment terms, capital market communication and similar elements must be structured in such a way that correct long-term decisions can be made and implemented.

Even when just buying back its own shares, CEWE’s own estimate of the company’s going-concern value, derived from the forecast model, was crucial. If, from the company’s perspective, the share price is significantly lower than the share’s fair value, CEWE systematically seizes the opportunity to buy back shares and create value.

**Financial management at CEWE also takes the long-term view when it comes to financing, investor relations, investments and general cost awareness.**

**Solid debt financing: high proportion of long-term lines of credit**

CEWE has long-term, trust-based relationships with several banks. The main banks providing credit to CEWE were chosen because these institutions pursue a conservative business policy that is similar to that pursued by CEWE. CEWE communicates continuously with all the relevant banks. When configuring its lines of credit, CEWE ensures that it has a healthy mix of shorter-term loans and a significant proportion of longer-term arrangements. CEWE also appreciates the value of a sufficient number of unused credit lines, which allow it to be able to exploit strategic opportunities, even at very short notice.

**Strong balance sheet: high equity ratio**

CEWE always aims to maintain high equity ratio, which offers the company security and strategic freedom. This view applies at CEWE practically independently of the current situation on the financial markets: even if a high “capital efficiency” is currently en vogue and greater leverage is required through external financing, CEWE retains a high equity ratio (2015: 52.7 per cent).

Accordingly, CEWE does not endeavour in any way to increase the return on equity by reducing equity. CEWE considers speculation involving increasing share value by reducing equity and consequently expecting an increase in the return on equity to be wrong: an increased debt ratio also means the company must pay a higher interest rate for the debt, because of the increased risk. The discount rate thus increases and, within the framework of the company valuation in a discounted cash flow, the bottom line is that there is no increase in value. In terms of the return on investment, CEWE pays very close attention to the value of the return on capital employed (ROCE), which is regularly displayed in the quarterly and annual reports. From CEWE’s perspective, this correlates well with the company’s going-concern value.

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1: Covenants are legally binding assurances made by the borrower or bond debtor during the term of a loan.
Targeting investors with a long-term view
The traditionally long-term view espoused by CEWE, and outlined in this Sustainability Report, has been actively communicated to investors through the years. Brokers who establish contact with investors are aware of this CEWE characteristic. As a result, they, too, consciously arrange contacts with potential investors who want to invest in companies with a long-term focus. This is important, as it avoids conflicts of goals with investors focused on the short term, who tend to invest before a short-term high in the share price, with the aim of leveraging this to make a profitable exit. This tactic may work out for such investors; CEWE, however, would then face the challenge of offering even investors who come in when the price is high a reasonable return, which a speculative rise and fall in the share price would make difficult. CEWE gives preference to steady, positive performance and shareholders with a long-term view. By seeking shareholders who match this profile, unproductive relationships are avoided in advance, ultimately saving costs.

No fear of investment, but with a sense of proportion
One consequence of this long-term view is a fundamental willingness to invest. However, each investment is carefully examined and – where no past experience is available – larger investments are safeguarded by investment appraisals. All larger investments are retrospectively reviewed and evaluated. The ability to pay immediately due to available cash or free lines of credit means that CEWE can regularly take advantage of special supplier offers, particularly in the case of capital goods. Consequently, if, for example, investments are brought forward, they are much more cost-effective than if they were made later. Thus, a short-term disadvantage is accepted in favour of a much greater long-term advantage.

No speculative investments – just a solid parking spot for available capital
If cash cannot be used to repay debt, it is generally “parked” at a fixed interest rate. Speculative investments are not entered into.

Cost awareness at CEWE: the sharp pencil is always to hand
The traditional, characteristic SME awareness of costs is very pronounced at CEWE. Typical statements are: Do we have to outsource this, could we not do it ourselves? Three quotes aren’t enough, let’s get another one. We don’t need to meet in person – everyone knows each other, let’s hold a video conference instead.

CEWE promotes employee ownership of CEWE
It is important to CEWE that management and staff think and act as if CEWE was their own company. To ensure that this does not remain just a theoretical concept, CEWE promotes employee participation in the company’s ownership. It does so via employee share programmes that offer maximum tax benefits and share options for managers.

Quality brand with a high customer focus
Since its market launch, the CEWE PHOTOBOOK has become Europe’s most popular photo book. Millions of customers trust in the multi-award-winning quality of this best-selling product. The same is now true of CEWE’s other brand products, which in 2015 once again came top in numerous tests conducted by independent organisations. One particular highlight was the company’s win in the Stiftung Warentest November 2015 test. Together with its partners Saturn and Drogerie Müller, CEWE PHOTOBUCH clearly outpaced the competition. CEWE also attaches great importance to customer service – express delivery, 100 per cent satisfaction guarantee, customer service availability seven days a week (even up to midnight during the Christmas period) have long been standard at CEWE. Since 2012, CEWE has also been...
Both product innovations and marketing campaigns are therefore closely aligned with the needs of CEWE’s customers. In 2015, this focus became a key marketing theme. Customers provided authentic and convincing reports of their experiences using CEWE PHOTOBOOK. Cooperation with CEWE’s retail partners also highlights this aspect. CEWE maintains an intensive customer dialogue through a variety of touchpoints, enabling it to adequately respond to consumer wishes at all times.

**Risk management: opportunities and risks**

CEWE’s business policy is directed towards safeguarding the viability of the company, sustainably increasing the company’s going-concern value and generating reasonable returns over the long term. Achieving these objectives entails a permanent and conscientious process of weighing up the opportunities and risks inherent in CEWE’s pan-European activities. Seizing opportunities and the ability to identify, analyse and mitigate risk through appropriate strategies are important factors in defining corporate action.

Systematic management of opportunities and risks is an ongoing task for the Board of Management and the management in each area of responsibility. The risk management system identifies opportunities and risks within the individual risk fields as part of an annual, Group-wide risk inventory. The annual opportunities and risk report¹ is prepared on the basis of this risk inventory.

In the course of the year, opportunities and risks are reassessed at least every quarter. Similarly, they are also reported to the Supervisory Board at least quarterly.

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¹: A detailed Opportunities and Risk Report can be found in CEWE’s 2015 Annual Report on p. 110 ff.
Research and development with an instinct for innovation

CEWE has always attached great importance to research and development. Even when analogue photography was the dominant medium, many of the company’s own patents for production machines and devices helped it to transform technological and innovative leadership into a competitive advantage. This is a tradition CEWE is continuing in the digital age, both in terms of manufacturing technology and software development.

CEWE currently has more than 140 employees working on the initial and ongoing development of software-based ordering options. In its software development, CEWE makes use of agile software development and automated tests to bring better-tested products and software features to market more quickly. In a proprietary mechanical and electrical device development process, prototypes are planned and built which are subsequently duplicated for CEWE’s plants, partly in-house and partly by external partners. In this context, the packaging processes for CEWE WALL ART were optimised in 2015. The process for packaging the products has been simplified, and CEWE customers can unpack them without any risk of damage.

Quality management

The quality of CEWE’s brand products is determined on the one hand by the digital workflow and on the other by the industrial production process. For this reason, all quality management efforts are geared towards optimising and aligning these two processes.

At CEWE, quality management begins with selecting the procedures and materials used. All materials are examined on a regular basis, while the control loop and communication with the supplier’s quality control system is continuously enhanced. CEWE has more than 50 years of solid experience in the methodologies used for processing photographs and in the meantime over ten years in digital printing processes. The photographic paper, printing paper, chemicals and dyes that the company uses are constantly being improved in close collaboration with suppliers. For industrial digital printing based on electrophotographic processes, the company uses systems that combine high performance with high colour quality. For inkjet printing, CEWE uses 12-colour systems with pigment-based inks that guarantee maximum colour space, improved colour gradations and optimum stability.

With its acquisition of SAXOPRINT, CEWE has integrated offset printing as an additional manufacturing technology. The online printing service is delivered using state-of-the-art equipment such as several Heidelberg Speedmaster XL 162, 4/4 large-format print machines. The processing of this large-format technology is handled using automated systems.

One of CEWE’s most important core competencies is the processing of digital data. The digital workflow is self-programmed and undergoes continuous improvement processes. For image enhancement, CEWE uses the best software available, which it adapts and regularly monitors in line with its own high quality criteria. CEWE has introduced process controls for the crucial colouring processes, ensuring a consistent colour quality. These are mostly in-house developments for digital printing, which are based on comparable professional standards in other areas. The last step in the quality process is the final check. Here, too, the goal is to continuously improve product quality.

Within the context of complaints management, tips and suggestions received for improving product quality are always processed together with the respective departments. CEWE handles complaints quickly and in an accommodating manner. Its aim at all times is to keep the complaints rate low, despite the increasing complexity of the products. At 0.57 per cent, the complaints rate in 2015 was significantly lower than in the previous year (0.65 per cent). The company’s endeavours to achieve the highest levels of quality were confirmed by its win in the “Photo books” category in the test conducted by the German consumer association Stiftung Warentest (11/2015 issue).
Product safety

A team of experts is responsible for the systematic management of product safety. This team is comprised of employees from the Purchasing, Production, Product Management, Legal and Quality Assurance departments. The team examines the marketability of all existing products on an ongoing basis. CEWE works very closely with all its suppliers. Regular on-site visits to production sites ensure compliance with key requirements even at the manufacturing stage.

New products are only launched with the appropriate certification. Furthermore, current legislation is always monitored and taken into account in all procedures. The company’s own test criteria extend beyond the scope of current legal stipulations and comply with the latest recommendations of the German Federal Institute for Risk Assessment. CEWE’s stringent demands on product safety and quality management contribute to the brands’ success. In the 2015 reporting year, there were no incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services.

The goal – as in 2015 - is to continue to sell products without any safety deficiencies.

Supplier management

Sustainability is a task that encompasses the whole of society and is the key to economic success. For this reason, CEWE also places high demands on its suppliers when it comes to sustainability. In the procurement process, in addition to low cost, proven process expertise, sustainable and continuous quality assurance, joint consideration is also given to environmental, economic and social aspects. Innovative leadership on the part of suppliers is a prerequisite for long-term partnerships that are the basis for enhancing efficiency across the entire supply chain. In conjunction with its suppliers, CEWE launches new developments and solutions for optimising production materials as well as machines and facilities in order to further expand and safeguard its position as market leader over the long term. The partnership with suppliers is characterised by openness, transparency and honesty, which are the foundation for sustainable collaboration.

In CEWE’s supply chain, the direct suppliers for production materials are considered. Where critical materials are purchased by retail partners, the latter’s sub-suppliers are also considered and screened. Critical materials in particular include products with special demands on product safety and product quality.

CEWE works with local suppliers whenever possible. CEWE’s significant locations of operation are the countries where its production sites are located. A list of all entities currently belonging to the CEWE Group can be found in the current Annual Report on p. 246.

“Local” refers to all production materials sourced from suppliers from the same country. For the reporting year, this means that CEWE purchased 52 per cent of the materials locally (previous year: 36 per cent). In terms of production and production supplies, this means that CEWE purchased 47 per cent of its materials in Germany (previous year: 45), 29 per cent in the European Economic Area (previous year: 30) and 24 per cent outside Europe (previous year: 25). In 2015, for example, CEWE switched part of its frame production to a new, local supplier, thus positively influencing the regional procurement volume.

The company aims to work with more local suppliers in future in order to provide economic support in the regions where its production sites are located and to reduce CO2 emissions in supplier logistics.

In order to fulfil its responsibility to sustainably manage and mitigate risk, the company aims to adopt a two- or multi-supplier strategy for production materials. All relevant suppliers are informed in writing of the compliance guidelines put in place by CEWE and support them in full. They ensure that the legal requirements are observed and possibly even exceeded in their respective areas of responsibility. In 2015, the total number of suppliers was 6,000 (previous year: 5,500). All suppliers receiving

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1: The main focus in the Compliance Guidelines is on the prevention of corruption and cartel arrangements and on combatting child labour and forced labour.
an order from CEWE are informed about CEWE’s guidelines through a reference on the purchasing conditions.

In the 2015 reporting period, 120 (70 per cent) of the new suppliers were screened using labour practices, human rights and environmental criteria (previous year: 45 per cent).

CEWE’s locations of operations are within Europe and are therefore subject to the statutory regulations that prohibit forced, compulsory or child labour. CEWE signed up to the BME (German association of materials management, purchasing and logistics) Code of Conduct several years ago, which also makes clear the company’s position on child labour. CEWE also underwent the BME’s annual screening during the reporting period.

Supplier audits are regularly conducted on suppliers from regions classified as critical in accordance with BSCI Guidelines. In 2015, there were no new suppliers from regions classified as critical. Existing suppliers were screened through on-site inspections. All sites visited complied with CEWE’s exacting standards. In the reporting period, there were again no incidents concerning or complaints about suppliers with whom CEWE cooperates.

Memberships and partnerships

SOS Children’s Villages worldwide¹
SOS Children’s Villages was established over 60 years ago. Today, SOS Children’s Villages is present with over 2,400 facilities in 134 countries and territories around the world.

