

MELITTA GROUP: OUR SUSTAINABILITY STATEMENT 2019

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In this document, we present the main focus areas of our sustainability activities.

The statement describes in particular the attitude behind our activities, what we have achieved over the last few years, how we want to develop and which steps we will take to reach our objectives. With this in mind, one of its key aims is to further stimulate and intensify the dialogue with our stakeholders.

In 2015, we started aligning the sustainability activities of our operating divisions in a group-wide, strategic manner. Over the years that followed, we set up an interdisciplinary sustainability management unit to ensure that sustainability requirements are routinely taken into account in our business processes. In this statement, we will disclose for the first time the key targets adopted in the main areas of action that make up our sustainability engagement.

From 2020 onward, we will formally report on our targets, measures and results each year.



Dear readers,

The Melitta Group is a 111-year-old family company which is now under fourth-generation management. Decision-making at our group of companies has been driven by long-term views and actions, a firmly embedded corporate culture and clear goals for many decades.

We have succeeded in passing this attitude from generation to generation and maintaining cohesion even in challenging times. Our independence gives us the freedom to follow our conviction that companies have a responsibility to make people's lives better - by which we mean the lives of customers, employees and workers in the supply chains. For that reason, we see promoting sustainable development as an integrated aspect of our business operations and have defined sustainability as one of our company's seven core values. Our strategic orientation tackles the challenges arising from issues such as digitalization and globalization on this basis. It concentrates on further internationalizing our activities and developing new, forward-looking products and markets. In connection with this, we have initiated a comprehensive process of cultural change which encourages our staff to embrace more interdisciplinary cooperation, autonomy and entrepreneurial initiative.

We have created a binding framework for responsible action within our group of companies and the supply chains by means of voluntary commitments and internal regulations, such as codes of conduct for both staff and suppliers, as well as compliance guidelines.

Building on this, we have developed a strategic sustainability engagement spanning the whole Group. The objective was — and remains — to systematize the many individual sustainability activities at our operating divisions, align them consistently and heighten their impact. To achieve this, we have further enhanced our organizational structures, skills, mindset, leadership principles and innovativeness in recent years. Furthermore, we have given more concrete form to our targets and commitments in relation to the circular economy, climate neutrality, sustainable coffee and many other central areas of action within our sustainability engagement.

In this statement, we offer an overview of where we stand with respect to sustainability-relevant issues and where we want to be in a few short years' time. We firmly believe that great opportunities and challenges will also arise for us over the next five, ten and 30 years. We want to face these in close dialogue with our stakeholders, which is why this statement also serves as an invitation to engage with us more intensively.

We very much hope you will join us on this path.

ERO BENTZ

VOLKER STÜHMEIER



The Melitta Group

THE MELITTA GROUP

The Melitta Group is a family-owned group of companies with international operations and an over 100-year tradition. We have approximately 5,200 employees in Germany and abroad, who generated sales in excess of € 1.5 billion in 2018.

We are present with our products in more than 86 countries around the world and are market and quality leaders in many places. Our brands Melitta®, Toppits®, Albal®, handy bag®, Bacofoil®, Wrapmaster®, Bom Jesus, Swirl® and Cilia® in particular are well known in private households, where they also have a reputation for high quality.

Our portfolio comprises three business fields:

Coffee

The Coffee business field covers our wide range of different coffee varieties and products for all tastes: ground filter coffee, whole beans for fully automatic coffee machines, specialty coffees, specialty instants, coffee capsules, and pad ranges for single-cup preparation.

Coffee Preparation:

This business field includes all products which are useful when preparing a cup of coffee or tea as a premium provider – for both the retail and business customer segments: coffee filters, coffee pads, filter coffeemakers, fully automatic coffee machines, pour-over machines, electric kettles, milk frothers, and many more.

Household Products:

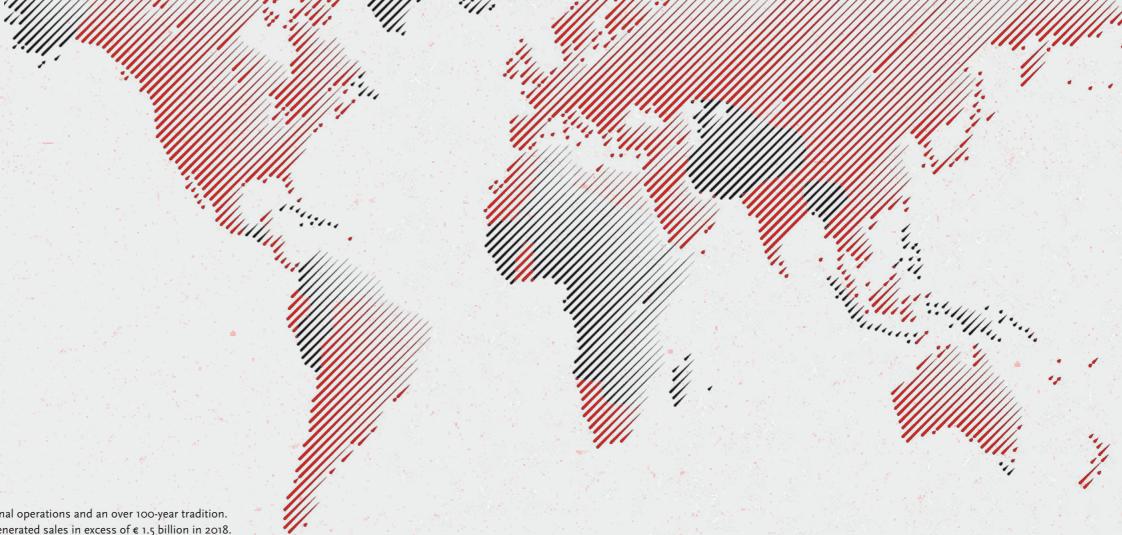
The Household Products business field consists of paper and film products for food preparation and storage in domestic and food-service settings. This business field also comprises various solutions for waste disposal, vacuum cleaning, descaling appliances, cleaning spectacles.

Furthermore, we produce specialist papers and food packaging films for commercial suppliers.

AT HOME IN MANY MARKETS

In organizational terms, the Melitta Group is made up of 15 legally independent operating divisions responsible for the Group's operating business, and Melitta Group Management in Minden. The Melitta Group Management defines the Group's strategy and provides a range of services for the operating divisions.

These are primarily strategic and operational services relating to finance, legal affairs, human resources, corporate development, communication, and sustainability.



The Melitta Group

Chief Corporate Management MELITTA GROUP

Jero Bentz, Volker Stühmeier

Operating Divisions MELITTA MELITTA EUROPE PROFESSIONAL COFFEE COFRESCO SOLUTIONS Coffee Division Kai Boris Bendix Iero Bentz. Dr. Frank Strege Dr. Stefan Scholle MELITTA EUROPE **COFFEE AT WORK CUKI COFRESCO** Coffee Preparation Division Corrado Ariaudo Martin Sesiak Michael Melzer MELITTA EUROPE

MELITTA

MELITTA

NORTH AMERICA

Martin T. Miller

Sales Europe Division Remko Tetenburg

SOUTH AMERICA Marcelo Barbieri

MELITTA SINGLE PORTIONS Holger Feldmann

MELITTA BUSINESS SERVICE CENTER Dr. Dietmar Scheja

MELITTA ASIA PACIFIC Byron Chang

ACW-FILM Markus Wielens

WOLF PVG

Dr. Marc Schmidt

NEU KALISS / NEUKÖLLN

SPEZIALPAPIER

John Paul Fender

Corporate Divisions

CORPORATE DEVELOPMENT incl. 10X Innovation

Dr. Stefan Scholle

COMMUNICATION AND SUSTAINABILITY

Katharina Roehrig

HUMAN RESOURCES Roberto Rojas

Jochen Emde

LEGAL AFFAIRS

FINANCE

Gunhild Wehmhöner

General partners of Melitta Unternehmensgruppe Bentz KG Dr. Stephan Bentz, Jero Bentz

Limited partners Claudia Tauß, Jara Bentz, Thomas Dominik Bentz, Dr. Thomas Bentz

Advisory Council Joachim Rabe (Chair), Javier González, Alastair Bruce, Andreas Ronken, Dr. Thomas Bentz, Dr. Stephan Bentz, Claudia Tauß

ORIENTATION is the sustainability engagement.

RESPONSIBLE CORPORATE GOVERNANCE

The Melitta Group is led by the Chief Corporate Management team, made up of Jero Bentz and Volker Stühmeier. Chief Corporate Management defines the Group's strategy and acts in line with the principle of collective representation as per the Articles of Association and the rules of procedure.

Chief Corporate Management consults with an Advisory Council on important strategic issues and decisions. This Council is appointed by the general partners and has seven members. The Advisory Council meets regularly four times a year and is governed by its own set of rules.