Currently, nearly 60,000 children and adolescents live in the 560 Children’s Villages and 659 SOS Youth Facilities. Added to these are 218 SOS Kindergartens, 184 Hermann Gmeiner Schools and 94 SOS Vocational Training Centres. In the 634 SOS Social Centres, SOS Children’s Villages supports families in risk situations. The core idea behind the SOS Family Strengthening Programmes, which developed from the Social Centres, is to protect children and enable families in need to shape their own lives. Programmes designed to strengthen families are in place worldwide, for example by providing microcredits, adult education and advice, or child care, ensuring children are not abandoned out of poverty. In the 79 SOS Medical Centres, SOS provides basic medical care, education, prophylaxis and vaccine campaigns. In crisis situations such as civil war, famine or natural disasters, SOS also provides emergency relief from within the existing structures. Twenty-one emergency aid programmes currently support children and their families in disaster and crisis areas.

CEWE has been a partner of SOS Children’s Villages since 2013. Since then, the cooperation has been extended to 12 partner locations. The engagement for children and families in need is put into practice in a variety of ways - in the form of emergency relief programmes, integration projects for refugees or new housing projects in the SOS Children’s Villages. CEWE’s employees also do voluntary work in local organisations, lend a hand on “Volunteer Days” or organise summer and holiday activities for children.

NABU²
For over 115 years, NABU has been committed to conserving and safeguarding nature for future generations. With some 590,000 members and sponsors, NABU is the largest environmental association in Germany. NABU’s main objectives are the preservation of habitats and biodiversity, the promotion of sustainability in agriculture, forest management, water supply and distribution and in protection against climate change. Promoting experiences of the natural world and knowledge about nature are also important aspects of NABU’s work. At the approximately 2,000 NABU groups and around 70 info centres throughout Germany, hands-on nature conservation is as much a part of the agenda as lobbying, environmental education, research and PR work.

CEWE started its cooperation with NABU within the scope of a joint photo competition. Since 2014, the planning of the extension to the Oldenburg location giving consideration to nature conservation has been on the agenda. A total of 144 nesting boxes for the protection of

endangered bird species have been hung up and an insect hotel constructed. In 2015, a new joint photo competition was launched (Nature between the Rivers Rhine and Weser).

UN Global Compact¹
The UN Global Compact is a UN initiative which aims to combat corruption, slavery and child labour and create decent working conditions worldwide. Over 13,000 companies worldwide and other stakeholders from more than 170 countries are now involved in the initiative.

Currently, more than 310 companies and in excess of 80 organisations active in civil society, science and politics have joined forces in the German Global Compact Network (www.globalcompact.de). It is actively supported by the German government, in particular through funding from the Federal Ministry for Economic Cooperation and Development (BMZ), and has established itself as an important platform for dialogue in the area of Corporate Social Responsibility. CEWE has been a member of the network since September 2010.

CDP²
CDP (formerly Carbon Disclosure Project) is a non-profit organisation that aims to provide more transparency with regard to companies’ CO₂ emissions. Each year, the 827 investors who support the CDP invite companies across the globe to disclose their CO₂ emissions and strategies for dealing with climate change.

Based on the information provided by the companies, CDP has compiled the largest freely available index of CO₂ emissions for business-related activity in the world. The responses provided by the companies are made available on a website for all interested parties. The investors who have given the project their backing have access to all responses. This enables them to factor in the various effects of climate change on business, such as price risks for certification, direct weather risks and rising energy costs, when making their investment decisions. CEWE signed up to the Carbon Disclosure Project in 2010 and in 2015 received the Leadership Index Award for its outstanding contributions to environmental protection and the fight against climate change.

German Sustainability Code³
The German Sustainability Code (DNK) provides a framework for reporting non-financial performance and can be used by all organisations and enterprises regardless of their size or legal structure. In 20 criteria and additional quantifiable non-financial performance indicators, the transparency standard makes sustainability performances tangible and readily comparable. The result is a so-called declaration of conformity. This can be used to evaluate how companies integrate sustainability into their core business. Opportunities and risks become tangible and can be managed proactively. The EU Commission has named the German Sustainability Code one possible standard for satisfying the obligation requiring European public interest entities with more than 500 employees to disclose non-financial information from 2016.

CEWE applied the transparency standard in 2015 and successfully filed its declaration of conformity with the German Sustainability Code in 2016.

German Association for Materials Management, Purchasing and Logistics (BME)⁴
Founded in 1954, the German Association for Materials Management, Purchasing and Logistics (BME) provides services to 9,000 individual and company members, including medium-sized enterprises and large corporations. The BME provides a network to promote the exchange of knowledge for business and science, on the procurement side and on the supplier side. The association is open to all industries (e.g. manufacturing, retail, public sector, banking, insurance) and all types of companies.

Across Germany, 38 regional branches organise 400 information events each year (technical presentations, supplier days, company visits) in the fields of purchasing and logistics. CEWE signed up to the BME Code of Conduct at the end of 2009.

German Association of Environmental Management

The German Association of Environmental Management (known by the abbreviation B.A.U.M. e.V.) raises awareness among companies, local communities and organisations regarding issues around environmental protection and a vision for sustainable economic activity. Founded in 1984, the initiative acts in an advisory capacity for its members in the environmentally effective, economically viable and socially just implementation of these objectives.

B.A.U.M. e.V. promotes an intensive and practice-oriented exchange of information and experience. The association supports the implementation of environmental management and sustainability strategies in practice by delivering a range of services, recommendations and contacts. Together with member companies, the association develops new, strategic concepts and updates existing systems and methods with regard to environment-related and sustainable management practices. CEWE has been a member of the association since 2012.

FSC® (Forest Stewardship Council)²

The Forest Stewardship Council was set up in 1993. The council’s objective is to implement the requirements for sustainable forest development that were agreed in the conference in Rio. In terms of those requirements, the requirement for equal consideration of social, environmental and economic aspects in relation to the use of natural assets is of particular importance. The FSC® (www.fsc-deutschland.de) is an international, non-profit organisation. Its headquarters are in Freiburg, Germany. National FSC® working groups operate in many countries. Its aim is to preserve forests. It strives to achieve this by promoting responsible forestry. Strict criteria for the management of forests serve to prevent uncontrolled deforestation, violation of human rights and pollution of the environment.

According to FSC® regulations, the entire processing and commercial chain from forest to wholesaler must be certified completely and seamlessly. As part of the certification process, the production processes are examined on an annual basis by independent third parties. Certified operations are permitted to include the FSC® label on FSC® products. By purchasing these products, consumers can make a direct contribution to the improvement of forests. All CEWE production sites across Europe have been FSC®-certified since 2011.

Deutsche Post DHL GoGreen, DPD Total Zero und UPS Carbon Neutral

GoGreen is a carbon-neutral shipping service for customers of Deutsche Post DHL. With the GoGreen shipping service, all transport-related emissions are calculated in advance and then offset by means of external climate protection projects. The carbon-offset certificates, generated by the external climate protection projects, are managed by a separate carbon management team. The carbon management procedure, all GoGreen processes and the method for calculating emissions are verified on an annual basis by external auditor SGS. Launched in July 2012, Total Zero is the carbon-neutrality commitment from DPD. In recognition of this initiative, DPD won the HANSE GLOBE 2012 sustainability award.

With carbon-neutral shipment, UPS offers customers the ability to counterbalance the emissions generated by the transport of their packages through certified carbon-neutral (CO₂) offsetting. UPS supports projects such as the disposal of methane and landfill gases, reforestation and wastewater purification. CEWE supports this service with a 1.95 per cent “carbon-neutral fee” on the invoice total. CEWE has been using the Deutsche Post GoGreen service for all German mail-order consignments since April 2010. The CEWE-PRINT.de online platform has been using the DPD Total Zero service for all its consignments since 2012. CEWE has been shipping UPS consignments using the carbon-neutral shipment programme since February 2014.

03
RESOURCE CONSERVATION AND ENVIRONMENTAL PROTECTION

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FORESIGHTED ACTION

Energy management successfully implemented

The four CEWE Environmental Officers have successfully completed recertification of the environmental system at CEWE's German locations. Parallel to this, working together with the Energy Management Officer they have developed a system and installed processes designed to document and improve energy efficiency and energy input.
Dr Matthias Hausmann – Divisional Manager Chemistry, Process Engineering and Environment

“We have carved out a strong position with our environmental and energy management systems and have established ourselves as something of a pioneer in our sector. Setting up and continuously developing the processes and performing the yearly audits is a lot of work. But the results are definitely worth the effort: our environmental track record and energy footprint are improving all the time.”

CEWE’s environmental policy

Conserving resources, environmental protection and occupational health and safety are important aspects of CEWE’s sustainability strategy. Reflecting this, CEWE defined its own environmental policy a number of years ago, with a focus on these key environmental impacts. The commitments that CEWE has set for itself include compliance with applicable legal regulations and additional requirements. CEWE also places particular importance on individual requirements of its customers and retail partners and is committed to meeting these.

In terms of planning and investment, the company uses the best technologies available. This applies not just from an economic perspective, but also from the point of view of occupational health and safety and environmental protection. All newly installed systems and procedures must comply with applicable national and international standards and laws, and must be below the specified threshold values with regard to the health of employees and the environment. Environmental policy as defined by CEWE can be summed up in the following points:

• saving energy
• protecting water
• conserving resources
• ensuring occupational health and safety

Continuous improvement of occupational health and safety and environmental protection as well as the prevention of environmental pollution are CEWE’s declared objectives. During the last 15 years, CEWE has not breached any environmental regulations and there have been no grievances or significant fines relating to the environmental impact of the company’s activities.
Management systems to improve green credentials

The stakeholder survey revealed that aspects such as energy consumption, environmental protection and material input are rated as very important by both internal and external stakeholders. To enable energy use in production and IT processes as well as emissions produced during transport of CEWE products to be systematically documented and improved, an environmental management system in compliance with DIN EN ISO 14001 has been implemented, rolled out and certified at the four German digital printing production sites over the past few years. The environmental management system describes the continuous improvement process relating to the company’s entire environmental performance. In 2015, CEWE was successfully recertified.

In 2015, the energy management system in accordance with DIN EN ISO 50001 was rolled out at all German locations. Development of the system began in 2014 and has led to the definition of a corresponding energy policy. Within the scope of this energy policy, CEWE has committed to the continuous improvement of its energy-related performance, and to supporting this process by taking energy input, energy consumption and energy efficiency into account when buying in products and services and utilising machinery, equipment and facilities. To review energy targets, performance indicators are identified, constantly monitored and made available to interested parties as information. The reference framework for CEWE’s energy policy is the legal requirements and CEWE’s own further-reaching targets. This also forms the basis for driving forward CEWE’s policy on climate change.

The environmental management system was successfully recertified at the four German digital printing production sites in 2015. CEWE also met the goal it set in 2014 to extend the environmental management system by the DIN EN ISO 50001 energy management system and complete roll-out at all German sites.

Successfully saving energy: CEWE receives the CDP Leadership Award 2015

CEWE has made good progress in recent years when it comes to reducing CO₂ emissions and improving the company’s energy balance. Reducing CO₂ emissions is at the focus of many efforts. One important step in this direction is the yearly participation in the Carbon Disclosure Project. Within the scope of this initiative, CEWE regularly discloses emission values and measures for enhancing energy efficiency. CEWE has been reporting since 2010 and is one of only a few SDAX-listed companies to be included in the Carbon Disclosure Leadership Index owing to the high quality and transparency of the published figures. In 2015, CEWE received the Carbon Disclosure Leadership Index Award 2015. The award was conferred in recognition of the company’s outstanding achievements in the areas of environmental protection and climate change. With a score of 100 B in the 2015 climate change reporting, CEWE achieved the status of Sector Leader Industrials in the DACH region, ranking it among the ten best companies in the sector in Germany, Austria and Switzerland. This score also earns CEWE the status of Country Leader, putting it in the top 11 German companies this year outside the DAX and MDAX.

CEWE’s strategy on climate change encompasses various different approaches: in addition to the utilisation of renewable energy sources from the company’s own photovoltaic facilities and CO₂ compensation projects, the company is continuously working to reduce energy consumption by increasing efficiency. Steps in this direction include installing LED lighting, energy-optimised data centres or savings in the area of air conditioning.
Calculating CO₂ emissions

Emission values are calculated and presented in accordance with the 2004 Corporate Accounting and Reporting Standard of the Greenhouse Gas Protocol Initiative. All production sites operated by the CEWE Group are taken into account. All direct CO₂ emissions from stationary and mobile sources (Scope 1) are recorded and reported, as are the indirect emissions resulting from the generation of purchased electricity (Scope 2). Within the organisation, gas, fuel (diesel) and electricity were included (Scopes 1 and 2). Other indirect emissions relating to corporate activities, but not generated as a result of corporate activities, are labelled Scope 3 emissions. For example, these include logistics processes for purchasing goods and delivering products, logistics processes for waste disposal and emissions generated by employees driving to work or on business trips.

Scopes 1 and 2

In the last financial year, CEWE’s CO₂ emissions, including both direct emissions and those resulting from energy consumption, amounted to 13,401 tonnes in total (Scopes 1 and 2). This represents an increase of a good 1 per cent compared to 2014 (13,244 tonnes), having achieved a reduction of 2 per cent in the previous year. Expressed as a relative quantity, the CO₂ emissions amount to approximately 24 tonnes per EUR 1 million of revenue compared to 25 tonnes per EUR 1 million in 2014. The energy intensity ratio per million euros of revenue is 259 GJ/million euros (previous year: 269 GJ/million euros).