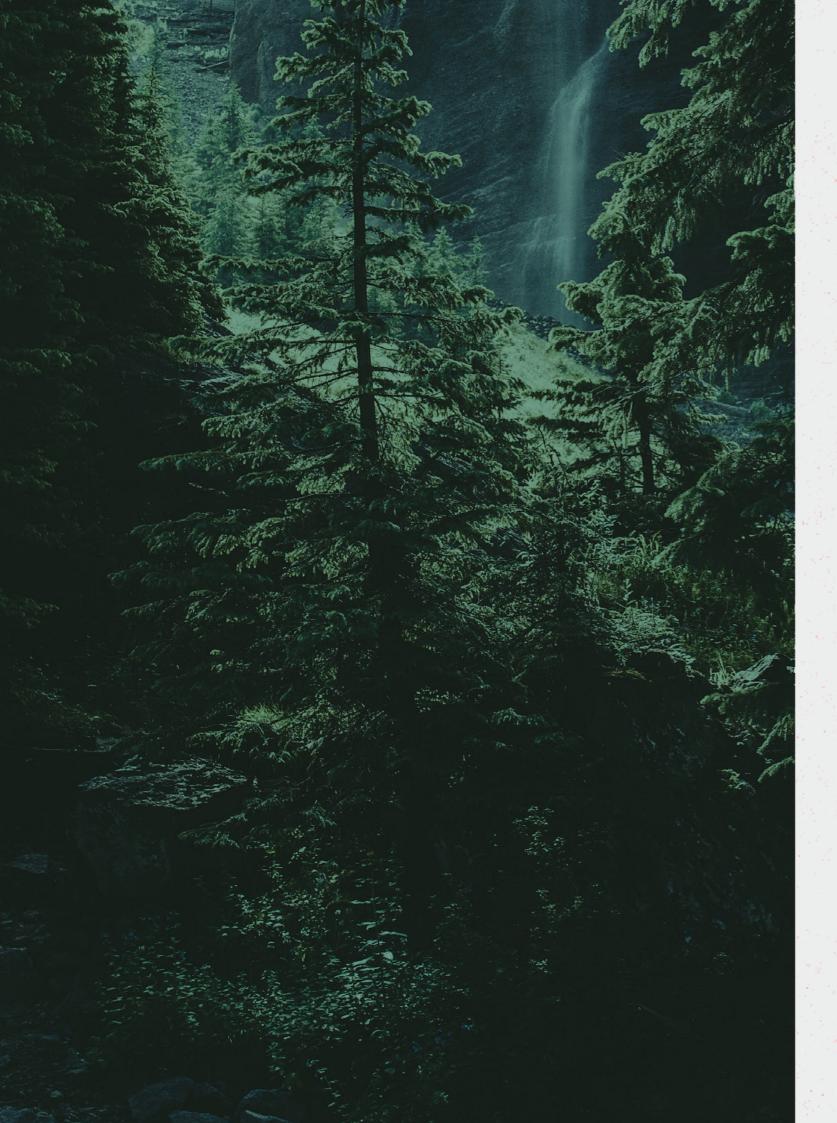
Dr. Stephan Bentz and Jero Bentz are the general partners of Melitta Unternehmensgruppe Bentz KG. The limited partners are Claudia Tauß, Jara Bentz, Thomas Dominik Bentz and Dr. Thomas Bentz.

OUR GROUP STRATEGY MELITTA 2020

Over the past few years, we have laid some important foundations that prepare the path forward for the Melitta Group. As a result, the business fields have been restructured, the portfolios have been revised and new operating divisions have been established. At the same time, sites have been merged, organizational units streamlined and tasks transferred to central support units.

The further internationalisation of our business activities is another of our prime strategic objectives. We have identified a large number of growth opportunities for our products and services. in numerous countries and want to systematically capitalize on these opportunities in the coming years. In addition to this, we are endeavoring to develop innovative, forward-looking products and product concepts and want to penetrate new markets which complement our strategic orientation.

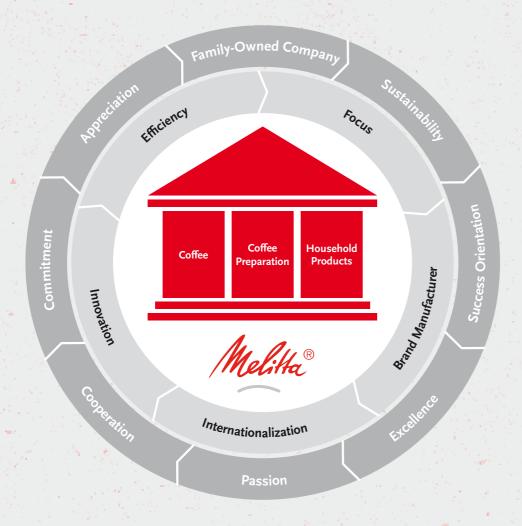
A key part of our strategic orientation is the further development of our sustainability engagement. We are currently integrating our sustainability targets into the business strategies of our operating units: making ecological and social aspects an integral consideration throughout our value chains is the only way to permanently future-proof our business operations.



OUR ATTITUDE AND STRATEGIC ORIENTATION

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Sustainability: our attitude



Our understanding of sustainability is based on our attitude and our values: we make decisions guided by the long-term development of our company and think in multi-generational terms. We want to make positive contributions to sustainable development and take our responsibility to protect people and the environment seriously.

Our values are designed to be mutually dependent and to reinforce one another. We firmly believe that acting sustainably supports our success, raises our excellence, and promotes teamwork. A sustainable approach is also an expression of passion, reliability, and appreciation.

To ensure we can meet future challenges, we have initiated a multi-year process of cultural change. Entitled "Growing Together", it motivates our staff to think and act in an entrepreneurial, cross-departmental and autonomous way. We encourage them to be bold and actively bring about change, urge them to work together more closely, and strengthen their agility and resilience.

These skills are particularly important in the light of Melitta's corporate strategy, where innovations, digitalization and sustainability play a key role. The aim is to create a corporate culture where new developments are embraced with curiosity and change is understood as an opportunity. Sustainability is a key aspect of our future-oriented mindset and of the group strategy Melitta 2020.

OUR UNDERSTANDING OF SUSTAINABILITY is based on our attitude and our values

SUSTAINABILITY: AN OBLIGATION AND AN OPPORTUNITY

We have identified the following key challenges with regard to sustainability-related issues in our value chains:

- 1. We recognize climate change as a potential threat to both our own business model and those of our business partners in the value chains. The consequences of a significant rise in the global temperature would include weather conditions and extreme events which could make it much harder to procure the raw materials we need, such as green coffee or pulp. With this in mind, our goal is to gradually reduce the ecological footprint of our own business activities and those of our suppliers.
- 2. A significant proportion of our products are made from plastic, so we believe we have a duty to help reduce plastic pollution in the seas and soil and to develop or expand upon solutions to prevent ecological damage of this kind in the first place.
- 3. We combat unethical working practices and human rights violations at the Group and within our supply chain. This is both an obligation under the UN Guiding Principles on Business and Human Rights and, above all, an expression of our convictions and values. We want to be an attractive employer for our staff and a responsible client for our suppliers.
- 4. Furthermore, we believe it is important to support disadvantaged and vulnerable people. To achieve this, we focus our corporate citizenship activities primarily on areas where our business activities have a direct impact and where we can ob serve the projects' urgency and success ourselves.

At the same time, more and more people are looking more closely at the products they use and taking an interest in the origins of ingredients and raw materials, the supply chain, the production process and the product's disposal. We are catering to this development with our high-quality products. In our view, fulfilling sustainability requirements is a key element of our products' quality profile – both with regard to their properties and in relation to their origins and production. We make clear demands of our suppliers via our Supplier Code of Conduct and carry out audits to verify their compliance with these requirements. Due to the complexity of supply chains, we are also considering innovative solutions, such as new forms of industry-wide and cross-industry collaboration.

One of the prime objectives of our engagement is to further increase the proportion of sustainably procured and produced goods. We also want to further enhance the transparency of our value chain over the next few years. By bringing innovative, forward-looking products to market, we want to make a contribution toward sustainable development that also goes beyond our business activities as well.

Sustainability: our strategic orientation

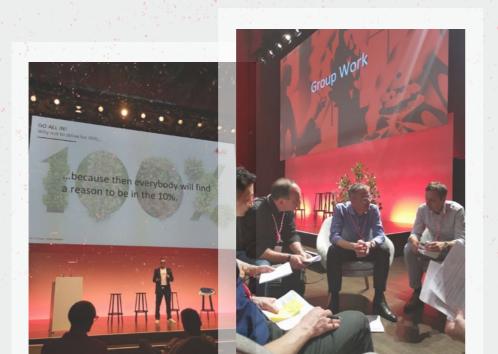
OUR ACHIEVEMENTS TO DATE

In 2015, we started developing a Group-wide approach to sustainability engagement and implementing it with corresponding programs and measures at both Group and operating division level. By doing so, we have achieved the following:

CULTURAL CHANGE AND SUSTAINABILITY

As part of our long-term program of cultural change, we have created a joint understanding of the importance of combining innovation, collaboration and sustainability. Regular managerial meetings were instrumental in achieving this. Based on the insights shared, we have derived concepts and programs for use within and across operating divisions to disseminate these values and associated principles during day-to-day work.

Sustainability was an important issue at our management conference in Dresden in early June 2019, for instance. Amongst other things, all of the participants developed innovative, sustainable ideas on further developing our processes and product ranges. Many of these ideas have been incorporated into our portfolio and can also be found in this statement, such as the implementation of the circular economy principle in our household appliance ranges.



THE MELITTA SUSTAINABILITY HOUSE

To identify the central areas of action within our sustainability engagement, we analyzed our Group's most important value chains, conducted a corresponding materiality analysis in conjunction with our stakeholders and defined sustainability focal points for each of our operating divisions. Competition analyses were also conducted to develop action areas and targets for specific departments.

The sustainability focal points identified within the operating divisions were subsequently collated at Group level and allocated to the categories "Product and supply chain responsibility", "Environmental responsibility", "Social responsibility" and

"Responsibility for employees". This categorization formed the basis for the Melitta Sustainability House, which visualizes the most important elements of our strategic sustainability engagement

LIVING SUSTAINABILITY EVERY DAY



PRODUCT AND

SUPPLY CHAIN

RESPONSIBILITY

- **点**



Sustainable product development
Sustainable raw materials
procurement
Social and environmental
impacts in the supply chain

VIRONMENTAL

Waste avoidance & reduction
Energy consumption and
emissions
Water consumption

SOCIAL RESPONSIBILITY

Product safety and quality Product transparency Corporate citizenship



RESPONSIBILITY FOR EMPLOYEES

Diversity and equal opportunities Occupational health and safety Employer attractiveness

RESPONSIBLE CORPORATE GOVERNANCE

Profitability and innovativeness Anti-corruption ··· Compliance

VALUES AND IDENTITY

Sustainability ··· Success orientation ··· Excellence ··· Passion Teamwork ··· Reliability ··· Appreciation

Our overarching sustainability objective is to offer our customers, partners and employees a means of making sustainability an everyday choice with the help of our products and expertise. That is why the sustainability house bears the name "Living Sustainability Every Day".

Sustainability: our strategic orientation

EMBEDDING OUR UNDERSTANDING OF SUSTAINABILITY

We have firmly embedded our understanding of sustainability in our business processes and structures by means of several voluntary commitments:

- In our Group-wide Code of Conduct, we define clear rules for all our staff, especially with regard to human rights, to corruption prevention, and our day-to-day dealings with one another.
- 2. We make clear demands of our suppliers via our Supplier Code of Conduct, such as requiring them to observe the ILO's core labor standards and other human rights conventions.
- 3. We have implemented sustainability software throughout the Group, which keeps us informed about key non-financial performance indicators at our operating divisions and at Group level.
- 4. We are involved in various associations and initiatives which deal with sustainability issues. For example, we are a member of the Sustainability Committee of the German Brands Association ("Markenverband"), the Administrative Council of the German Central Packaging Registry ("Zentrale Stelle Verpackungsregister"), the German Environmental Management Association ("B.A.U.M. e.V."), the German Network for Sustainable Consumption ("Netzwerk Nachhaltiger Konsum"), and the Global Coffee Platform (GCP).

We combat illegal conduct with the aid of our compliance guidelines. The compliance guidelines place a special focus on the issues of preventing corruption and anti-competitive practices. Our Internal Audit team performs random checks of all our business sites to analyze associated risks, such as corruption. They also investigate our organizational structures and processes if any irregularities arise. Violations of the compliance guidelines may have consequences under labor law.

THE MELITTA CODES OF CONDUCT

The most important international agreements and principles for sustainable development and respecting human rights form the basis for our Melitta Code of Conduct. This lays the foundation for our actions during the day-to-day running of the business and sets out the way in which we interact with business partners and customers. It applies to all members of staff. Managers have an obligation to regularly draw their employees' attention to the Code of Conduct, its importance and its contents. In addition to this, compulsory online training courses on compliance are currently being developed.

We integrate the Supplier Code of Conduct into our contracts with business partners as a mandatory component. It defines minimum requirements for working conditions and environmental standards which our business partners are obligated to uphold.



REGULAR DIALOGUE WITH OUR STAKEHOLDERS

We believe that ongoing dialogue with our stakeholders is essential. Regular information sharing is the only way to fully understand and meet their expectations and needs. This information forms the basis of our license to operate and paves the way for the further successful development of our Group.

Our stakeholders include our business customers, consumers, our employees, our suppliers, and our investors. Furthermore, this group also comprises representatives of the media, science and research, consumer organizations, trade unions, politics, and relevant non-governmental organizations.

We communicate regularly with our stakeholders using a range of channels, such as face-to-face meetings, surveys, events, gatherings, and trade fairs. We offer opportunities for dialogue via our website, our intranet, our social media offerings, newsletters, magazines and other types of public relations work.

Sustainability: our strategic orientation

OUR CURRENT PROJECTS

FURTHER DEVELOPMENT OF OUR SUSTAINABILITY ORGANIZATION

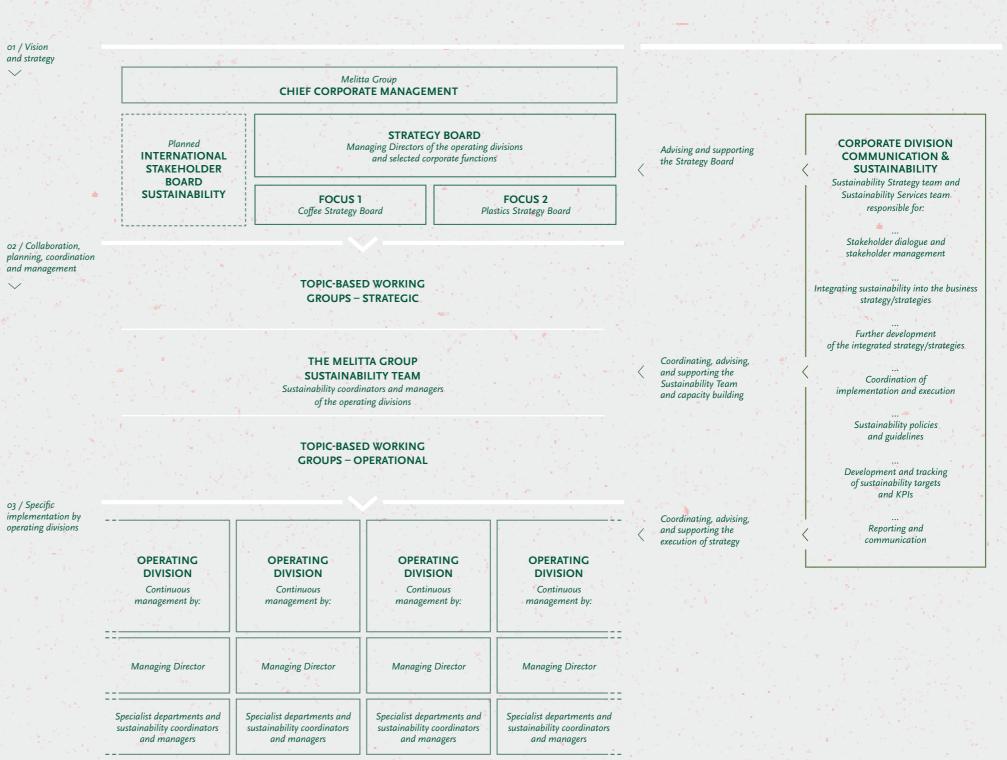
The Melitta Group's sustainability engagement is part of the remit of Chief Corporate Management, consisting of Jero Bentz and Volker Stühmeier. The corporate division Communication & Sustainability reports directly to Chief Corporate Management. Its task is to develop sustainability engagement further in conjunction with Corporate Development and the operating divisions, to ensure it is integrated into the business strategies, and to coordinate its implementation and execution. In conjunction with the operating divisions, Corporate Communication & Sustainability defines the sustainability targets and non-financial KPIs. Furthermore, it is responsible for Group-wide sustainability communications and stakeholder dialogue.

The team was expanded in spring 2019 to enable it to meet its growing responsibilities. This involved setting up a new department ("Sustainability Strategy"), which plays a major role in further developing the integrated business strategies. In addition, a team ("Sustainability Services") was established, which assists the operating divisions with the execution of sustainability programs and measures to implement the agreed strategies. This structure ensures the execution, efficiency and coherence of the Group-wide engagement.

Additional decision-making bodies were also installed to enable prompt information and decisions at Group level: the Sustainability Strategy Board, which is made up of Chief Corporate Management and the Managing Directors of the operating divisions and corporate divisions, decides on the fundamental further development of sustainability engagement. As the topics of coffee, coffee cultivation, plastics and plastic products are of prime importance for the Melitta Group's business model, dedicated Focus Strategy Boards have been established for these areas at Chief Corporate Management and Managing Director level. The next step is to set up an International Stakeholder Board consisting of respected external experts.

Interdisciplinary project groups and working groups have been set up to deal with specific topics. We distinguish between strategic and operational working groups, based on the task at hand and the make-up of the groups. A Sustainability Coordinator role has been created as a central sustainability interface at all operating divisions which did not already have such a position.