Energy consumption and the resulting CO₂ emissions – relative to the quantity of material used – showed a more significant reduction. Based on 493 kg/t (kg CO₂ per tonne of material) in 2012, a reduction of 19 per cent to 401 kg/t was measured in 2013 and a further 14 per cent to 345 kg/t in 2014. A renewed reduction was achieved for 2015: 329 kg/t of material, equivalent to minus 5 per cent. The energy requirement per product and service was also lowered: 3.52 GJ/t (per tonne of material); this is 4 per cent lower than in 2014 and a reduction of 18 per cent compared to 2013.

These figures represent a high improvement in efficiency and show that CEWE is well on the way to processing more material and generating higher revenues without significantly increasing its consumption of electricity and gas.

The intensity of greenhouse gas (GHG) emissions also declined in 2015. Scope 1 and 2 GHG emissions were at 329 kg/t (kg CO₂ per tonne of material), in 2014 at 345 kg/t.

Scope 1 emissions: emissions from own processing plants

CEWE includes emissions produced by the company’s own combustion units, such as gas boilers for hot water and heating, oil heaters and company vehicles, as Scope 1 emissions. Last year, Scope 1 CO₂ emissions remained around the same (3,017 tonnes vs. 3,026 tonnes in 2014), 1,498 tonnes of which was gas and oil for heating and 1,519 tonnes of fuels (diesel).

Due to the comparatively cooler winter, 794,000 m³ gas was consumed in 2015. These are unavoidable seasonal fluctuations; by way of comparison in 2014 only around 709,000 m³ gas was consumed, and in 2013 810,000 m³. The company’s aim is to once again achieve a 5 per cent reduction in gas consumption by the end of 2016.

When replacing air-conditioning systems, CEWE gives consideration to heat-recovery technologies. Furthermore, at SAXOPRINT waste heat from the machines is effectively used to heat the buildings. Recently, the fleet of company cars has seen the addition of more fuel-efficient vehicles, which make a positive contribution to reducing the Scope 1 carbon footprint.

In 2010, a pilot project was launched in conjunction with EWE, which saw the addition of four natural-gas-powered vehicles to CEWE’s fleet. The Oldenburg site also boasts a hybrid fleet vehicle.

Energy consumption within the organisation amounts to 143.3 TJ. Of this amount, 28.6 Tj is accounted for by gas for heating, 21.9 Tj by fuels (mostly diesel) and 92.8 TJ (25.8 GWh) by electricity.
CEWE has set itself the goal to reduce the CO₂ footprint by more than is possible through energy efficiency gains alone. The company aims to meet this goal by switching exclusively to green power at the company’s largest production site in Oldenburg from January 2016.

**G4-EN16**

**Scope 2 emissions: emissions from purchased electricity**

For Scope 2 emissions, the electricity consumed (in kilowatts) by the processing plants in each country per year is multiplied by the respective emission factors of each country, as defined by the GHG Protocol.

Total electricity consumption in 2015 amounted to 25.8 GWh/a compared to 25.4 GWh/a in 2014. This is equivalent to Scope 2 CO₂ emissions of 10,384 tonnes (previous year: 10,218 tonnes). The consumption intensity uses the material balance as the reference value. Offset printing at SAXOPRINT differs significantly from digital printing and photographic development in terms of production methods and energy input. The similarity lies in the efficient printing of materials, most of which consist of paper. Having reference to the mass of materials used, as is customary in the printing industry, therefore seems to be a logical solution. The table shows the energy consumption related to material quantity and the total Scope 1 and Scope 2 CO₂ emissions.

Since 2013, CEWE has set itself the target of reducing specific electricity consumption by 5 per cent per year. Compared to 2014, specific electricity consumption declined from 662 kWh/t to 633 kWh/t (minus 4 per cent) and the resulting Scope 2 CO₂ emissions from 266 kg of CO₂ to 255 kg of CO₂ per tonne of material used. The aim is to achieve a further reduction in specific energy consumption of 4 per cent to 611 kWh/t. However, the switch to green power at the Oldenburg location should reduce the specific carbon footprint by more than 20 per cent to below 200 kg/t CO₂.

**Scope 3 emissions: emissions resulting from services provided by third parties**

Within the scope of the Carbon Disclosure Project, CEWE also reports extensively on Scope 3 emissions, which relate among other things to material manufacturing processes and logistics processes. For the Sustainability Report, reporting focuses on logistics processes, which from an emissions perspective are shown to be a significant factor for climate change and are also impacted by CEWE. For this reason, they are regarded as one of the most important aspects of CEWE’s environmental management strategy.

### Specific carbon dioxide emissions and electricity requirement

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>Target for 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO₂ emissions (Scopes 1 and 2) (kg/t¹)</td>
<td>493</td>
<td>401</td>
<td>345</td>
<td>329</td>
<td>289</td>
</tr>
<tr>
<td>Electricity consumption (kWh/t¹)</td>
<td>917</td>
<td>729</td>
<td>662</td>
<td>633</td>
<td>611</td>
</tr>
</tbody>
</table>

¹: Per tonne of materials used.
In the area of mail-order logistics, CEWE works together with all carriers that offset the emissions generated by transportation by investing in climate-neutral projects (see page 31). This means that all mail-order products shipped within Germany arrive at the customer’s door with zero carbon impact. The medium-term goal is still to adopt carbon-neutral shipping options for international consignments.

Distribution logistics processes are also being made more and more environmentally friendly. Over the past few years, CEWE has reduced CO₂ emissions significantly by discontinuing Saturday collections, changing laboratory delivery times and discontinuing the two-stop system. Overall, CEWE reduced CO₂ emissions resulting from goods delivery logistics by around a further 523 tonnes in 2015, a year-on-year reduction of 4 per cent (2013: 13,889 tonnes, 2014: 13,056 tonnes, 2015: 12,533 tonnes). Fewer stop-off points in the delivery areas and optimisation of the delivery rounds go some way to explaining this reduction, but the main reason is use of alternative delivery options to the traditional transport services. Increased use of parcel service providers has significantly reduced the number of kilometres travelled, particularly in larger areas. This new structure was further expanded from mid-2015.

In total, the Scope 3 CO₂ emissions, which relate in particular to CEWE’s logistics activities, amounted to 19,224 tonnes in 2015; the figure for the previous year was 18,836 tonnes. With 4 per cent, CEWE almost achieved its objective of a 5 per cent reduction in emissions in its distribution logistics activities. However, due to the increased material requirement, an increase was registered in the area of goods delivery logistics. CEWE continues to work on optimising its logistics activities and aims to reduce Scope 3 emissions by 5 per cent in 2016.

Total energy consumption outside of the organisation stood at 277 TJ in 2015; in 2014, the figure was 271 TJ (consideration of logistics processes in Scope 3).

Offsetting the environmental impact
When placing orders via the CEWE-PRINT, viaprinto and SAXOPRINT websites, customers of conventional and digital printing products have the possibility for a small surcharge to offset the CO₂ emissions produced by their print order (cradle to gate). In 2015, 976 tonnes CO₂ was offset in this manner. In cooperation with ClimatePartner, CEWE invests the full amount in certified reforestation projects in Kenya and Indonesia. The ClimatePartner projects meet international standards and are regularly certified by independent bodies.

Green IT
The new data centre at the Oldenburg site designed with state-of-the-art environmental and green IT aspects in mind has saved CEWE ISO tonnes of CO₂ annually since 2012, cutting total Scope 2 emissions by almost 2 per cent. In 2013, the data centre was one of the first four in Germany to be awarded the Blue Angel eco label. The Blue Angel only recognises companies that are committed to implementing a long-term strategy to enhance energy and resource efficiency and regularly monitor processes with a view to optimising their data centre operations. In 2015, CEWE’s positive ratings earned it the right to continue to use the “Energy-efficient data centre” seal (in line with the new RAL-UZ 161 criteria) up to the end of 2018.

Renewable energy sources
The strategic investment in two photovoltaic facilities at the Freiburg and Munich production sites was another example of CEWE’s endeavours towards sustainability in 2014. In total, an energy output of 254 kilowatts has been installed on the roofs of the two southern German operations, which enabled CEWE to produce 260 MWh/a of solar energy in 2015 that was used primarily in its own plants. This translates into a CO₂ reduction of 105 t/a.
Protecting water

Water is mostly used to develop photographic materials such as film and paper. For CEWE, sustainable water management optimisation means less and cleaner water. Consequently, the company is constantly examining its entire production process to identify where it can save water. The quality of waste water has been monitored for decades now, and it always complies with legal requirements.

Reducing water consumption

In 2015, CEWE again consumed approximately 2.2 litres of water per square metre of photo paper. Over the last ten years, the company has managed to reduce total water consumption by over 50 per cent. This is due partly to the decline in analogue photography, as the process of developing film by its nature requires more water per unit of material (m²) than photo paper does. At the same time, CEWE has also developed and implemented several effective water-saving changes in its production process:

• reverse-flow cascade rinsing of paper
• use of low carry-over paper-developing machines without a leader belt, in many cases featuring eco-wash technology
• use of final baths rather than final rinses for colour negatives
• consumption-based water-dispensing equipment

CEWE primarily uses tap water; the overall share of well water is around 7 per cent. Absolute water consumption fell in 2015 by 8 per cent compared to the previous year. Thus, the company came close to its set target to significantly reduce consumption by 10 per cent. In 2016, the goal is to maintain the specific water rate at 2.2–2.3 l/m² and to reduce absolute water consumption correspondingly.

Improving the quality of waste water

Industrial photofinishing will continue to require water for developing photographic materials in the future. CEWE attaches great importance to constantly improving the quality of waste water produced. From an environmental perspective, CEWE’s processes are already exemplary and in some cases above the industry standard. Since 2001, CEWE has complied with the photo industry's voluntary commitment to halve the release of hard complexing agents into waste water, as they are highly resistant to biodegradation. CEWE meets this stringent German requirement at all ten of its European photo labs.

No final baths containing formaldehyde have been used since 2002. CEWE’s analytical laboratory at its headquarters in Oldenburg constantly monitors all relevant waste water contaminants. These include silver, pH values, COD (chemical oxygen demand), sulphate and ammonium nitrate. Likewise, all developing bath samples collected from CEWE’s European sites are analysed in the laboratory.

Recovering silver

Silver is a by-product of film and photo paper processing. The German Waste Water Ordinance (Abwasserverordnung) stipulates a limit of 30 g/m² of photo material. This is five or six times greater than the value produced by CEWE. CEWE has been achieving an average silver recovery rate of 95 per cent for several years by desilvering its photographic processing baths using an electrolytic recovery process. In 2015, the company recovered 4.561 tonnes of silver.

Conserving resources

Since the company’s foundation, the environmentally friendly use of materials has played an important role. CEWE selects its materials very carefully, bearing in mind sustainability and environmental considerations. The company aims for a minimum amount of production waste and carefully disposes of any unavoidable waste.

Efficient and environmentally friendly material usage

CEWE is accelerating the use of environmentally friendly materials, in particular for its most popular product, the CEWE PHOTOBOOK. Since 2011, FSC® certification of all digital printing products has been successfully
carried out at all sites. The entire value-added chain, from forest owner to printing works, is certified.

Under the terms of the certification, goods receipts, goods issues and production processes are inspected once a year by independent third parties. CEWE places high demands on the quality of paper, which is its primary processing material. So far, no recycled paper has been found that meets all of CEWE’s demands. In the area of packaging and the cardboard for the book covers, however, CEWE uses only recycled material, which accounts for around 10 per cent of the total material input.

Recycling methods in photographic processing
In 2015, CEWE achieved an impressive recycling rate for photographic processing solutions of 89 per cent across the entire Group. The rate is derived from the ratio of recycled overflow to the total quantity of photographic processing baths used.

All photochemical baths used at all CEWE sites are sent for analysis to the main laboratory in Oldenburg. Formulas used as a basis for recycling are also calculated here. To ensure that process quality remains high, sensitometric tests are also conducted several times a day for analytical control purposes.

Packaging
The percentage of secondary raw materials is 9 per cent. Secondary raw materials include packaging material and grey board for book covers and copy papers.

Corrugated cardboard, most of which is manufactured from recycled materials, accounts for more than 98 per cent of packaging. The remaining amount, less than 2 per cent, consists of plastics, which are used primarily to protect CEWE PHOTOBOOKS and other moisture-sensitive products during transport. In 2015, the company achieved its goal to maintain the proportion of plastic used at less than 5 per cent. The goal for the coming years is to keep it below 3 per cent, despite increasing packaging quantities and higher demands. All packaging materials are licensed under a dual system in Germany. CEWE has lodged its declaration of completeness for all its German sites with the Oldenburg Chamber of Industry and Commerce.

Material balance and waste
The CEWE Group generated 13,321 tonnes of waste in the year under review (2015), corresponding to approximately 33 per cent of the quantity of material used (waste rate). The waste rate for the previous year was 34 per cent. The target set in 2014 to cut the waste rate to less than 35 per cent by reducing production waste was achieved. The company will continue to strive to reduce the waste rate and to cut it to 30 per cent within the next three years.

Most of the waste is reused, including hazardous waste, which accounts for 5.6 per cent of the total waste quantity. In 2015, the waste recovery rate even exceeded 98 per cent. In total, CEWE generates more than 25 different types of waste. The seven main types account for more than 98 per cent of the waste.

By far the most waste (10,526 tonnes, 79 per cent) is generated by printing paper and packaging, which consists of paper and cardboard. In the case of printing paper, particular attention is paid to ensure that the scrap paper is sent for recycling in a way that optimises the recycling process. In offset printing alone, three different types of paper are collected separately to ensure a high-quality recycling process. Approximately 560 tonnes of waste chemicals were generated from the preparation of photographic baths in 2015. The overflow from the developing baths is reused as a nitrogen-oxide-reducing agent in the cement industry. CEWE delivers all imaging oil waste generated by digital printing to a distillation plant. Once it has been cleaned, it can be used again, mostly in the paint and printing industry.
Expenditures for environmental protection

Total expenditures in the reporting period came to approx. EUR 0.4 million. Included in this amount are costs for the energy and environmental management systems (EUR 0.15 million), costs for waste water treatment and waste water analysis (EUR 0.1 million), refurbishment costs (EUR 0.05 million) and other project costs (EUR 0.1 million). Not included are costs for waste disposal, which in 2015 amounted to approx. EUR 0.5 million.

Ensuring occupational health and safety

CEWE sets high standards when it comes to protecting its employees. After all, its employees are potentially the first people who would be exposed to environmental hazards. Safety in the workplace is a fundamental aspect of environmentally sustainable activity. CEWE has taken the appropriate precautions and reduced the concentration of hazardous substances as far as possible. This also means using the latest and most environmentally friendly technologies in the entire production process. CEWE’s efforts in the area of digital printing machines are plain to see: its printing process produces low levels of ozone that are well below the statutory limits. Eighty-five per cent of digital printing machines that print CEWE PHOTOBOOKS use very small toner particles, which are ideal for producing optimum image quality. As the toner’s liquid carrier binds the toner particles with imaging oil, employees are not exposed to any airborne particles. In addition, the ink that is used to manufacture selected digital printing products in the ink jet process is solvent-free.

Isopropanol has not been used as a cleaning agent in digital printing for more than three years. Ethanol, a significantly less harmful product, is used instead. CEWE is also continuing its efforts in offset printing: no mineral oils or alcohols are used in the printing process. This means that the offset inks used are based on vegetable fats and isopropanol is not used as washing water. Regular workplace inspections and annual risk analyses and rescue drills guarantee a high standard of safety. Maintaining and promoting the health and productivity of all employees is of vital importance to CEWE.

In order to document its strong commitment to environmental management, CEWE rolled out the environmental management system at all German digital printing production sites and had them successfully recertified in 2015. The goal for the coming years is to extend the system to additional CEWE production sites. In 2015, this was put on ice due to the roll-out of the energy management system.

### Material balance (materials and technologies)

<table>
<thead>
<tr>
<th>Category</th>
<th>Total</th>
<th>Product</th>
<th>Waste</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper (photo and printing)</td>
<td>32,187</td>
<td>22,283</td>
<td>9,904</td>
</tr>
<tr>
<td>Other product components(^1)</td>
<td>986</td>
<td>936</td>
<td>50</td>
</tr>
<tr>
<td>Packaging material</td>
<td>5,514</td>
<td>2,857</td>
<td>2,657</td>
</tr>
<tr>
<td>Supplies and tools(^2)</td>
<td>2,067</td>
<td>1,357</td>
<td>710</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>40,754</td>
<td>27,433</td>
<td>13,321</td>
</tr>
</tbody>
</table>

### Waste balance

- 9.8% Recyclable waste
- 1.5% Other types of waste
- 79% Cardboard, paper, card

---

1: Photo gifts (mugs, T-shirts, etc.), decorative materials such as canvas, acrylics, etc. | 2: Chemicals, paints and varnishes, water for using with chemicals, imaging oil, single-use cameras, metal for film canisters, printing plates.
RESPONSIBILITY FOR EMPLOYEES

Human resources management: policy shaping and implementation at CEWE 44
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L. to r.: Lucas Willuweit – first-year apprentice Media Technologist Print, Julia Hartmann – first-year apprentice Media Technologist Print Finishing and Tanja Hinrichs – Head of Training at CEWE in Oldenburg
GOOD PROSPECTS FOR THE FUTURE

Occupational training at CEWE

For young people, good vocational training is one of the most important stepping stones to a successful career. Year for year, CEWE offers training beyond its own requirements in order to give as many young school and university graduates as possible an opportunity to get a foot on the career ladder. With apprenticeships being offered at the German production sites in 13 different professions, there is no shortage of choice.
RESPONSIBILITY FOR EMPLOYEES

Tanja Hinrichs – Head of Training

“Fostering talent is something that is close to our hearts. Together we want to pursue new and innovative avenues. Our apprentices are coached by motivated and dedicated mentors who actively support them on their journey. In 2015, our training network, established together with three other companies from the region, was awarded the PIA – Preis für Innovative Ausbildung (Innovative Training Award).”

Human resources management: policy shaping and implementation at CEWE

Employees are a particularly important factor in the success of a company. CEWE values its staff and the contribution they make to the company’s success. Skilled human resources management and the intensive promotion of young professional talent contribute to this and therefore play an important role. CEWE is now established on the market as a strong and modern employer that secures its social future through four pillars:

- responsible entrepreneurship
- skilled human resources management
- promotion of young talent
- modern and safe working conditions

Reconciling work and family life is a current sociopolitical topic and an important field of action for CEWE. CEWE can only benefit from its employees’ capabilities and talents to the full if the company helps them to successfully overcome the challenges of combining the demands of family and career. CEWE’s Board of Management took a far-reaching step by voluntarily committing to an agreement on objectives in line with the berufundfamilie audit of the Hertie Foundation, which sets out clear responsibilities in terms of action and the understanding of family at CEWE.

To keep pace with current social change, many projects have already been implemented, for example cewelino, CEWE’s own large-scale childcare facility for employees’ children, and others are at the planning stage.
Headcount

In 2015, CEWE employed an average annual workforce of 3,420 across Europe (2014: 3,219). Of these, 2,298 and hence around 67 per cent were employed at the company’s sites in Germany (previous year: 2,145 or 67 per cent) and 1,122 employees, accounting for some 33 per cent (previous year: 1,074 or 33 per cent) worked at the Group’s international sites.

Female employees accounted for approximately 48 per cent of the workforce in Germany in 2015 (previous year: 49 per cent). Of the 189 executive employees, 45 were women.

A total of 2,064 employees (1,023 male and 1,041 female) at the German sites are on permanent employment contracts. A total of 239 employees are on temporary contracts (94 of them women). A total of 1,955 employees work full-time (1,117 male, 838 female) and 358 currently work part-time (64 male, 294 female). To cover the Christmas period, around 500 seasonal workers are employed at the German processing plants from October to December. CEWE has made it a principle to enter into direct employment contracts and as far as possible not to fall back on freelancers and supply workers. Germany-wide, CEWE took on 166 new employees in 2015 (95 male, 71 female). Seventy-two of the new recruits are under the age of 30, 75 between the ages of 30 and 50 and 19 over the age of 50. A total of 141 work full-time and 25 part-time. There were 87 temporary and 79 permanent employment contracts.

International sites

At the Group’s international sites, around 53 per cent of the workforce is made up of women and 47 per cent of men. The average age at these international sites is 39. Sixty-eight per cent of the employees are on permanent contracts. In 2015, 358 seasonal workers were employed and there were seven apprentices.

Collective bargaining agreements

Germany-wide, around 86 per cent of the workforce is covered by collective bargaining agreements, Europe-wide 60.5 per cent.

Length of service and fluctuation

The length of service at the German production sites averaged 10.5 years. A total of 143 employees celebrated their anniversary with the company in 2015; of these, many had been working at CEWE for over 25 years. Such long-standing service is a key factor in guaranteeing expertise and experience and is in equal measure testimony to employee satisfaction. This is also reflected in the low rate of staff turnover, which comes to 8.6 per cent (German sites), taking account of both dismissals and resignations. A total of 128 male and 105 female employees left the company in 2015, 79 in the under-30s age bracket, 101 were between 30 and 50 and 53 over the age of 50.
Equal opportunities

Everyone has the same opportunities at CEWE, regardless of gender, ethnicity, nationality, age, sexual orientation or religion; the only thing that counts is a person’s ability to do a job. As an international company, CEWE values and promotes diversity among its employees. Different nationalities also reflect the different markets and customers. At the company’s German sites alone, 7.7 per cent of employees come from 42 countries (e.g. France, Poland, the Netherlands, Sri Lanka, Turkey, Vietnam). No cases of discrimination were reported to the ombudsman or the Works Council last year. CEWE’s objective is to ensure that there will continue to be no cause for reports of discrimination in the coming years.

Empowering women – Work–life balance

Female employees accounted for approximately 48 per cent of the workforce in Germany in 2015 (previous year: 49 per cent). CEWE’s Board of Management has given some thought to the matter of promoting and implementing equal participation of men and women in executive positions and has defined clear objectives for the next few years. For the first-tier management level of senior staff members, it is planned to raise the target from 11 to 20 per cent. At the second-tier management level (head of department, commercial manager, etc.), the already fulfilled quota of 30 per cent was raised to 35 per cent. The target concerning the number of women on the Board of Management is 12 per cent (1 in 8); in the case of the Supervisory Board, the applicable statutory quota of 30 per cent is already fulfilled.

Reconciling work and family life needs the implementation of a variety of measures in different areas. Childcare during the parents’ working hours is always an important aspect. CEWE therefore continues to work with the Oldenburg branch of ElternService und SeniorenService AWO, which offers CEWE employees free consultations to arrange care for children – also during holiday periods - or dependent seniors.

For the last two years, to assist parents with school-age children, CEWE has been offering two weeks of childcare during the summer holidays, which is attended by an increasing number of children each year. On 2 July 2014, as a further enhancement of the work–life balance, CEWE also opened its own large-scale childcare facility, called cewelino. The new in-house childcare facility at the Oldenburg site offers ten full-day places from Monday to Friday for employees’ children under the age of three.

Awards

In 2014, CEWE was among the first companies to be awarded the Top Employer certificate with the supplementary module Family Friendly by SOS Kinderdörfer Global Partner GmbH. The quality certificate has been developed in cooperation with TÜV Rheinland, which audited the new standard concerning reconciliation of family and working life within the framework of a certification process. CEWE was awarded the certificate after successfully completing this certification process. Within the process, all areas of CEWE’s HR management were reviewed in terms of reconciling the demands of a career with today’s understanding of parenthood.
CEWE also participated in the Hertie Foundation’s audit berufundfamilie (career and family) survey. As part of this, in August 2014 CEWE was awarded the audit berufundfamilie certificate by the non-profit Hertie Foundation for its family-friendly HR policy. The accredited quality certificate recognises employers’ endeavours to integrate work and family life. Its practical implementation is reviewed on an ongoing basis. The audit, which is under the auspices of the Federal Minister for Family Affairs and the Federal Minister of Economics, is recommended by leading German business associations. The agreed targets are reviewed annually, and CEWE passed the audit in 2015.

For the Ausbildungsverbund Nord-West training network established in 2015, CEWE shared first place with its three partners Büfa, Broetje Automation and Manitowoc in the PIA – Preis für Innovative Ausbildung 2015 (Innovative Training Award). The prize was awarded in recognition of the partner network set up by the four companies. The idea behind the network is in a first step to spark the enthusiasm of young people with an interest in technology to train as mechatronics engineers and to provide a very good and interesting apprenticeship.

**Employee participation: employee share ownership plan**

Since 2005, under the terms of an employee share ownership plan, employees have been able to purchase CEWE shares every year at a special price, supported by a financial contribution from the company that is tax-free and exempt from social security contributions. Thanks to a successful communications campaign and the opportunity to acquire five bonus shares, the number of employees who availed themselves of this plan has risen again compared to the previous year: from 1,290 employees in 2014 to 1,434 employees in 2015. This corresponds to a participation rate of around 60 per cent. A total of 1,194 employees additionally acquired shares in the form of discounted staff shares and 240 employees took advantage of the bonus shares. This increase indicates employee confidence in the company’s business prospects. The company’s objective once again in 2016 is to inform employees about the opportunity to participate in the company and to attract as many employees as possible to the plan.