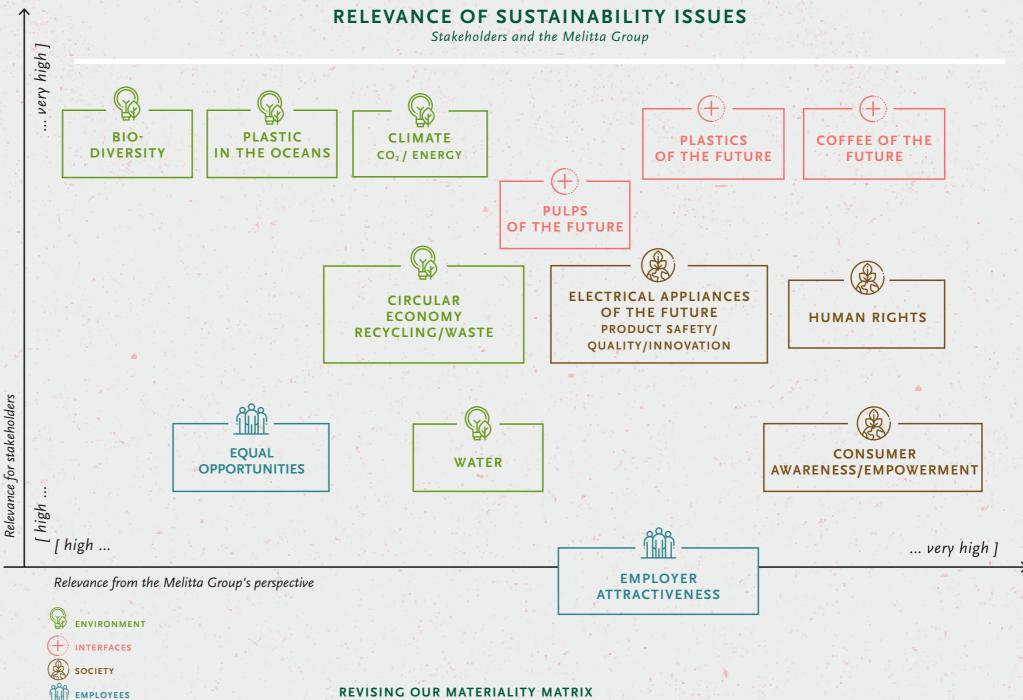
The Sustainability Coordinator reports to the respective Managing Director and coordinates the execution of measures aimed at strategic integration, working with other sustainability managers at the specialist departments if applicable.



Sustainability: our strategic orientation

EXPANDING DIALOGUE

At present, we are significantly expanding personal dialogue, especially with our critical stakeholders. This will provide input for the further development of our activities. At the same time, we are examining possible collaborations in our value chains and are open to innovative, multi-business collaborations. We firmly believe that far-reaching cooperation is needed in many areas to bring about the necessary changes.



REVISING OUR MATERIALITY MATRIX

In 2015, we conducted an initial materiality analysis in conjunction with external and internal stakeholders. Since then, we have regularly revised the materiality matrix. We have identified 13 topics as central areas of action within our sustainability engagement. The most important ones for our company's success and in the eyes of our stakeholders are "Coffee of the Future", "Human Rights", "Consumer Awareness/Empowerment", "Plastics of the Future" and "Electrical Appliances of the Future". The topics "Circular Economy", "Water", "Climate" and "Pulps of the Future" are also highly relevant for our actions going forward. Both we and our stakeholders also consider "Equal Opportunities", "Employer Attractiveness", "Plastic in the Oceans" and "Biodiversity" to be

important. We view these last two issues as interdisciplinary tasks and have integrated them into our respective fields of activity accordingly. The term "Interfaces" is used to refer to overarching targets for our key product range types which comprise the value chains and all relevant impacts. The materiality matrix shown here serves as a basis for our work and is continuously further developed in the course of our stakeholder dialogue.

1.9

Sustainability: our strategic orientation

TAKING THE SDGS INTO ACCOUNT

The United Nations defined its Sustainable Development Goals (SDGs) in 2016. We support these goals and have decided to incorporate them into our sustainability engagement. We consider the following six SDGs to be particularly relevant for the Melitta Group:

SDG







OUR CONTRIBUTIONS

Although much of what we do already takes sustainability aspects into consideration, we want to make our procurement and production activities even more sustainable in the future and reduce the ecological impact of our products. With that in mind, one of the prime objectives of our corporate strategy is to significantly increase the proportion of sustainably manufactured products over the coming years and to promote sustainable consumption.

-> Section 03. Product and supply chain responsibility

We are committed to protecting human rights and ensuring both fair working conditions and occupational health and safety at our Group and in our supply chain. Our Codes of Conduct serve as the basis for this work and apply to all our staff and suppliers. With our international procurement and marketing activities, we support economic growth in numerous regions around the world.

→ Section o5. Social responsibility

A change in the climate is severely detrimental to our suppliers and ourselves. For that reason, we ensure that resources are utilized efficiently and harmful emissions are minimized in our own business activities and those of our suppliers. Over the past few years, we have already made great progress by investing in new production plants and making adjustments to processes.

→ Section 04. Environmental responsibility

SDG







OUR CONTRIBUTIONS

Coffee and pulp are among the most important raw materials we source. Our procurement processes place us in a position whereby we can support the sustainable cultivation of these commodities and help protect ecosystems. Our aim is to exert this influence even more strongly over the coming years to ensure that cultivable land and forests are used responsibly.

→ Section 03. Product and supply chain responsibility

If they are disposed of incorrectly, our plastic products and packaging can contribute to marine pollution. To do even more to prevent this in the future, we are working on the development of reusable products, the expansion of collecting and recycling structures, and research into the use of renewable and – in some cases – biodegradable raw materials. In addition to this, we work with initiatives dedicated to protecting and cleaning the oceans.

→ Section 03. Product and supply chain responsibility

Training both our own staff and the people who work in our value chains is a major factor for the long-term economic success of everyone involved. For that reason, we consider sound teaching, regular professional development and training, and effective knowledge management to be very important.

→ Section o6. Responsibility for employees

Sustainability: our strategic orientation

OUR OBJECTIVE

The measures currently developed are important steps in the systematic integration of sustainability engagement in our business strategies. In doing so, our aim is to link key sustainability aspects with our Group's strategic orientation so as to create a sustainable corporate strategy. Integrating sustainability into the strategy as well as the targets and processes of both the Group and its operating units is the only way to guarantee the effectiveness and efficiency of the programs we have adopted.

To achieve this, we are using processes based strongly on the OECD Due Diligence Guidance for Responsible Business Conduct and Germany's National Action Plan for Business and Human Rights. These documents set out how companies can and should fulfill their duties of care with regard to key sustainability-related issues in line with good practice. Our processes are aligned with the six-step approach shown in the diagram.

As a key step in this regard, a Human Rights Policy Statement is to be published in spring 2020.

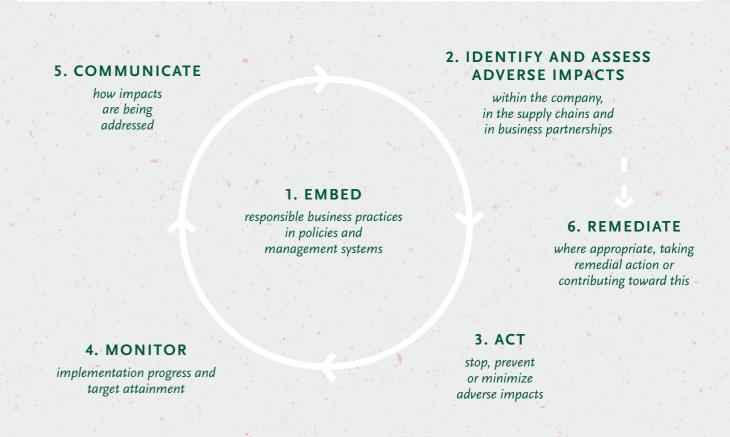
There are plans to introduce new complaints procedures in 2020 and to publish the updated Codes of Conduct on the basis of this.

We have also set ourselves ambitious targets for the future communication and reporting of our sustainability engagement. That is because we see communicating our sustainability activities as more than just presenting information to our stakeholders: for us, it is also an important tool for achieving our sustainability targets. Through our reporting, we want to sensitize people, invite them to engage in dialogue, and move them to take action.

This is why we are committed to transparent communications. We want to report on both successes and failures – even if this runs the risk of drawing criticism. In the interests of comparability and comprehensibility, our regular sustainability reporting will be prepared in line with globally recognized standards. From 2020 onward, we will publicly report on our sustainability targets and the derived business strategies, as well as on our activities and KPIs every year.

We will develop a concept for this over the next few months to enable correspondingly efficient data collection and analysis as well as report production. SUSTAINABILITY
ENGAGEMENT
must be systematically
integrated into our
business strategy.

DUE DILIGENCE PROCESS AND SUPPORTING MEASURES



23

Diagram: own illustration on the basis of the OECD Due Diligence Guidance for Responsible Business Conduct.

PRODUCT AND SUPPLY CHAIN RESPONSIBILITY

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Coffee and coffee cultivation	26-27	
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Product and supply chain responsibility

Taking responsibility for our actions is inherent to our self-image. To fulfill this responsibility with regard to our products and supply chains, we have established corresponding processes and had many of our quality and environmental management systems certified. We observe exacting industry standards in procurement and production.

We take a holistic view of quality: our products should meet our customers' requirements as fully as possible in terms of their properties, manufacturing and commodities. Complying with sustainability criteria increasingly ranks among these requirements as well. With this in mind, we have proactively and systematically taken sustainability aspects into account in our supply chains, our production processes and our products themselves in recent years. Although we have made considerable progress in these areas, we still have some way to go. We have therefore set ourselves ambitious targets for the coming years.

COFFEE AND COFFEE CULTIVATION: THE OPERATING ENVIRONMENT

In our Coffee business field, we are particularly reliant on procuring raw coffee, which we process at our own roasting facilities in Germany, North America and South America. We purchase goods from almost all coffee-growing regions in the world in order to source the quality and quantity we need. We source our green coffee from farmers, cooperatives, exporters, importers and international green coffee traders.