**Pension scheme**

CEWE employees have the option of providing for their retirement by participating in a private, company-financed pension scheme. The company supports this scheme with subsidies set under a collective bargaining agreement. In 2015, 1,454 employees participated in the scheme (previous year: 783). Employees were notified about the benefits of the company pension scheme through additional targeted information, resulting in an increase in the number of employees joining the scheme. Furthermore, with effect from 1 January 2014, labour and management in the photo processing industry for the first time concluded a Working Life and Demography tariff agreement. With this strategy for addressing demographic change, CEWE is responding to the challenges of an ageing society. In terms of practical implementation, the following options are available: long-term account, phased retirement, collectively agreed pension entitlements, age-related reduction in working time and additional occupational disability insurance. In this context, for every employee employed full time for more than six months at 31 March in any given year, CEWE pays EUR 300 into a demographic fund. For 2014 and 2015, CEWE agreed to allocate the amount in the fund to collectively agreed pension provisions. In this way, it benefits all employees equally. Like this, CEWE aims to ensure that after retiring from active service employees receive an additional sum on top of their dwindling statutory pension. The company plans to continue to allocate the demographic fund for the above-mentioned purposes in 2016.
Training and education

Once again in 2015, CEWE was the largest employer and trainer in the photo industry. In 2015, 120 young people worked at CEWE as apprentices in 13 different professions. This resulted in a renewed high training rate of over 5 per cent at the German sites. The company’s aim in the coming years is to continue to achieve a high training rate to enable as many young people as possible to successfully start their careers.

**Apprentices in Germany**

<table>
<thead>
<tr>
<th>Profession</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial clerk</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Integrated degree programme - business specialist</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Integrated degree programme - IT specialist</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>Electronics technician for equipment and systems</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>IT specialist</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>Warehouse logistics specialist</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Photographer</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Photo media specialist</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Industrial sales representative</td>
<td>16</td>
<td>18</td>
</tr>
<tr>
<td>Dialogue marketing clerk</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Mechatronics engineer</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Media designer digital and print</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td>Media technologist print and print finishing</td>
<td>33</td>
<td>35</td>
</tr>
<tr>
<td><strong>Total number of apprentices in Germany</strong></td>
<td><strong>120</strong></td>
<td><strong>125</strong></td>
</tr>
</tbody>
</table>

Leadership – experiencing the vision

In 2013, CEWE began its first-ever leadership programme. In groups of 20 participants, managers at all levels and from all sites examined CEWE’s vision at two-day workshops. The aim and the aspiration is to revitalise the management vision, to reflect on personal management styles and to develop from this a number of areas of personal development and courses of action. In 2015, leadership training courses were again held on two dates with the participation of CEWE managers.

CEWE Forum and CEWE Knowledge

Continuing education is fun, it sparks inspiration and brings satisfaction and confidence. CEWE’s employee development programmes demonstrate the company’s capacity for innovation. Plenty of good reasons to offer employees the comprehensive CEWE Forum educational programme, now in its fourth year. The CEWE Forum is aimed at CEWE managers and specialist staff. The course programme is structured in line with the company guidelines in such a way that managers at all levels and specialist staff can find dedicated courses and a forum for exchange to suit their own individual needs. As part of its CEWE Knowledge project, CEWE also offers its employees free professional development opportunities with its own trainers outside of working hours. In addition to language, photography and computer courses, the project is continuously expanded to include new subjects such as healthcare and illness prevention. CEWE also provides financial support and leave of absence
for employees who wish to attend part-time courses in disciplines such as innovation management, information law, and marketing. With 286 seminars in 2015, slightly fewer seminars were held than in the previous year (296); however, with 1,471 participants a considerably higher number of employees took part (previous year: 882).

Healthcare

Teaching employees about the importance of holistic health awareness is essential in ensuring sustainable and positive long-term corporate development. Healthy employees simply feel better – and they also perform better, are more reliable and more motivated. For this reason, CEWE also places great emphasis on providing ergonomic workstations and actively promotes employee healthcare through different initiatives. In his role as occupational health expert at the Oldenburg site, Waldemar Simon, M.A. has been actively supporting all employees since November 2014. From company sports to dependency prevention – CEWE employees benefit from an array of activities designed to promote good health. With seminars on healthy work styles and healthy leadership techniques, CEWE’s managerial team is in a healthy frame of mind for day-to-day work.

Health Day – maintaining dialogue with employees

A few of years ago, CEWE introduced an annual Health Day that takes place at the company’s headquarters in Oldenburg as part of the company’s health management programme. For an entire working day, CEWE encourages dialogue with its roughly 900 employees on health issues associated with their work and personal lifestyles. CEWE invites interesting external experts who provide employees with a wealth of first-hand information and offer their expert opinion on specific topics or issues. For example, health is not just about exercise and nutrition; it also concerns the physiological, psychological and social aspects related to work and recreational environments.

Occupational health and safety and sick leave

In 2015, 38 employees, corresponding to around 2 per cent of the total workforce, were represented on occupational safety committees. Occupational health and safety is a key concern, particularly in the area of production. At 58, the number of reportable work-related accidents was higher in 2015 than in the previous year (38). Accidents on the way to and from work fell from 38 in 2014 to 22 in 2015. Certificates of incapacity to work are recorded in the HR software IFS. Other data is recorded in a dedicated software program by the employee responsible for occupational safety. The cause of each accident is investigated in order to prevent such accidents from occurring in the future. As part of this, employees are made aware of the potential dangers of the machines that they are working with. The Oldenburg site has a company doctor, an occupational health and safety expert and more than 100 trained first-aiders. In addition to driver safety training and advice on preventing burnout, the company also has a contingency plan in place for pandemics. CEWE is again working towards maintaining the same high level of safety across all divisions in 2016 in order to again reduce the number of work-related accidents in the coming year.

The level of sick leave at the German production sites stood at 5.2 per cent (a total of 28,522.5 hours of sickness-related absence). The previous year’s level was 3.6 per cent. Once again, many employees at the company’s sites in Germany and abroad took up the offer of medical check-ups. Incentives to stay healthy and prevent illness were created through partnerships with gyms and company sports clubs. Health checks, such as ergonomic advice, skin cancer screenings, hearing tests, heart stress tests and venous and foot pressure measurements were conducted on-site and several extensive back-care training sessions took place. Regular monitor workstation analyses were carried out with the aim to create ergonomically designed workplaces. The management’s goal is to maintain the low level of sick leave. To this end, all established measures and projects will be continued into 2016.
Girls and boys from the Kumasi SOS Children’s Village in Ghana, which is supported by CEWE

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| Education network, Promotion of young talent and association work | 52 |
| The company’s roots – preserving photography as a form of cultural expression | 53 |
| Integration through sport | 53 |
| Social commitment – supporting each other as a community | 54 |
HELP FOR THE YOUNGEST
CEWE and SOS Children's Villages

CEWE received the SOS Children’s Village Cup in Gold for its extraordinary commitment to supporting SOS Children’s Villages projects. Apart from the amount donated, the selection criteria for the award were the sustainability of the support received and the personal involvement of the employees.
Social commitment plays an important role at CEWE and is firmly anchored in our corporate culture. CEWE sponsored and supported over 120 social projects¹ last year. We are pleased to be able to give something back to the community and feel proud that so many of our staff give their time voluntarily.”

Dr Christine Hawighorst – Head of Public Relations and CSR

¹: The informative brochure “Unsere gesellschaftliche Verantwortung – Projekte 2015” with information about many of the social projects CEWE supports can be requested at nachhaltigkeit@cewe.de.

Social commitment as part of the corporate culture

Socially responsible behaviour and social commitment are an integral part of CEWE’s corporate culture. This reflects a clear commitment to the company’s sites throughout Germany and Europe and derives from CEWE’s perception of its role as an active member of society and the region. The company’s sponsorship activities focus on four areas: education, culture, sport and social affairs. The company prioritises projects where it is able to contribute its expertise and experience and support young people.

The fact that CEWE is firmly rooted in its local community, engages in open dialogue and maintains all manner of contacts to all relevant groups and organisations plays in its favour here, allowing the company to target its involvement to local needs. It is also the reason why the vast majority of donation and sponsorship activities are decided and implemented by local CEWE organisations and employees. In 2015, CEWE supported a wide range of projects at its headquarters in Oldenburg as well as at its respective sites in Europe with a sum in excess of one million euros.

Education network, promotion of young talent and association work

Over the past decades, CEWE has steadily built up a wide network of educational and research institutions, giving rise to close collaboration with many schools, secondary schools and universities. Regular exchanges, joint projects and teaching assignments assumed by a number of senior management staff enable a valuable knowledge transfer between the spheres of research and industrial practice, in a way that is innovative and inclusive. By actively supporting internships and apprenticeships, CEWE systematically promotes young talent and maintains direct contact with the experts of tomorrow. What is more, since 1995 the Neumüller CEWE COLOR Foundation has awarded up to six scholarships for doctoral theses each year to the Carl von Ossietzky University in Oldenburg. The
foundation is also a sponsor of the Deutschlandstipendium scholarship for Jade University of Applied Sciences, a sponsor of the European Medical School and is a long-time partner of Cologne University of Applied Sciences. In cooperation with the state vocational school Photo + Medienforum Kiel, CEWE supports the training and further education of young talent in the field of photography. In addition to the school sponsorship programme, the Heinz Neumüller Prize is awarded each year to the best graduates. The business simulation games organised by CEWE as part of a training programme for students attending the Liebfrauen­schule in Oldenburg have become something of a tradition and are now in their 17th year.

CEWE also contributes its expertise as an active member in several associations as well as on DIN and ISO committees concerned with all aspects of photography and innovation. The company provides one board member and the Deputy Chair of the Technical and Environment Committee of the Association of the German Photographic Industry. CEWE is also represented by an employee on the board of the Federal Association of Photographic Industrial Laboratories (BGL).

The company’s roots – preserving photography as a form of cultural expression

The CEWE brand increasingly stands for photography as a form of cultural expression – whether photographing nature, family, children, weddings or portraits. The high level of emotion that flows into customers’ pictures and designing their photographic products is an incentive for the company to preserve and promote “photography as a cultural asset”. The range of topics is diverse. The sponsorship concept includes international film festivals, concerts, book fairs for children and adolescents, art exhibitions and a variety of projects in cooperation with art schools. CEWE places great importance on promoting young photographers through appropriate projects and giving talented youngsters the chance to hold their own exhibition. Each year, CEWE therefore initiates and supports a number of photo competitions. The highlight in 2015 was the European photography competition “Our world is beautiful”. Over 94,000 entries were submitted and the best images went on display around Europe as part of a touring exhibition. The public award ceremony took place at the opening event in the Deichtorhallen in Hamburg.

Integration through sport

Many sports clubs benefit from the long-term commitment and support of CEWE in areas such as basketball (EWE Baskets, Deutscher Basketball Bund), handball (VfL Damen Oldenburg, TJ Lokomotiva Vršovice), football (VfB Oldenburg, VfL Oldenburg, Football Beyond Borders, Philipp Lahm summer camp, ŠK Slovan, Norway Cup, VVOG E1 Harderwijk, Be Quick ‘28), volleyball (Zaksa Kędzierzyn-Koźle, MKS Dąbrowa Górnica), hockey (Slovan Bratislava, Waterloo Ducks Belgium, HC Sparta Praha, Florbal TJ Chodov), running events (Wardenburg summer run, Run & Fun corporate race, Virgin London Marathon, Race for Life Warwick, Orava­man Triathlon, ČSOB Marathon), rowing (German Rowing Association), equestrian sports (Renn- und Reitverein Rastede, Oldenburger Landes­turnier) and ice hockey (Austrian National Ice Hockey Team, Wanderers Germering, Hockey Club Košice), to name just a few. Apart from financial sponsorship, CEWE above all contributes its competences as an innovative online printing partner.
Social commitment – supporting each other as a community

Parallel to the positive economic development of the company, CEWE is proud and pleased to broaden the scope of its social commitment. Whether in the form of emergency humanitarian aid, a long-term involvement or employee projects, CEWE feels strongly committed to contributing to a better and more sustainable future for people and the planet wherever emergency relief is needed and especially in those regions where the company has sites. As well as many regionally-based small- and medium-scale projects, the partnerships with SOS Children’s Villages and the Nature and Biodiversity Conservation Union (NABU) are supported at different locations in several countries.

CEWE started its cooperation with NABU in 2013 – since then, the re- naturation of the company’s business premises has been on the agenda. At the headquarters in Oldenburg a large number of nesting boxes have been put up, an insect hotel constructed under the expert guidance of NABU, nesting boxes for swifts installed and an education trail opened. For 2016, collaboration with the national association is planned, which will among other things focus on forest conservation projects. The greening of the company premises at the Eschbach site is also planned, along with participation in a major five-year project initiated by the state of Baden-Württemberg and NABU as well as organisation of a photography competition. CEWE Germering organised a joint photo competition in 2015 with the Regional Society for the Protection of Birds (LBV). For February 2016, a bird protection project is planned. CEWE Mönchengladbach also became a member of NABU in 2015. In 2016, a photo competition followed by an exhibition is to be launched commemorating the 50th anniversary of NABU North Rhine-Westphalia.

One of the most well-known examples of CEWE’s widely diversified social engagement is its social partnership with SOS Children’s Villages. The cooperation began in 2013, which was followed by concrete projects at the locations in Germering (Children’s Village Ammersee), in Eschbach (Children’s Village Black Forest), in Mönchengladbach (Children’s and Youth Facilities Dusseldorf) and in Oldenburg (Children’s Village Worpswede, Kumasi in Ghana and an emergency aid programme in the Philippines. The close contact and regular exchange visits gave rise to various follow-up projects in 2015 involving the active support of CEWE employees: The Oldenburg site initiated the Doing Family pilot project – a new, individual educational concept – at the SOS Children’s Village in Worpswede. Also on the agenda was support of integration projects for unaccompanied refugee children. Fifty thousand euros was allocated to expanding the commitment to the SOS Children’s Villages. At the Oldenburg location, employees assisted people at the shelter in Etzhorn with donations in kind. CEWE employees also visited the refugee shelter in Rostrup and offered their support with childcare provision. From the Germering location, funding was allocated to the Ammersee SOS Children’s Village in order to assist unaccompanied refugee children with starting a new life. Within the scope of a Social Day, employees from the production site in Mönchengladbach spent a day building a garden house at the SOS Day Care Centre Koblenzer Straße. At the SOS Children’s Village Black Forest, the Eschbach site is supporting a number of projects: animal-assisted education, an artistic graffiti project and a Christmas project in which children can make their own Christmas gifts.

The European sites are also getting involved – in addition to their many existing social projects for sports clubs and events, animal protection organisations, kindergartens, combatting cancer and much more besides – in supporting the SOS Children’s Villages. With the help of funding provided by CEWE Koźle, children from the SOS Children’s Village in Siedlce were able to undertake a trip to Italy. CEWE Budapest made a donation to the Children’s Village in Kecskemét and gave an introductory presentation on photography. CEWE Prague supported the local SOS Children’s Village in Prague, CEWE Aarhus the Children’s Village in Norway, CEWE Nunspeet the Simba House in Belgium and CEWE Paris the Children’s Village Sainte Luce. For its extraordinary commitment, CEWE received the SOS Children’s Cup in Gold from the SOS Children’s Villages International organisation. This special prize is only awarded to select companies. Apart from the amount donated, the selection criteria for the award were the sustainability of the support received and employee involvement.
CEWE's Koźle production site contributes to the costs for a summer holiday trip for children from the SOS Children's Village in Siedlce.

CEWE's Eschbach site enabled refugees to print out their family photos for free at the diversity festival.

CEWE employees from Belgium care for and support residents of the Centre for Adults with Special Needs (WIRC) during the Special Olympics in Brussels.

Sabine Fuchs and Dr Wilfried Vyslozil present the SOS Children's Village Cup in Gold to Dr Rolf Hollander and Dr Christine Hawighorst.

CEWE Aarhus supports the photo marathon in Stockholm and Malmö to offer a platform for budding young photographers.

Nesting place and wintering quarters for wasps, wild bees and bumble bees: with help from NABU, CEWE employees built an insect hotel.
### Alignment of the materiality matrix with the GRI Aspects — Part 1

<table>
<thead>
<tr>
<th>Aspects in accordance with the materiality matrix</th>
<th>Why is the Aspect material?</th>
<th>GRI Aspect</th>
<th>GRI Indicator</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy/consumption (CO₂) emissions</td>
<td>Energy input is material because energy is consumed in the production processes and IT processes used, as well as for the conditioning of buildings. In terms of CO₂ emissions, transport has an even greater impact. For this reason, emphasis has been placed on significantly reducing the CO₂ emissions produced during product transportation.</td>
<td>Economic Performance</td>
<td>G4-EC2, G4-EN3–G4-EN5, G4-EN7, G4-EN15–G4-EN19, G4-EN30</td>
<td>28, 35–38</td>
</tr>
<tr>
<td>Environmentally friendly transport</td>
<td>Besides lowering CO₂ emissions, CEWE places equal importance on conserving resources, protecting water and making an active contribution to occupational health and safety and environmental protection at the production sites.</td>
<td>Economic Performance Materials Energy Emissions Products and Services Compliance (environmental) Transport Overall (environmental) Environmental Grievance Mechanisms</td>
<td>G4-EC2, G4-EN1, G4-EN2, G4-EN3–G4-EN5, G4-EN7, G4-EN15–G4-EN18, G4-EN27, G4-EN29, G4-EN30, G4-EN31, G4-EN34</td>
<td>28, 35–41</td>
</tr>
<tr>
<td>Environmental protection</td>
<td>The materials used have a major impact on product quality. The main raw material is paper. Utilisation of paper as a renewable raw material impacts the long-term continuity of the forests and the climate.</td>
<td>Materials Water Wastewater and Waste</td>
<td>G4-EN1, G4-EN2, G4-EN8, G4-EN23</td>
<td>38–41</td>
</tr>
<tr>
<td>Materials</td>
<td>Water consumption</td>
<td>Materials Water</td>
<td>G4-EN1, G4-EN2, G4-EN8</td>
<td>38–41</td>
</tr>
<tr>
<td>Waste/wastewater</td>
<td>Sustainable procurement</td>
<td>Monitoring the supply chain and giving procurement a regional focus are two important topics for CEWE’s stakeholders. Both have an impact on CEWE’s product safety and transport emissions. Suppliers are expected to support the compliance guidelines put in place by CEWE. CEWE screens the working practices of suppliers and sub-suppliers outside Europe.</td>
<td>Economic Performance Procurement Practices Supplier Environmental Assessment Supplier Assessment for Labour Practices Labour Practices Grievance Mechanisms Child Labour Forced or Compulsory Labour</td>
<td>G4-EC2, G4-EC9, G4-EN32, G4-LA14, G4-LA16, G4-HR5, G4-HR6</td>
</tr>
<tr>
<td>Supply chain (traceability)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Relevance: All Aspects are relevant for the stakeholder groups within and outside of the organisation. Outreach: The outreach of the Aspects relates to all CEWE production sites, sales offices and the entire delivery area. The environmental protection, materials and water consumption Aspects are especially important for the 12 production sites.
### Alignment of the materiality matrix with the GRI Aspects — Part 2

<table>
<thead>
<tr>
<th>Aspects in accordance with the materiality matrix</th>
<th>Why is the Aspect material?</th>
<th>GRI Aspect</th>
<th>GRI Indicator</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental product optimisation Product labelling</td>
<td>Consumers are becoming increasingly aware. CEWE has partnerships with retail chains that play a pioneering role in terms of sustainability and make the same demands on their suppliers in turn.</td>
<td>Compliance (environmental) Customer Health and Safety Product and Service Labelling Compliance (product responsibility)</td>
<td>G4-EN29 G4-PR2 G4-PR5 G4-PR9</td>
<td>14, 25 f., 34</td>
</tr>
<tr>
<td>Occupational health and safety</td>
<td>Healthy and motivated employees are key to a company's success.</td>
<td>Occupational Health and Safety</td>
<td>G4-LA6</td>
<td>49</td>
</tr>
<tr>
<td>Fair labour practices</td>
<td>Internally, this topic is material because responsible HR policy is part of our corporate culture and geared towards moving forward with a motivated team. CEWE screens service providers and suppliers very carefully in order to also assume responsibility for people along the supply chain.</td>
<td>Economic Performance Market Presence Supplier Environmental Assessment Employment Supplier Assessment for Labour Practices Labour Practices Grievance Mechanisms Equal Opportunity Child Labour Forced or Compulsory Labour Supplier Human Rights Assessment Local Communities Anti-corruption Compliance (society) Customer Health and Safety Customer Privacy Product Responsibility (compliance)</td>
<td>G4-EC2 G4-EC6 G4-EN32 G4-LA1 G4-LA14 G4-LA16 G4-HR3 G4-HR5 G4-HR6 G4-HR10 G4-SO2 G4-SO4, G4-SO5 G4-SO8 G4-PR2 G4-PR8 G4-PR9</td>
<td>19, 28 f., 45 f., 48, 64</td>
</tr>
<tr>
<td>Diversity and equal opportunity Demographic change</td>
<td>These Aspects are important for CEWE against the background of demographic changes and the reconciliation of a career and family. They ensure that CEWE is an attractive employer and help in the race to find the best talents.</td>
<td>Economic Performance Employment Training and Education Diversity and Equal Opportunity</td>
<td>G4-EC3 G4-LA1 G4-LA9 G4-LA12</td>
<td>18, 45–49</td>
</tr>
<tr>
<td>Social commitment</td>
<td>Social commitment is not a central demand for the stakeholders. For CEWE, social commitment is part of the corporate culture and has a high priority.</td>
<td>Local Communities</td>
<td>G4-SO1</td>
<td>52 f.</td>
</tr>
</tbody>
</table>

Relevance: All Aspects are relevant for the stakeholder groups within and outside of the organisation. Outreach: The outreach of the Aspects relates to all CEWE production sites, sales offices and the entire delivery area. The environmental protection, materials and water consumption Aspects are especially important for the 12 production sites.
**GRI Content Index in accordance with GRI G4 — Part 1**

| G4-1 | Provide a statement from the most senior decision-maker of the organisation about the relevance of sustainability to the organisation (organisation’s strategy for addressing sustainability, vision, goals for the coming 3-5 years). | At CEWE, sustainability is an integral part of corporate governance. Sustainability management is described in detail and concrete sustainability targets can be found in the respective chapters. | 5, 7, 16 ff. | ✓ |
| G4-3 | Report the name of the organisation. | See Introduction and Publication details. | 11, 13, 67 | ✓ |
| G4-4 | Report the primary brands, products and services. | CEWE is active in three strategic business segments: 1. photofinishing with the brands CEWE PHOTOBOOK, CEWE CALENDAR, CEWE CARDS and CEWE WALL ART, 2. commercial online printing (SAXOPRINT, CEWE-PRINT.de, viaprinto), 3. own multi-channel retailing in the form of bricks-and-mortar retail stores and online shops (brands include Fotojoker, Fotolabs, Japan Photo). | 13, 23 | ✓ |
| G4-5 | Report the location of the organisation’s headquarters. | See Publication details. | 67 | ✓ |
| G4-6 | Report the number of countries where the organisation operates, and names of countries where either the organisation has significant operations or that are specifically relevant to the sustainability topics covered in the report. | This information can be found on the map of Europe. | 12 ff. | ✓ |
| G4-7 | Report the nature of ownership and legal form. | This information is contained in the organisational structure and legal form in the introduction. | 11 | ✓ |
| G4-8 | Report the markets served (including geographic breakdown, sectors served and types of customers and beneficiaries). | In 24 European countries CEWE supplies 25,000 retail outlets, 20,000 CEWE INSTANT photo stations, dedicated CEWE retail stores in some countries and online printing services providers. Customers and beneficiaries are retail partners, consumers and businesses. | 12 | ✓ |
| G4-9 | Report the scale of the organisation (total number of employees, total number of operations, quantity of products and services provided). | 3,400 employees, 12 production sites, revenue of EUR 554.2 million, 6 million copies of the CEWE PHOTOBOOK, 2.2 billion photos produced, over 32,000 t of printed paper. CEWE’s market capitalisation at 31.12.2015 was around EUR 400 million (7.4 million shares at a market price of EUR 54.61 each). | 13, 22 | ✓ |
| G4-10 | Report the total number of employees by employment contract and gender. | On an annual average, CEWE employed 3,420 people in total in 2015 (2014: 3,219). Of these, 2,298, or 67 per cent, were employed at the company’s sites in Germany (2014: 2,145 or 67 per cent) and 1,122 employees, accounting for some 33 per cent (2014: 1,074 or 33 per cent) worked at the Group’s international sites. The share of female employees was 48 per cent (2014: 49 per cent). Of the 189 executive employees, 45 were women. A total of 2,064 employees (1,023 male and 1,041 female) at the German sites are on permanent employment contracts. 239 employees are on temporary contracts (94 of them women), 1,955 employees work full-time (1,117 male, 838 female) and 358 currently work part-time (64 male, 294 female). To cover the Christmas period, around 500 seasonal workers are employed at the German processing plants from October to December. | 45 | ✓ |

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1: External assessment by BDO AG Wirtschaftsprüfungsgesellschaft, whose statement is printed on pages 68 and 69.
### General standard disclosures

<table>
<thead>
<tr>
<th>G4-11</th>
<th>Report the percentage of total employees covered by collective bargaining agreements.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Germany-wide, around 86 per cent of the workforce is covered by collective bargaining agreements, Europe-wide 60.5 per cent.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>G4-12</th>
<th>Describe the organisation's supply chain.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>In CEWE's supply chain, the direct suppliers for production materials are considered. In the case of purchases via retail partners, for production-critical materials the sub-supplier is also considered and reviewed. Production-critical materials in particular include products with special demands on product safety/product quality.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>G4-13</th>
<th>Report any significant changes during the reporting period regarding the organisation's size, structure, ownership or its supply chain.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>There were no significant changes.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>G4-14</th>
<th>Report whether and how the precautionary approach or principle is addressed by the organisation.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Environmental management system in compliance with DIN EN ISO 14001, energy management system in compliance with DIN EN ISO 50001, opportunity and risk management, internal control system (ICS), occupational health and safety, Carbon Disclosure Project and UN Global Compact.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>G4-15</th>
<th>List externally developed economic, environmental and social charters, principles or other initiatives to which the organisation subscribes or which it endorses.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>German Corporate Governance Code, the Ten Principles of the UN Global Compact, German Sustainability Code, Carbon Disclosure Project, DIN EN ISO 14001 environmental management system, DIN EN ISO 50001 energy management system, audits in the field of human resources management with regard to reconciling work and family life (Hertie Foundation, TÜV Rheinland), in the area of materials procurement (separate audits were to assess sustainability factors), FSC*.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>G4-16</th>
<th>List (significant) memberships of associations and national or international advocacy organisations.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>An overview of memberships and partnerships is provided on pages 29–31. Furthermore, CEWE also provides a member of the Executive Board of the Photo Industry Association and the Deputy Chairman of the PIV Technology and Environment Committee. CEWE provides the Chairman of the BGL (German Federal Association of Industrial Photographic Laboratories). CEWE is represented by a member of the Board of Management on the management committee of the German Association of Environmental Management (B.A.U.M.) and plays an active role on various advisory committees (for example Sustainability in the supply chain).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>G4-17</th>
<th>List all entities included in the organisation's consolidated financial statements.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>This information is provided in CEWE's Annual Report 2015 on page 246.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>G4-18</th>
<th>Explain the process for defining the report content and the Aspect Boundaries.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>To define the report content, a stakeholder analysis and survey was carried out. The results of the survey were used to draw up the materiality matrix. The individual points are deemed to be material if both the stakeholders and the company identify them as important. Boundaries are defined by only including Aspects which directly have an impact outside the organisation. The Aspects are listed in the materiality matrix.</td>
</tr>
</tbody>
</table>