The cultivation, harvesting and processing of coffee beans is often associated with sustainability-related challenges: in many coffee-growing countries there are good developments with regard to the political, economic, ecological and social systems, but also

challenges in the implementation of globally recognized standards. This could affect working standards, payment systems, human rights, competition and corruption, social security systems, gender equality, the use of pesticides and fertilizers, or the cultivation of land, for example. Many of these countries are also among those hardest hit by climate change and its consequences. At present, a price crisis on the global market for raw coffee is leading to social problems such as population drain.

THE STATUS OUO

In 2018, we procured just over 184,000 metric tons of raw coffee. More than 15 percent of this total carried relevant sustainability certifications and labels. These were for our B2B, private label, and branded product business.

The number of certified coffee products offered by Melitta rose sharply in 2019: eleven coffee products from our core range bear the seal of a recognized sustainability standard, in particular that of the Rainforest Alliance. We also use coffees which are certified as per the requirements of the organization 4C Services.

We are convinced that sustainability certifications are only one of the measures taken to achieve improvements in the coffee-growing countries across the supply chain in the medium to long term. As approximately 70 to 80 percent of the coffee grown worldwide is cultivated by small-scale farmers, quantities and qualities can only be guaranteed over the long term via joint efforts involving all players in the relevant regions. In addition to those involved in the coffee chain, this explicitly includes other branches of the economy, governments and authorities, along with science and civil society.

The Melitta Selection of the Year

The coffee in the Melitta Selection of the Year carries a sustainability seal, usually that of the Rainforest Alliance. Over a period of five years, Melitta carries out projects to promote the sustainable development of the respective region in the given country of origin.

AN TAXAB VANCE

Sustainable coffee for the food-service sector

In the food-service sector, for example, the Melitta Group offers the Rainforest Alliance-certified Melitta® Espresso Nature and the Melitta® La Tazza Verde® range in organic fair trade quality. In 2018, Melitta® La Tazza Verde® was named "Best of Market" in the "Sustainability – Beverage" category. The award is based on an online survey among readers of the industry magazines First Class, GV-Manager, 24 Stunden Gastlichkeit and Streetfood Business.

OUR OBJECTIVE

Our targets/commitments:

By 2030 at the latest, we want all of the raw coffee we source and all of the roasted coffee we sell to be what we call "Coffee of the Future". This means complying with the following criteria:

- It is grown in a way which enables the farmers and their families to live comfortably long-term and which preserves or regenerates the local ecological systems.
- It is processed, transported and roasted in a climate-friendly way which also uses water sustainably.
- Its packaging is recyclable and whenever possible also reusable or made from recycled materials.
- It is prepared in an energy-saving fashion.
- Insofar as corresponding structures exist: the coffee grounds are recovered in the most environmentally friendly way (materials recovery, composting) in line with the principle of a circular economy.

We will substantially expand our efforts to future-proof coffee cultivation over the next few years. To achieve this, we have already taken a number of steps, such as extending our membership of the Global Coffee Platform (GCP) to the whole Group, and we will considerably intensify our work in this regard.

The aim of our integrated coffee strategy is to put in place a combination of measures along the value chain – for example, education, more direct supply relationships and collaboration with sustainability standards – and initiate projects to further develop the political, economic, environmental and social parameters in key growing regions. We believe that the latter can only be achieved by forming alliances.

Our strategic orientation is determined by the Coffee Strategy Board. The interdisciplinary Working Group on Sustainable Coffee Cultivation is responsible for developing and implementing measures. Its remit also includes analyzing the sector's steps to date to increase sustainable coffee cultivation, initiating and conducting risk and potential analyses, and defining operational targets for the coming years.

Product and supply chain responsibility



Toppits® cling film made from 15 percent recycled resources

Toppits® cling film is made from 15 percent recycled materials from the food cycle. The product has the same high quality as always. Toppits® is working hard on raising the percentage.

PLASTICS AND PLASTIC PRODUCTS: THE OPERATING ENVIRONMENT

In our Household Products business field, we produce a large number of different household and food packaging films for domestic and commercial use. We are additionally one of the largest providers of bin liners and vacuum cleaner bags in Europe. Our operating division ACW-Film also develops, produces and supplies various composite films for food storage and transportation. Of course, we also use plastics for the packaging of some of our our product ranges.

As plastics generally do not decompose, or take a long time to do so, they pose environmental risks. If they do not enter the materials or energy recovery system, they can pollute soil and bodies of water for decades. Studies show that no effective collection, sorting and recycling systems are used in many countries, meaning that the lion's share of plastics produced worldwide are not adequately recycled or recovered.

THE STATUS OUO

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Over the past ten years, we have revised many of our plastic products with a view to lessening their environmental impact. In particular, we have increased the proportion of recycled materials and renewable raw materials in the films and vacuum cleaner bags we manufacture and/or completed the necessary groundwork to enable us to do this. Furthermore, we use biodegradable plastic solutions wherever this is viable. We are additionally reviewing the use of biodegradable plastics solutions wherever feasible.

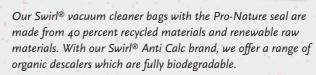
We actively seek dialogue with the science sector so that we can support and utilize cutting-edge technologies and developments at an early stage and contribute our own research findings to this conversation. In 2001, we set up the Cofresco Forum, creating a

organize an international round table featuring top experts as part of the Forum's work.

Processing plastic refuse in India

Cofresco has initiated the Vishuddh project in conjunction with the organization Yunus Social Business. The idea is to set up an inclusive business that works with local organizations to collect and clean plastic waste then put it back into the production process - either in India or at the Cofresco production facility in Europe. The project's objectives are twofold: firstly, to improve the financial situation of rubbish collectors, who live in extreme poverty, by integrating them into the project and, secondly, to achieve a largely closed-loop recycling system in the long term. Production is due to commence in Bangalore in 2020. The Vishuddh project also supports local education and health initiatives

Pro-Nature vacuum cleaner bags and organic descalers





PCR garbage bags Domopak Spazzy

Domopak Spazzy from Cuki Cofresco S.r.l. uses recycled PE for the whole range, obtaining a reduction by 50% carbon footprint vs virgin LDPE. This year Domopak Spazzy relaunched the "Sacco Verde" garbage bags eco-range moving from 80% to 100% recycled post-consumer use PE.

OUR OBJECTIVE

We firmly believe that consistently and comprehensively implementing the circular economy principle is the only way to reduce environmental pollution and move toward a world where raw materials are used more effectively. This also applies to plastic products, which is why we support a reform of the way in which plastics are produced and recovered.

We have adopted the "Recycle - Reuse - Reduce - Redesign" approach, which means that we systematically check all our plastic products and materials to see whether they can be changed to contain a higher proportion of recycled materials or whether they themselves can be better recycled or even recovered. Furthermore, we check whether the waste which arises when the product is manufactured or used can be prevented, reduced or recycled.

Our targets/commitments:

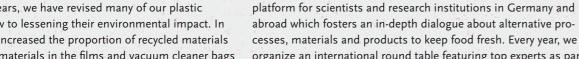
We endorse the Ellen MacArthur Foundation's New Plastics Economy Commitment. In connection with this, we want to achieve the following goals by 2025:

- · Further increase the proportion of high-quality recycled materials in our products.
- Raise the proportion of recyclable products and packaging.
- Develop plastics which decompose within an eco-friendly length of time.
- Expand our range of reusable products and packaging.
- Make proactive contributions to developing and implementing a high-performance circular economy system for plastics.

We are currently working with the Ellen MacArthur Foundation to develop detailed targets for each of our operating divisions. Longer-term, beyond 2025, we have adopted the concept of the "Plastic of the Future" as a guiding principle. This means the plastic must comply with the following:

- It is made from recycled and/or sustainable, renewable raw
- It is produced in a climate-friendly way which conserves resources.
- It can be used multiple times as a product/packaging solution in suitable product ranges.
- It undergoes materials recycling at the end of its useful life.
- If no disposal structures are available, it biodegrades fully in the natural world.

Strategic decisions concerning the further development of our program are made by the Plastics Strategy Board, which is supported



RECYCLABLE RENEWABLE DEGRADABLE RECYCLED **RAW MATERIALS** WASTE MULTIPLE-**PREVENTION** USE and WASTE SOLUTIONS REDUCTION

by a number of strategic working groups.

Product and supply chain responsibility

PAPER AND PULPS: THE OPERATING ENVIRONMENT

We are involved in making paper products, particularly in our coffee filter line of business. We also offer commercial clients specialist papers and nonwoven materials for industrial applications via our operating division Neu Kaliß/Neukölln Spezialpapier. These include, for example, baking papers, beer glass and cup drip catchers, milking papers, various filter papers, packaging materials and nonwoven materials for numerous products from a range of industries. Our operating division Wolf PVG also uses pulp – for example for vacuum cleaner bags.

Paper production has an impact on the environment in a number of ways: as paper is made from wood fibers, virgin wood or waste paper is needed to make it. Large quantities of water and chemicals and a great deal of energy are used to produce paper from these wood fibers. This in turn results in various types of pollution and high CO₂ emissions.