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1: External assessment by BDO AG Wirtschaftsprüfungsgesellschaft, whose statement is printed on pages 68 and 69.
### GRI CONTENT INDEX in accordance with GRI G4 — Part 3

<table>
<thead>
<tr>
<th>General standard disclosures</th>
<th>Status in 2015</th>
<th>Pages</th>
<th>BDO¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-19 List all material Aspects identified in the process for defining report content.</td>
<td>Energy/energy consumption, environmental protection, material input, sustainable procurement, occupational health and safety, fair labour practices, ecological product optimisation, waste/wastewater, (CO₂) emissions, environmentally friendly transport, product labelling, demographic change, supply chain (traceability), water consumption, diversity and equal opportunity, social engagement.</td>
<td>9</td>
<td>✓</td>
</tr>
<tr>
<td>G4-20, G4-21 For each material Aspect, report the Aspect Boundary within and outside of the organisation.</td>
<td>Product labelling: internal and external relevance (customers). Ecological product optimisation: internal and external relevance (retail partners and supply chain). Supply chain: internal and external relevance (consequences for choice of retail partners and for customer information). Fair labour practices: internal and external relevance (e.g. no child labour and exploitation). Environmentally friendly transport: internal and external relevance (e.g. choice of suppliers and fundamental logistics decisions at the respective production sites). All internal materiality Aspects tend also to indirectly have an external relevance, e.g. environmental protection. Boundaries are defined by only including Aspects which directly have an impact outside the organisation. More information is presented in the table showing alignment of the materiality matrix with the GRI Aspects on pages 56 and 57.</td>
<td>56 f.</td>
<td>✓</td>
</tr>
<tr>
<td>G4-22 Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.</td>
<td>The stakeholder survey was conducted in 2014 for the first time in a structured manner, giving more emphasis to material Aspects. The reason for this is the transition to GRI G4.</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>G4-23 Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.</td>
<td>No changes compared to the 2014 Sustainability Report.</td>
<td>8</td>
<td>✓</td>
</tr>
<tr>
<td>G4-24 Provide a list of all stakeholder groups engaged by the organisation.</td>
<td>Customers, employees and business partners from the areas of sales and retailing, purchasing and suppliers, IT and technology, logistics, production, environment, human resources, marketing, finance, press and public relations as well as an unassigned group (media, neighbours, politicians, non-governmental organisations).</td>
<td>8</td>
<td>✓</td>
</tr>
<tr>
<td>G4-25 Report the basis for identification and selection of stakeholders with whom to engage.</td>
<td>The basis for selection was the key stakeholder groups of CEWE, as this allowed as many different perspectives as possible to be covered.</td>
<td>8</td>
<td>✓</td>
</tr>
<tr>
<td>G4-26 Report the organisation’s approach to stakeholder engagement, including frequency of engagement by type and stakeholder group.</td>
<td>Involvement of the stakeholders takes place on a continuous basis. The concrete measures subdivided according to the respective groups are described in the introduction under the heading “Continuous stakeholder engagement”.</td>
<td>8, 10</td>
<td>✓</td>
</tr>
<tr>
<td>G4-27 Report key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.</td>
<td>The key topics are summarised in the materiality matrix. The table showing alignment of the materiality matrix with the GRI Aspects from page 56 sets out why the Aspects are considered material, which GRI Aspects they fall under and with what measures and degree of progress CEWE addresses them. The stakeholder survey was conducted with the help of a structured questionnaire, i.e. the stakeholder groups were given identical Aspects to evaluate and prioritised them from their own perspective.</td>
<td>8 f.</td>
<td>✓</td>
</tr>
<tr>
<td>G4-28 Reporting period for information provided.</td>
<td>Financial year 2015 from 1 January to 31 December 2015.</td>
<td>66</td>
<td>✓</td>
</tr>
<tr>
<td>G4-29 Date of most recent previous report (if any).</td>
<td>3 June 2015.</td>
<td>66</td>
<td>✓</td>
</tr>
<tr>
<td>G4-30 Reporting cycle.</td>
<td>Annual.</td>
<td>66</td>
<td>✓</td>
</tr>
</tbody>
</table>

¹: External assessment by BDO AG Wirtschaftsprüfungsgesellschaft, whose statement is printed on pages 68 and 69.
<table>
<thead>
<tr>
<th>GRI Content Index in accordance with GRI G4 — Part 4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General standard disclosures</strong></td>
</tr>
<tr>
<td>G4-31 Provide the contact point for questions regarding the report or its contents.</td>
</tr>
<tr>
<td>G4-32 Report the GRI Content Index for 'In accordance' with GRI G4 incl. External Assurance</td>
</tr>
<tr>
<td>G4-33 Report the organisation’s policy and current practice with regard to seeking external assurance for the report. Report the scope and basis of any assurance provided. Report the relationship between the organisation and the assurance providers.</td>
</tr>
<tr>
<td>G4-34 Governance structure – report the governance structure of the organisation.</td>
</tr>
<tr>
<td>G4-56 Describe the organisation’s values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Specific standard disclosures</strong></th>
<th><strong>Status in 2015</strong></th>
<th><strong>Pages</strong></th>
<th><strong>BDO</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-DMA Disclosures on management approaches.</td>
<td>For an overview, see page 10. In addition, the table on pages 56 and 57 show the pages in the report where the respective management approach can be found relating to the material Aspects.</td>
<td>10, 24–28, 34 f., 41, 44</td>
<td>✓</td>
</tr>
<tr>
<td>Economic</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-EC2 Financial implications and other risks and opportunities for the organisation’s activities due to climate change.</td>
<td>This information is provided in CEWE’s risk management. To ensure dependable, sustainable and high-quality supply with raw materials, CEWE has also extended its supplier management.</td>
<td>26, 28 f.</td>
<td>✓</td>
</tr>
<tr>
<td>G4-EC3 Coverage of the organisation’s defined benefit plan obligations; how many shares were bought by employees in the reporting period within the scope of the organisation’s employee shares programme (by type: discounted staff shares vs. bonus shares)? Shares sold in employee shares programme (percentage).</td>
<td>1,454 employees drew pensions under the company pension scheme in the reporting year. Detailed information about the pension plan is presented in CEWE’s Annual Report 2015, in the consolidated financial statements, Notes D: Comments on the balance sheet, page 208 f.</td>
<td>47</td>
<td>✓</td>
</tr>
<tr>
<td>G4-EC6 Report the percentage of senior management at significant locations of operation that are hired from the local community, stating the organisation’s definition of senior management, local and significant locations of operation.</td>
<td>Over 50 per cent of executive employees have completed CEWE’s Junior Management Programme.</td>
<td>48</td>
<td>✓</td>
</tr>
<tr>
<td>G4-EC9 Percentage of products and services purchased locally.</td>
<td>CEWE purchases 47 per cent of the materials and supplies needed for production in Germany, 29 per cent in the European Economic Area and 24 per cent outside Europe. The percentage of production materials purchased locally increased to 52 per cent.</td>
<td>28</td>
<td>✓</td>
</tr>
</tbody>
</table>

1: External assessment by BDO AG Wirtschaftsprüfungsgesellschaft, whose statement is printed on pages 68 and 69.
<table>
<thead>
<tr>
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<th>Pages</th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Environmental</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-EN1 Materials used by weight and volume.</td>
<td>This information is presented in the quantitative balance.</td>
<td>41</td>
<td>✓</td>
</tr>
<tr>
<td>G4-EN2 Recycled input materials (paper, cardboard, grey board, packaging without plastic).</td>
<td>The share of recycled input materials is 9 per cent. Secondary input materials include packaging materials and grey board for the book covers and copying papers.</td>
<td>40</td>
<td>✓</td>
</tr>
<tr>
<td>G4-EN3 Energy consumption within the organisation.</td>
<td>Energy consumption is 143.3 TJ, of which 28.6 TJ gas for heating, 21.9 TJ fuels (primarily diesel) and 92.8 TJ (25.4 GWh) electricity.</td>
<td>36</td>
<td>✓</td>
</tr>
<tr>
<td>G4-EN4 Energy consumption outside of the organisation.</td>
<td>Energy consumption outside of the organisation amounts to 277 TJ (consideration of logistics processes in Scope 3).</td>
<td>38</td>
<td>✓</td>
</tr>
<tr>
<td>G4-EN5 Energy intensity ratio per metric ton of raw materials used.</td>
<td>The energy intensity ratio per metric ton of raw materials used was lowered to 3.52 GJ.</td>
<td>36</td>
<td>✓</td>
</tr>
<tr>
<td>G4-EN6 Energy intensity ratio per million euros of revenue.</td>
<td>The energy intensity ratio per million euros of revenue is 259 GJ.</td>
<td>36</td>
<td>✓</td>
</tr>
<tr>
<td>G4-EN7 Report the types of energy included in the intensity ratio, and report whether the ratio uses energy consumed within the organisation, outside of it or both.</td>
<td>The types of energy consumed within the organisation are gas, fuel (diesel) and electricity (Scopes 1 and 2).</td>
<td>36</td>
<td>✓</td>
</tr>
<tr>
<td>G4-EN8 Report the reductions in the energy requirements of sold products and services.</td>
<td>3.52 GJ/t (per metric ton of material used); corresponds to a 4 per cent reduction compared to 2014.</td>
<td>36</td>
<td>✓</td>
</tr>
<tr>
<td>G4-EN9 Report total water withdrawal by source.</td>
<td>CEWE primarily uses tap water; the overall share of well water is again around 7 per cent. Absolute water consumption fell by 8 per cent in 2015 compared to the previous year.</td>
<td>39</td>
<td>✓</td>
</tr>
<tr>
<td>G4-EN10 Report gross direct (Scope 1) GHG emissions in metric tons of CO₂ equivalent.</td>
<td>The results are almost identical to 2014: 3,017 t, of which 1,498 t gas and oil for heating and 1,519 t fuels (diesel).</td>
<td>36, 38</td>
<td>✓</td>
</tr>
<tr>
<td>G4-EN11 Report gross energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent.</td>
<td>Total electricity consumption in 2015 was 25.8 GWh/a compared to 25.4 GWh/a in 2014. This corresponds to Scope 2 CO₂ emissions of 10,384 t (2014: 10,218 t).</td>
<td>37</td>
<td>✓</td>
</tr>
<tr>
<td>G4-EN12 Report gross other indirect (Scope 3) GHG emissions in metric tons of CO₂ equivalent.</td>
<td>Reported Scope 3 CO₂ emissions, which at CEWE are primarily accounted for by logistics processes, totalled 19,224 t in 2015.</td>
<td>38</td>
<td>✓</td>
</tr>
<tr>
<td>G4-EN13 Report the GHG emissions intensity.</td>
<td>For Scope 1 and 2 GHG emissions 329 kg/t in 2015 (kg CO₂ per metric ton of material used), in 2014 345 kg/t.</td>
<td>36</td>
<td>✓</td>
</tr>
<tr>
<td>G4-EN14 Report the amount of GHG emissions reductions achieved as a direct result of initiatives to reduce emissions.</td>
<td>A particularly energy-efficient data centre built in 2012 makes it possible to save a further 150 t CO₂ annually, which is equivalent to almost 2 per cent of total Scope 2 emissions. Two photovoltaic facilities at the Freiburg and Munich production sites produce an energy output of 260 kWh/a of solar energy. This translates into a CO₂ reduction of 105 t/a.</td>
<td>38</td>
<td>✓</td>
</tr>
<tr>
<td>G4-EN15 Report the total weight of hazardous and non-hazardous waste, by disposal method.</td>
<td>The CEWE Group generated 13,321 t of waste in 2015, which corresponds to around 33 per cent of the quantity of material used (waste rate). The waste recovery rate was again over 98 per cent.</td>
<td>40 f.</td>
<td>✓</td>
</tr>
</tbody>
</table>

¹: External assessment by BDO AG Wirtschaftsprüfungs gesellschaft, whose statement is printed on pages 68 and 69.
### GRI Content Index in accordance with GRI G4 — Part 6