THE STATUS QUO

For many years, the Melitta Group has used sustainably produced pulp to manufacture paper. In 2018, we sourced just over 53,000 metric tons of pulp in total. Approximately 81 percent of this was either FSC®- or PEFC™-certified, with 74 percent of this coming from FSC®-certified sources. The FSC® (Forest Stewardship Council) and PEFC™ (Program for the Endorsement of Forest Certification) are international, independent organizations to safeguard and continuously improve sustainable forest management.

uncontrolled felling is common. The stock of trees – which perform important ecological functions – is declining. Furthermore, plantations of fast-growing tree species are being created in some areas, leading to monocultures and therefore damaging the ecosystem. In addition to these environmental impacts, pulp production can give rise to humanitarian and social challenges.

Many countries lack structures to implement sustainable forestry;

As well as procuring raw materials cultivated in a fashion which respects human rights and complies with widely accepted environmental and social standards, we pay close attention to efficiency and the conservation of resources when manufacturing our paper products. We have made great strides in this regard over the last few years. For instance, thanks to innovative technologies we have significantly decreased the volumes of water and energy which we need to make paper and reduced the amount of waste associated with production (see the section "Environmental responsibility").

Certified filter papers

Melitta® filter papers are made from FSC®-certified pulp. The FSC® (Forest Stewardship Council®) is an independent, charitable non-governmental organization dedicated to helping improve forest management around the world. A large proportion of our range of filter papers also carry additional sustainability certifications, such as the Blue Angel, NF and Nordic Swan.

Melika ORIGINAL ORIGINAL

OUR OBJECTIVE

We will continue on our path toward increasingly resource-efficient paper production using sustainably sourced pulps. At the same time, we will intensify our collaboration with initiatives and organizations which ensure and monitor compliance with the agreed sustainability standards. This includes, for example, stepping up our international support of sustainable forestry by becoming a member of the FSC® in 2020. We will also increase the proportion of recycled materials in the future.

Our targets/commitments:

By 2025, we will switch to using recycled paper and pulp wherever possible.

In cases where this is not possible for legal or other reasons, we will only use forestry resources from certified, sustainably managed forests.

Our work here is guided by the concept of the "Pulp of the Future", which meets the following criteria:

- It comes from recycled or sustainably managed sources.
- It is processed in a climate-friendly way which uses water sustainably.
- It undergoes materials recycling at the end of its useful life.
- It biodegrades fully in the natural world.

WORKING WITH OUR PARTNERS IS CRUCIAL to overcome challenges.

03.

Product and supply chain responsibility

ELECTRICAL APPLIANCES: THE OPERATING ENVIRONMENT

We offer various electrical appliances in our Coffee Preparation business field – primarily filter coffeemakers, fully automatic coffee machines, electric kettles and milk frothers. In addition to this, our operating division Melitta Professional Coffee Solutions makes high-performance fully automatic coffee machines for companies, hotels and the food-service industry.

As well as using energy, electrical appliances contribute toward the emission of greenhouse gases. Furthermore, the useful life of the appliance and the recyclability of the materials utilized have an effect on environmental pollution. Often, electrical appliances also contain harmful substances which can be detrimental to health and the environment if they are not disposed of correctly. Complex supply chains for upstream products also present further challenges for us, which can only be addressed in conjunction with our supply chain partners.

THE STATUS QUO

We measure the sustainability of our electrical appliances using the MISSION eco & care grading system launched in 2013. This grading system takes into account an extensive range of criteria: it covers the production process (e.g. the proportion of eco-friendly materials, energy consumption, packaging, working conditions) along with usage (e.g. energy efficiency, product safety, useful life) and the appliance's recyclability or disposal. We show the outcome of this grading process as a number of stars to provide a quick, straightforward means for every consumer to see how sustainable the appliance is.

Comprehensive grading system

A fictional ideal product forms the basis for rating an electrical appliance using MISSION eco & care. The product in question is compared with this ideal. The resulting rating is expressed in stars (maximum: five) and published for each electrical appliance available from Melitta.



OUR OBJECTIVE

Our positive experience of MISSION eco & care has led us to expand this grading system and apply it to other products offered by our Group. Our expectation in doing so is not merely to fulfill legal requirements around the world – some of which are already demanding – but also to play a pioneering role in the development of sustainable electrical appliances.

Our targets/commitments:

By 2030, all electrical appliances distributed by Melitta will be best in class in environmental terms, with top scores for energy consumption, durability, the use of sustainable materials, and repair and service offerings.

Our work here is guided by the concept of the "Electrical Appliances of the Future", by which we mean a product which ...

- consists of recovered and/or responsibly sourced raw materials and components,
- is produced in compliance with globally recognized human rights and labor standards,
- meets the highest standards of quality, including useful life and product transparency,
- · can be used in a way which conserves energy and resources,
- can be repaired using spare parts and
- is reused or recovered at the end of its useful life (provided the corresponding structures are in place).



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Energy consumption and emissions	36–37
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Waste avoidance and reduction	39



Environmental responsibility

We are reliant on many natural commodities, so an intact environment is crucial for the success of our Group. Furthermore, we see environmental protection as a duty in line with our company values and our multi-generational corporate governance. We want to leave the next generations with ecological systems at least in the same state as when we took custody of them.

For these reasons, we have long taken the environmental consequences of our business activities into account during decision-making. This can be seen, for instance, in the regular certification of our environmental and energy management systems, our capital expenditure on energy-efficient systems and machines, or our internal information campaigns and training courses on the the efficient use of resources.

ENERGY CONSUMPTION AND EMISSIONS: THE STATUS QUO

In 2018, our production facilities and administrative sites used a total of just under 371 million kilowatt-hours (kWh) of energy. We are currently implementing a comprehensive program of measures to reduce the amount of energy we need. These include programs to save energy (e.g. steam-triggered switch-off), heat recovery concepts, renewing systems and machines (e.g. air compressors, ventilation systems), or renewing control technology. We are analyzing the existing building technologies (lighting systems, motion sensors, air-conditioning systems, IT, etc.), the fleet of vehicles and associated CO₂ emissions, altering the energy mix, and examining the possibilities to generate our own power. In addition, we constantly optimize production processes and explain the effects of good energy efficiency to our employees and sensitize our employees to the relevance of high energy efficiency.

To forge ahead with these measures throughout the Group and ensure best practice sharing, we set up a working group on energy and CO2 composed of energy experts from the whole Group in 2017. This working group analyzes the effectiveness of measures that have already been developed, comes up with ideas for additional activities and serves as a platform for interdisciplinary information sharing.

Modern extraction system ensures high energy efficiency

At our coffee filter production plant, a one-of-a-kind extraction system has been enhancing sustainability in a number of ways since 2014. It requires around 60 percent less energy than its predecessor, reduces the amount of residual dust produced and decreases CO₂ emissions by approximately 1,200 metric tons a year. As the system features so many sustainability innovations, its development was heavily subsidized by the German Federal Ministry for the Environment.





Use of renewables

We have been using solar power in North America since 2016. The highly efficient photovoltaic system on the roof of the production facility supplies a substantial proportion of the energy we need at this site and reduces annual ${\rm CO}_2$ emissions by around 462 metric tons.

OUR OBJECTIVE

Our targets/commitments:

- We are pursuing an "Energy Concept of the Future" for our sites. This means we are striving for climate neutrality at the relevant sites and beyond.
- By 2025, we will achieve climate neutrality for all emissions caused by the Melitta Group itself, e.g. by burning fossil fuels (scope 1).
- By 2030, we will achieve climate neutrality for all emissions caused by the energy purchased by the Melitta Group, e.g. electricity (scope 2).
- By 2050, we will achieve climate neutrality for all emissions caused by preliminary work and third-party services which we purchase (scope 3).

We intend to achieve these targets primarily by means of measures to generate our own power, by procuring renewables, and by constantly reducing our energy consumption. This will be done by using the principle of "avoid – reduce – offset".

WATER CONSUMPTION: THE STATUS QUO

We need water to manufacture our products. Paper manufacturing and processing is particularly water-intensive. For many years, we have therefore been striving to use water efficiently and gradually reduce our Group-wide water consumption for both economic and environmental reasons.

In recent years, we have succeeded in steadily driving down the amount of water used for paper production, for instance by consistently recirculating process water. Filters and water treatment systems on the paper machines have also resulted in significant savings. In addition to this, we invest in modern machines and systems and consider ways and means of saving water in regular expert discussions Group-wide.

Optimized water circulation system

Large quantities of water are needed at various points of the production process for filter paper – as a transport medium, to dissolve pulp, as seal water, or for rinsing. To reduce the high volume of water required, we gradually optimized the water circulation system. This involves catching the used water, filtering it, and feeding it back into the production process. While the average specific wastewater volume in the German paper industry stands at approximately 10 m³ per metric ton of paper, the figure for our filter paper production is around 1 m³.

OUR OBJECTIVE

Our target/commitment:

• We will reduce water consumption at our paper production sites by a further 25 percent by 2025.

WASTE AVOIDANCE AND REDUCTION: THE STATUS QUO

A total of 11,483.79 metric tons of waste was generated at the Melitta Group in the 2018 fiscal year. 86 percent of the total waste was recovered, e.g. by means of material recycling, fermentation, energy recovery or composting. 14 percent had to be disposed of. The choice of disposal method and the handling of waste are set out in our environmental management systems.

To reduce the volume of waste, we launched a Group-wide waste management project in 2015. This began by analyzing the value creation processes at each individual operating division and identifying local disposal methods. Secondly, the disposal structures were critically examined and realigned.

This approach considerably reduced the volume of waste and also succeeded in increasing the recovery rate and the reuse of waste within our own production processes. We are currently implementing flagship projects which should highlight how waste can be processed and used as a secondary input to a greater extent. There are also plans to switch to multiple-use systems and to separate and recover waste even more extensively.



High volumes of waste are often generated during paper manufacturing. With the help of our extraction system — which we largely developed ourselves — we collect the remnants from each rotating cylinder machine at the coffee filter production facility. This allows us to input 10,000 metric tons of scrap paper back into the production process every year. On top of this, 28 metric tons of paper dust are captured each year and turned into briquettes to burn for energy.

Reducing waste with a new ink-mixing machine

A new ink-mixing machine at the ACW-Film operating division mixes and measures out inks fully automatically and feeds them straight into the production process in a closed-loop system. Leftover ink is stored and used for subsequent production lots. This significantly reduces disposal quantities and costs while simultaneously lowering emissions and improving workplace safety.

OUR OBJECTIVE

Our target/commitment:

• By 2025, we will have developed a management system for reusable materials and integrated it fully into the Group in line with the circular economy principle.

SOCIAL RESPONSIBILITY



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Human rights	42
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and empowerment	44
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Social responsibility

All companies have responsibilities. We take responsibility for our business activities and contribute toward the development of society. This means respecting human rights, ensuring product quality, safety and transparency, and making a commitment to society.

HUMAN RIGHTS

We respect human rights as a matter of course. We strongly endorse the United Nations' Universal Declaration of Human Rights and the Core Labor Standards of the ILO, and work to ensure that these rights are upheld stringently within our value and supply chain. In early 2020, we will publish the Melitta Human Rights Policy Statement.

Our Code of Conduct is is also instrumental in embedding this attitude. It creates a binding framework for ethical business practices and responsible conduct within our Group. We expect all of our employees to be familiar with the Code of Conduct and follow it consistently.

Our Supplier Code of Conduct forms the basis for partnerships with our suppliers. It is important for us to work with suppliers who share our values.

OUR OBJECTIVE

Our targets/commitments:

- We will keep constantly implementing the protection of human rights in our value chains as per the requirements of the UN Guiding Principles on Business and Human Rights. To do this, we will also develop and trial innovative, collaborative approaches.
- In 2020, we will implement additional complaints mechanisms and update our Codes of Conduct accordingly.
- In 2020, we will also conduct risk assessments with a view to the preservation of human rights and based on this develop corresponding measures to ensure that human rights are upheld in our supply chains.

PRODUCT SAFETY AND QUALITY

All of our Group's products are synonymous with high quality. We are the quality leader in many markets and stand out from the competition with exceptional durability, great reliability and consistent product properties. High levels of product safety and quality are therefore closely linked to our reputation and economic success in all our business fields.

For these reasons, we consistently demand high quality standards during the development of our products and draw on impressive innovations, new methods, and scientific findings to assist us in this. We maintain an intensive dialogue with our customers and regularly conduct customer surveys and product testing. In our B2B business, we also enter into collaborations with our business customers to develop new products or enhance existing ones.

We also demand high standards of our suppliers because the quality of our products is largely dependent on the ingredients and materials which we procure. As a result, we have defined clear quality criteria with our suppliers. Incoming goods and raw materials are systematically checked to ensure they comply with the agreed standards.

We also set great store by monitoring the quality of our production processes. Effective control mechanisms and safeguards have been in use at all our operating divisions for many years to ensure end-to-end quality throughout the production chain. All products are tested during manufacturing to ensure they are safe, legally marketable and meet the defined quality standards.

As the products manufactured within the Melitta Group differ greatly, responsibility for the quality management systems lies with the operating units. Quality management systems certified to ISO 9001 are in place at all operating divisions where this is expedient and appropriate. Furthermore, in addition to the legal requirements, our quality management system includes various voluntary commitments and involvement in national and international quality initiatives and certificates. These include, for example, IFS Food, IFS HPC, BRC Consumer Products, FSSC 22000, QAI Organic, and HACCP.

At some operating divisions, sustainability aspects are already taken directly into account in the design of product developments.

OUR OBJECTIVE

In an increasingly complex environment, we will apply product safety and quality standards which are recognized by independent third parties in accordance with the notion of a "Electrical Appliances of the Future". These meet the highest standards with regard to

Our targets/commitments:

- Quality of use and useful life.
- Availability of spare parts and repairs.
- . Ability to recycle and reuse the product and packaging.
- A holistic approach to structuring supply chains responsibly.
- Energy and resource consumption.



Social responsibility

PRODUCT TRANSPARENCY / CONSUMER AWARENESS AND EMPOWERMENT

by legislators in many countries to enhance transparency surrounding the way in which products are manufactured. We firmly believe that we will benefit from increased transparency by virtue of our high-quality commodities and materials along with our audited production processes, which are monitored at multiple levels.

In the last few years, we have have increased the amount of information provided about about our products' components and their manufacturing. As well as the details required by law, this includes additional voluntary disclosures, such as the MISSION eco & care label. This label offers consumers a quick insight into how sustainable our electrical appliances are. The high market acceptance of this label has prompted a decision to gradually transfer it to other products over the coming years.

As a manufacturer of branded goods, we welcome the moves made We offer our customers a large number of communication options and channels. For instance, as well as customer service addresses, our website contains FAQs, videos, instructions for use and information on recipes. Customers can submit suggestions and criticism to us via all the usual channels. Our customer service teams log and respond to these quickly, extensively and carefully. We regularly measure customer satisfaction, primarily by using consumer surveys and the net promoter score method.

CORPORATE CITIZENSHIP

We believe we have a duty to to contribute to the solution of social issues and make a positive difference. To target and coordinate our corporate citizenship activities in the most effective way possible, we pursue a Group-wide social responsibility strategy. The principles behind this strategy include prioritising areas where Melitta's business activities have a direct impact and where we can observe the projects' urgency and success ourselves.

We take part in campaigns to help charities and people in need and raise funds within our Group. Additionally, we initiate corporate citizenship projects, generally with a medium- to long-term realisation scope. As a rule, we also enter into medium- to longterm corporate citizenship projects, especially with a focus on social responsibility. This includes in particular initiatives to ensure education and training, the provision of places in kindergartens, schools and training courses, as well as cooperation with initiatives and foundations that provide support for children, adolescents and young families.

Education for children and adolescents in need

We support schools in South America, for instance by providing school supplies and organizing children's activity days and educational competitions. Since 2016 we have cooperated in this area with the Ayrton Senna Institute – a philanthropic organization which develops education projects for Brazilian children and young people.

Day of Caring

For several years now, the staff at Melitta Europe's Coffee Division have regularly been rolling up their sleeves to help non-profit organizations. On the Day of Caring, which has been held in Bremen since 2012, the operating division organizes a joint event whereby the employees contribute their work for the day to the aid of a social organization.



OUR OBJECTIVE

Our target/commitment:

• We will provide our customers with comprehensive information about the environmentally compatible properties (e.g. materials and their origins) and the use of our products. In addition to this, we plan to promote conscious consumption within society in conjunction with the consumer protection foundation Deutsche Stiftung Verbraucherschutz.

We plan to roll out a communication and marketing campaign in the near future which will sensitize our customers to sustainable, safe use and disposal of our products. Corresponding concepts and content are currently being developed. At the same time, we are examining the extent to which we can provide additional online information about our products in addition to the usual details given on the packaging, and address more in-depth questions from our customers.

OUR OBJECTIVE

Our target/commitment:

• From 2021 onward, based on a Group-wide strategy which goes beyond our activities in our core line of business, we will make a substantial contribution to society as a good citizen and thereby increase our positive impact as part of society. We will place a particular focus on collaborations which offer project participants inclusive business opportunities.



o6. Responsibility for employees		from 47	
Employer attractiveness			48–49
Occupational health and safety			50-51

Responsibility for employees

We have been successful over the course of decades thanks to the dedication, creativity and skills of our employees. With this in mind, we want to be an attractive employer for our staff which offers modern workspaces, fair remuneration, wide-ranging prospects and development opportunities plus high standards of preventive healthcare and occupational safety.

EMPLOYER ATTRACTIVENESS: strengthening our employer brand

Our well-known brands and our presence in Germany and abroad make us a popular, attractive employer. This is evidenced year in, year out by various surveys and analyses conducted among students, workers and our own staff. We regularly rank among the top employers in the "Food and Beverages" and "Finished and Consumer Goods" sectors in particular.

We ascertain our employees' satisfaction using tried and tested methods with the aid of an external agency. The results are systematically evaluated and discussed at workshops with our staff before effective measures are derived from the findings. In the coming years, we aim to strengthen our employer brand and further boost our attractiveness for both current and future staff. We want to retain good employees and recruit dedicated applicants with special personal attributes and skills. Within recruitment, we place a special focus on attracting younger workers: we want to further enhance our employer attractiveness for Generations Y and Z in particular and offer them jobs in line with their expectations and qualifications.

To achieve this goal, we have developed a comprehensive raft of measures. We attend various college fairs, offer internships, partime jobs for students and thesis placements, and take part in the teaching, research and product development activities of selected higher-education institutions. In addition to all this, we present the company at vocational guidance evenings, inform school pupils about the vocational traineeships offered by Melitta and give them a first taste of work experience.