<table>
<thead>
<tr>
<th>Specific standard disclosures</th>
<th>Status in 2015</th>
<th>Pages</th>
<th>BDO 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-EN27</td>
<td>Report the extent to which environmental impacts of products and services have been mitigated during the reporting period.</td>
<td></td>
<td>38</td>
</tr>
<tr>
<td>G4-EN29</td>
<td>Monetary value of significant fines and total number on non-monetary sanctions for non-compliance with environmental laws and regulations.</td>
<td></td>
<td>34</td>
</tr>
<tr>
<td>G4-EN30</td>
<td>Report the criteria and methodology used to determine which environmental impacts are significant.</td>
<td></td>
<td>37</td>
</tr>
<tr>
<td>G4-EN31</td>
<td>Total environmental protection expenditures.</td>
<td></td>
<td>41</td>
</tr>
<tr>
<td>G4-EN32</td>
<td>Report the percentage of new suppliers that were screened using environmental criteria.</td>
<td></td>
<td>28 f.</td>
</tr>
<tr>
<td>G4-EN34</td>
<td>Total number of grievances about environmental impacts filed, addressed and resolved through formal grievance mechanisms.</td>
<td></td>
<td>34</td>
</tr>
<tr>
<td><strong>Social (labour practices and decent work)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4-LA1</td>
<td>Total number and rates of new employee hires and employee turnover.</td>
<td></td>
<td>45</td>
</tr>
<tr>
<td>G4-LA6</td>
<td>Total number of work-related accidents.</td>
<td></td>
<td>49</td>
</tr>
<tr>
<td>Number of reportable accidents</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accidents on the way to and from work</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work-related fatalities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lost-day rate.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Report the system of rules applied in recording and reporting accident statistics.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1: External assessment by BDO AG Wirtschaftsprüfungs gesellschaft, whose statement is printed on pages 68 and 69.
## GRI Content Index in accordance with GRI G4 — Part 7

<table>
<thead>
<tr>
<th>Specific standard disclosures</th>
<th>Status in 2015</th>
<th>Pages</th>
<th>BDO¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-LA9 Training and education.</td>
<td>In 2015, 286 seminars were held (2014: 296), which were attended by 1,471 employees (2014: 882).</td>
<td>48 f.</td>
<td>✓</td>
</tr>
<tr>
<td>Average hours of training per employee by gender and by employee category.</td>
<td>CEWE did not record these figures in the reporting period, however they are in preparation for the 2016 report.</td>
<td>91</td>
<td>✓</td>
</tr>
<tr>
<td>G4-LA12 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity.</td>
<td>The Supervisory Board has seven male and five female representatives. All other details can be found in the chapter “Responsibility for Employees”.</td>
<td>18, 45</td>
<td>✓</td>
</tr>
<tr>
<td>G4-LA14 Percentage of new suppliers that were screened using labour practices criteria.</td>
<td>120 new suppliers/sub-suppliers were screened.</td>
<td>28 f.</td>
<td>✓</td>
</tr>
<tr>
<td>G4-LA16 Number of grievances about labour practices filed, addressed and resolved through formal grievance mechanisms (from perspective of HR, supply chain and environment).</td>
<td>No grievances were filed in the reporting period.</td>
<td>28 f.</td>
<td>✓</td>
</tr>
</tbody>
</table>

### Social (Human Rights)

| G4-HR3 Were there any incidents of discrimination? | No incidents of discrimination were reported to either the ombudsman or the Works Council.                                                                                             | 46    | ✓     |
| G4-HR5, G4-HR6 Are any operations and suppliers identified as having significant risk for incidents of forced/compulsory labour, child labour, young workers exposed to hazardous work? | Suppliers from regions classified as critical in accordance with BSCI Guidelines are carefully audited.  
In 2015, there were no new suppliers from regions classified as critical. | 28 f. | ✓     |
| Report measures taken by the organisation in the reporting period intended to contribute to the effective abolition of forced/compulsory labour and child labour. | Communication of content in CEWE’s own terms and conditions of purchase and supplier audits, especially in critical regions. |       | ✓     |
| G4-HR10 Percentage of new suppliers that were screened using human rights criteria. | 120 new suppliers/sub-suppliers were screened. This brings the proportion of new suppliers (with anticipated annual revenue in excess of EUR 50,000) audited to 70 per cent. | 28 f. | ✓     |

### Social (Society)

| G4-SO1 Summary of projects and statements relating to local community engagement. | CEWE supported over 120 projects Europe-wide in 2015.                                                                                     | 52    | ✓     |
| Total amount of donations used for social engagement purposes. | Donations and sponsoring funds used for social engagement purposes totalled EUR 1 million in 2015.                                                                                     | 91    | ✓     |
| G4-SO2 Report operations with significant actual and potential negative impacts on local communities. | No negative impacts are known.                                                                                                           | 91    | ✓     |

¹: External assessment by BDO AG Wirtschaftsprüfungsgesellschaft, whose statement is printed on pages 68 and 69.
## GRI Content Index in accordance with GRI G4 — Part 8

<table>
<thead>
<tr>
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<th>Status in 2015</th>
<th>Pages</th>
<th>BDO¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-SO4</td>
<td>Report the total number and percentage of business partners that the organisation’s anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region. CEWE’s employees are informed to 100 per cent via employee meetings and in-house communications. Suppliers are informed to 100 per cent through a reference to the terms and conditions of purchase via an order form. All others: to 100 per cent via the website cewe.de and the Sustainability Report.</td>
<td>19, 28 f.</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Report the total number and percentage of governance body members that the organisation’s anti-corruption policies and procedures have been communicated to, broken down by region. All members are trained.</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Report the total number and percentage of employees that the organisation’s anti-corruption policies and procedures have been communicated to. All employees were informed within the context of presentation events.</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Report the total number and percentage of employees that have received training on anti-corruption. All employees were trained within the context of presentation events.</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>G4-SO5</td>
<td>Report confirmed incidents, accusations or legal cases regarding corruption brought against the organisation. There were no incidents, accusations or legal cases regarding corruption brought against the organisation in the reporting period.</td>
<td>19</td>
<td>✓</td>
</tr>
<tr>
<td>G4-SO8</td>
<td>Has the organisation identified any non-compliance with laws or regulations? There were no incidents in the reporting period.</td>
<td>19</td>
<td>✓</td>
</tr>
</tbody>
</table>

### Social (Product Responsibility)

<table>
<thead>
<tr>
<th>Specific standard disclosures</th>
<th>Status in 2015</th>
<th>Pages</th>
<th>BDO¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4-PR2</td>
<td>Were there any incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services? There were no incidents in the reporting period.</td>
<td>28 f.</td>
<td>✓</td>
</tr>
<tr>
<td>G4-PR5</td>
<td>Results of surveys measuring customer satisfaction. Since 2012, more than 250,000 consumers have completed short surveys and given their feedback on products, software and services, thus ensuring processes are constantly reviewed and developed. Again in 2015, CEWE won many independent tests.</td>
<td>25 f.</td>
<td>✓</td>
</tr>
<tr>
<td>G4-PR8</td>
<td>Were there any identified leaks, thefts or losses of customer data and/or substantiated complaints regarding breaches of customer privacy and losses of customer data? There were no incidents in the reporting period.</td>
<td>19</td>
<td>✓</td>
</tr>
<tr>
<td>G4-PR9</td>
<td>Report the total monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services. There were no fines for non-compliance with laws and regulations concerning the provision and use of products and services in the reporting period.</td>
<td>19</td>
<td>✓</td>
</tr>
</tbody>
</table>

1: External assessment by BDO AG Wirtschaftsprüfungsgesellschaft, whose statement is printed on pages 68 and 69.
REPORTING SYSTEM

Objective of the report
This report aims to transparently present the objectives that CEWE pursues in order to overcome economic, environmental, social and community challenges, and the measures it uses to do so.

Procedure
This is the sixth Sustainability Report that CEWE has published. The report was prepared in conjunction with the Sustainability Coordination Group and was approved by the Board of Management.

Publication
This report was published on the company’s website at www.company.cewe.de on 1 June 2016.

Fundamentals
The data was prepared “in accordance” with the GRI G4 Guidelines “Core” option. The Core option contains the essential elements of a sustainability report. The Core option provides the background against which CEWE communicates the impact of its economic, environmental, social and governance performance.

Data
The data was collected over the course of the 2015 financial year, which ran from 1 January to 31 December. The information contained in the report concerns all affiliated companies, i.e. all companies in which CEWE Stiftung & Co. KGaA held a majority shareholding at the time the Sustainability Report was prepared. The financial data is presented in euros.

Editorial notes
This Sustainability Report is published in German and English. The deadline for editorial content was 4 May 2016.
Responsibility of
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INDEPENDENT PRACTITIONER’S LIMITED ASSURANCE REPORT

Independent practitioner’s statement regarding performance of a limited assurance engagement in respect of sustainability information.

To CEWE Stiftung & Co. KGaA, Oldenburg

We have been engaged to perform a limited assurance engagement on the sustainability information marked with (“√”) in the Company’s Sustainability Report for the period from 1 January to 31 December 2015. Our engagement refers solely to the sustainability information marked with (“√”).

Management’s Responsibility

The management of the CEWE Stiftung & Co. KGaA, Oldenburg, is responsible for the preparation of the Sustainability Report in accordance with the criteria as set out in the G4 Sustainability Reporting Guidelines of the Global Reporting Initiative (hereafter: the “GRI-Criteria”) and for the selection of the sustainability information to be assessed.

This responsibility includes the selection and application of appropriate methods to prepare the Sustainability Report as well as the use of assumptions and estimates for individual sustainability disclosures which are reasonable in the circumstances. Furthermore, the responsibility includes the maintenance of the system of internal controls for the preparation of the Sustainability Report, which is free of material misstatements.

Measures of the Auditor to ensure the Independence and Quality Control

In carrying out our engagement, we have complied with the requirements of independence and the further general professional duties for auditors. Moreover, the performance of the engagement was subject to the quality control measures in accordance with national legal provisions and the professional pronouncements, in particular the Professional Code for German Public Auditors and German Chartered Auditors (“Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer”) as well as the joint opinion of the Chamber of German Public Accountants (“Wirtschaftsprüferkammer”) and the Institute of Public Auditors in Germany (“Institut der Wirtschaftsprüfer in Deutschland e.V.”): Requirements for Quality Control for Audit Firms (“Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis”) (VO 1/2006).

These requirements are comparable with the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior in the “Code of Ethics for Professional Accountants”, issued by the International Ethics Standards Board, and with the requirements of quality assurance laid down in the standard “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” (ISQC 1), issued by the International Auditing and Assurance Standards Board.

Practitioner’s Responsibility

Our responsibility is to express an opinion based on our work performed on the sustainability information in the Sustainability Report marked with (“√”). We conducted our work in accordance with the “Assurance Engagements Other than Audits or Reviews of Historical Financial Information” (ISAE 3000 (Revised)), issued by the International Auditing and Assurance Standards Board. This Standard requires that we plan and perform the assurance engagement to obtain limited assurance whether any matters come to our attention that causes us to believe that the disclosures relating to the sustainability information marked with (“√”) in the Sustainability Report have not been prepared in all material respects with the GRI-Criteria. In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement, and therefore significantly less assurance is obtained than in a reasonable assurance engagement. The procedures selected depend on the practitioner’s judgment. This includes the assessment of the risks of material misstatement in the Sustainability Report with regard to the GRI-Criteria.

1: Our engagement refers to the German version of the Sustainability Report. This text is a translation of the Independent Assurance Report issued in German language, whereas the German text is authoritative.
Within the scope of our work, we performed amongst others the following procedures:

- Obtaining an understanding of the structure of the sustainability organization and of the stakeholder engagement
- Inquiries of personnel involved in the preparation of the Sustainability Report regarding the preparation process, the underlying internal control system and selected sustainability information
- Analytical procedures on selected sustainability information of the Sustainability Report
- Comparison of selected sustainability information with corresponding data in the Consolidated Financial Statements and in the Group Management Report
- Assessment of the presentation of selected sustainability information regarding the sustainability performance

Conclusion
Based on our limited assurance engagement, nothing has come to our attention that causes us to believe that the sustainability information marked with (“√”) in the Sustainability Report of the Company for the period from 1 January to 31 December 2015 has not been prepared, in all material aspects, in accordance with the GRI-Criteria.

Restriction on Use and Distribution
We issue this report on the basis of the engagement agreed with CEWE Stiftung & Co. KGaA, Oldenburg. The review has been performed for the purposes of CEWE Stiftung & Co. KGaA, Oldenburg, and is solely intended to inform the CEWE Stiftung & Co. KGaA, Oldenburg, about the results of the review.

Limitation of Liability
Our responsibility is solely towards the CEWE Stiftung & Co. KGaA, Oldenburg, and is also in accordance with the “Special Terms and Conditions of the BDO AG Wirtschaftsprüfungsgesellschaft” from 1 January 2015 and the “General Engagement Terms of the Institut der Wirtschaftsprüfer in Deutschland e.V. for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften” from 1 January 2002 (www.bdo.de) agreed with the Company. This report is not intended for any third parties to base any (financial) decisions thereon. Therefore, we do not assume any responsibility towards third parties.

Hamburg, 18 May, 2016

BDO AG Wirtschaftsprüfungsgesellschaft

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