Family-friendly employer

Offering jobs which help people to balance their professional and personal interests is one of the prime objectives of our HR policy. Our Melitta Europe operating division — Coffee Division has held the "audit berufundfamilie" certificate since 2014 in recognition of its family-friendly human resources work. The Melitta Group as a whole was recently named a "family-friendly employer" by the district of Minden-Lübbecke.



Voluntary commitment to the "Fair Company" initiative

Melitta is a member of the "Fair Company" initiative. This means the Group has made a commitment to recognized quality standards and verifiable rules for internships. "Fair Company" is an initiative of karriere.de, the portal run by the Handelsblatt and WirtschaftsWoche magazines for young professionals and those looking to advance their careers.

EMPLOYER ATTRACTIVENESS: staff development

We firmly believe that our staff make the difference. Consequently, we attach great importance to continuous, exacting training and professional development. We want to challenge and support our employees and expect them to demonstrate a high degree of autonomy. This also means they need the right knowledge in various areas, including sustainability.

As we prefer to recruit our managers from within the organization, we have been offering a trainee program for promising graduates from a range of degree courses since 2015. During the 18-month scheme, trainees are specifically prepared for a managerial position.

In 2016, we rolled out a Group-wide talent management program which supplements our comprehensive training and professional development activities at Group level and at the individual operating divisions. This serves to specifically support the personal and professional development of our most talented staff and to prepare them for more highly qualified roles.

OUR OBJECTIVE

Our target/commitment:

 We will demonstrably strengthen our employer brand by means of impressive sustainability engagement and a harmonized Group-wide corporate volunteering program by 2021. Job applicants will favor Melitta as an employer on the grounds of its engagement and the attractive overall package it offers.

OUR OBJECTIVE

Our target/commitment:

• We will systematically integrate sustainability, adapted as appropriate, into our professional development activities by 2021 with the aim of "Living Sustainability Every Day". To achieve this, we will offer both information events and brainstorming workshops on a topic which is relevant for staff. We will train sustainability experts at the specialist departments and integrate sustainability aspects into vocational training and professional development.

Responsibility for employees

EMPLOYER ATTRACTIVENESS: diversity and equal opportunities

We need staff with different skills and experiences because our wide-ranging portfolio, international presence and the disparate market structures in our business fields call for a range of talents and personalities. With this in mind, we believe that our employees' diversity is a great strength – and that incorporates their age, gender, origins, cultural background, level of education, world view and much more.

It goes without saying that we offer all staff the same opportunities for professional development. This includes ensuring gender equality. We are striving to further increase the percentage of female employees.

OUR OBJECTIVE

Our target/commitment:

• We will increase the proportion of women in managerial positions to at least 30 percent by 2025.

THE HEALTH OF OUR EMPLOYEES is our top priority.

OCCUPATIONAL HEALTH AND SAFETY

Employees' health and safety at work is our uncompromising top priority. We want to ensure the highest possible level of occupational safety as well as maintaining and promoting staff health under any circumstances.

In addition to complying with the statutory occupational safety requirements and workplace inspections, we develop additional voluntary measures to minimize the risk of industrial accidents. These range from technical safeguards and working instructions to training courses and educational campaigns. We conduct comprehensive risk assessments, conduct workplace inspections after every accident and promptly take action to prevent the incident from recurring.

As accident risks vary from operating division to operating division, the responsibility for ensuring high standards of occupational safety lies with the individual operating unit. Most of our companies have developed their own occupational safety management systems. Additionally, steering groups and/or occupational health committees have been set up at each site. The Head Office supports the operating divisions with a host of Group-wide occupational safety measures.

We offer our staff numerous health-promoting measures tomaintain and improve their health. These include sports programs and health awareness days along with ergonomic assistance and preventive check-ups.

Although the Melitta Group currently has KPIs for occupational health and safety in specific areas, it does not yet have any data which is comparable Group-wide. Our short-term goals therefore include defining suitable, consistent, and internationally recognized KPIs. Based on these KPIs, we will supplement our operating units' targets and measures with Group-wide initiatives.

OUR OBJECTIVE

Our target/commitment:

• We will harmonize our Group-wide system for occupational safety and corporate health management by 2023.

Statements

COMMENT: MASTER'S PROGRAM "STRATEGIC SUSTAINABILITY MANAGEMENT" OF THE UNIVERSITY OF APPLIED SCIENCES FOR SUSTAINABLE DEVELOPMENT EBERSWALDE

In summer 2019, the Melitta Group's sustainability engagement was discussed at a seminar with students of the special continuing education Master's program "Strategic Sustainability Management" at the Eberswalde University. Subsequently, Melitta invited a group of students and lecturers to a workshop and open discussion on its Sustainability Statement.

With the following comment, we evaluate Melitta's Sustainability Statement from an academic perspective as well as from the perspective of critical consumers. We acknowledge the strengths of the statement and point out possible areas for further sustainability activities.

One strength of the Sustainability Statement is that the strategic process initiated by the Melitta Group in 2015 was accompanied by a simultaneous change in corporate culture. Sustainability is integrated into the corporate strategy as a central element. This forward-looking approach facilitates the long-term embedding of sustainable development throughout the Group. We would like to highlight the following points:

• Integrated approach: Linking the strategy planning process with cultural change and sustainability engagement while taking a systemic approach provides an appropriate way to strengthen the capacities of the employees and of the company as a whole to solve sustainability problems. As a next step, the Melitta Group should formulate a shared understanding of sustainability.

- Broad discussion: The company has initiated a process to discuss sustainable development throughout the Group and is increasingly opening up to discussions with external stakeholders. Its willingness to engage in dialogue and openness are remarkable. We would like to encourage Melitta to make its internal debates about ways toward sustainability even more transparent and to report on diverging options and conflicting priorities of goals to reveal the dynamic of the process and the passion for it.
- Key topics: The company comments on its view on global sustainability challenges and derives specific goals. Putting emphasis on sustainable coffee and plastics is coherent. Further sustainability issues should be derived in a transparent process according to operating divisions, their product lines and their value chains and have to be substantiated. Moreover, biodiversity, digitalization, and sufficiency could be addressed as major societal challenges in order to develop far-reaching, transformative solutions.

If the Melitta Group consistently pursues its chosen path, it will be able to drive cultural change to become a sustainable company. From our point of view, the following further steps could be taken: developing a) a sustainability mission statement as part of the corporate strategy, b) innovative business cases which provide answers to major sustainability problems, and c) strategic alliances in the domains of companies, politics and civil society. This Sustainability Statement is a first step.



MASTER'S PROGRAM STRATEGIC SUSTAINABILITY MANAGEMENT OF THE UNIVERSITY OF APPLIED SCIENCES FOR SUSTAINABLE DEVELOPMENT EBERSWALDE: BENJAMIN NOTTING, NICOLE WOLF (LEAD AUTHORS), JUTTA ALBRECHT, SILKE DÜWEL-RIETH, MONIKA GLASER, ALIEN SPILLER (STUDENTS), NADINE DEMBSKI, JENS PAPE (LECTURER) OF THE MASTER'S PROGRAM "STRATEGIC SUSTAINABILITY MANAGEMENT"

STATEMENT: TEAM LÖNING

Another step toward greater sustainability

We are a management consultancy with wide-ranging, international expertise in the development and implementation of sustainability processes at companies.

We have been helping the Melitta Group to develop its sustainability strategy, set up a Group-wide sustainability management system and implement the derived targets and programs since 2015. Considerable progress has been made with this over the last four years, meaning that the issue of sustainability is now strategically embedded at Melitta. Our support services initially included analyzing Melitta's key value chains: coffee, paper, plastics and electrical appliances. Based on this analysis, a materiality matrix was produced which prioritizes the most important areas of action for the Melitta sustainability strategy. These areas of action were condensed to create the "Melitta Sustainability House" and formed the basis for defining the qualitative and quantitative objectives of the Melitta sustainability strategy.

We also helped the Melitta Group to set up suitable governance structures and management processes, including establishing and expanding the sustainability team, implementing a steering structure with company-wide working groups on key issues, and setting up a Sustainability Board at executive level to address strategic sustainability questions. We were also involved in introducing a data tool, formulating suitable KPIs, and implementing a uniform approach to data capture at all operating divisions.

Furthermore, we provided assistance with the formulation of voluntary commitments (e.g. Human Rights Policy Statement, Code of Conduct, Supplier Code of Conduct) and compliance with legal requirements, including reporting obligations under the UK's Modern Slavery Act.

Another important aspect of our mandate was helping the sustainability team to conduct regular internal workshops and training courses to increase awareness at all operating divisions.

With this Sustainability Statement, the Melitta Group is taking a future step: it is making its sustainability engagement much more transparent than before and setting itself new, ambitious targets for the coming years. By enhancing knowledge, raising awareness and putting the necessary management instruments in place, the Melitta Group has paved the way for achieving these targets.

We will continue to support the Melitta Group, focusing in particular on the development and implementation of processes which comply with Germany's National Action Plan for Business and Human Rights and on intensifying its stakeholder dialogue.



MARKUS LÖNING - MANAGING DIRECTOR, SENIOR STRATEGY ADVISOR

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We are a manufacturer of branded products for coffee enjoyment, for storing and preparing food, and for household cleanliness.

In addition, we produce specialty papers for the wallpaper industry and industrial films for the packaging of food.

In those markets in which we operate, our branded goods are either market and quality leaders or vying for this position.

