



MANN & SCHRÖDER
COSMETICS

2018 SUSTAINABILITY REPORT



19



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11



24

CONTENTS

Foreword by the Managing Director	3
Report outline and sustainability goals	4
Company profile	5
Products and innovations	6
Eco-friendly alternatives	7
Water consumption	11
Resource-efficient production	12
Environmental protection in Kenya	16
Energy use	19
Correct use of resources	20
Employees	24
Training and professional development	25
GRI index	29
Imprint	31

DEAR READERS,

As a family business, the well-being of future generations is particularly important to us. We face this responsibility with fresh eyes every day as a manufacturing company. We believe that feeling good starts with a clear conscience.

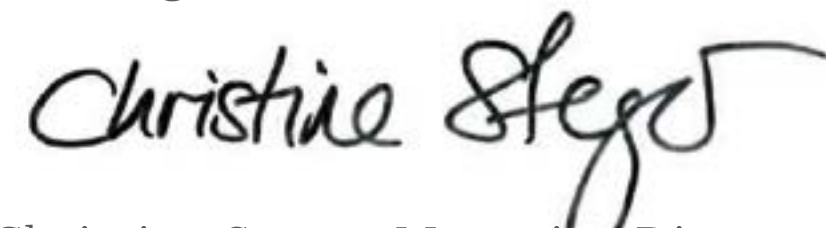
As a manufacturer of personal care products, we are therefore committed to ambitious sustainability goals along the entire value chain.

We have produced this Sustainability Report to inform our customers, employees and business partners about the progress we have made so far, what drives us forward, and what we want to achieve in the future. We would like to show you how our innovations and projects geared to sustainability are bearing quantifiable fruit at our two sites in Siegelbach and Hüffenhardt in the south of Germany. The main focus in this report is on water and the efficient use of this resource.

Water is the elixir of life and the largest component of the human body – and of our skincare and hair-care products. In order to be able to guarantee the very best quality, we insist on state-of-the-art manufacturing processes with the latest energy-saving and resource-efficient technology. One example of this is our new steam cleaning line which went into operation at the beginning of 2018.

Sustainability is an integral part of the daily operations and business processes at MANN & SCHRÖDER COSMETICS thanks to the ideas and input from over 700 employees and their dedication to our cause.

Kind regards,



Christine Steger, Managing Director/ CEO



„We are committed to ambitious sustainability goals along the entire value chain. We see it as our duty to concentrate on good stewardship of natural resources.“

REPORT OUTLINE

This Sustainability Report is based on the new standards set out in the Global Reporting Initiative (GRI), as revised and published in 2018. ClimatePartner has credited MANN & SCHRÖDER COSMETICS with fulfilment of the environmental standards GRI 305-1, 305-2 and 305-3.

The report covers the financial year of 2018 (1 January 2018 to 31 December 2018). The editorial deadline was 13 June 2019. Unless stated otherwise, the information published in the Sustainability Report applies to all the production sites. Gender discrimination is dispensed with in order to improve readability.

The MANN & SCHRÖDER COSMETICS Sustainability Report is published in German and English. Additional content is also available online on the company website. The next Sustainability Report is due to be published in the first half of 2020 and will cover the financial year of 2019.

AMBITIOUS SUSTAINABILITY GOALS FOR 2018 AND BEYOND

Substances which are good for the skin should not pollute the environment – MANN & SCHRÖDER COSMETICS has adopted this creed as a basis for its production, its processes and its entire work, and all its sustainability goals are in line with this belief. The manufacturer of haircare and personal care products takes a holistic view of sustainability, understanding its outworking in actions conforming to economic, environmental and social standards and in guarantees of top product quality.

As a production company with high energy requirements, MANN & SCHRÖDER COSMETICS made a decision in 2017 to support a ClimatePartner environmental protection project in a bid to offset its CO₂ emissions. The goal of 100 per cent climate neutrality in operations was thereby achieved in 2017 and in 2018. MANN & SCHRÖDER COSMETICS has been able to be entirely climate-neutral in electricity since 2016 by purchasing green electricity. The production lines and machinery which the company has been systematically putting into operation since 2014 have enabled it to reduce its energy

consumption per ton of output.

MANN & SCHRÖDER COSMETICS has set itself the ambitious target of passing the ISO 50001 energy audit in 2019. The requirements in this audit go far beyond the legal minimum. They render us liable to demonstrate a clean balance sheet in terms of our energy footprint and clearly-defined reduction targets. Further measures planned for 2019 are as follows:

- further analysis of carbon emissions in the company and exploration of new ways of preventing greenhouse gas emissions
- continued offset of all the carbon emissions of the company in order to meet the 100 per cent target both now and in the future
- expansion of the sustainability reporting process and progression to the core option in the publication of GRI standards.

EXCELLENCE AT MANN & SCHRÖDER COSMETICS

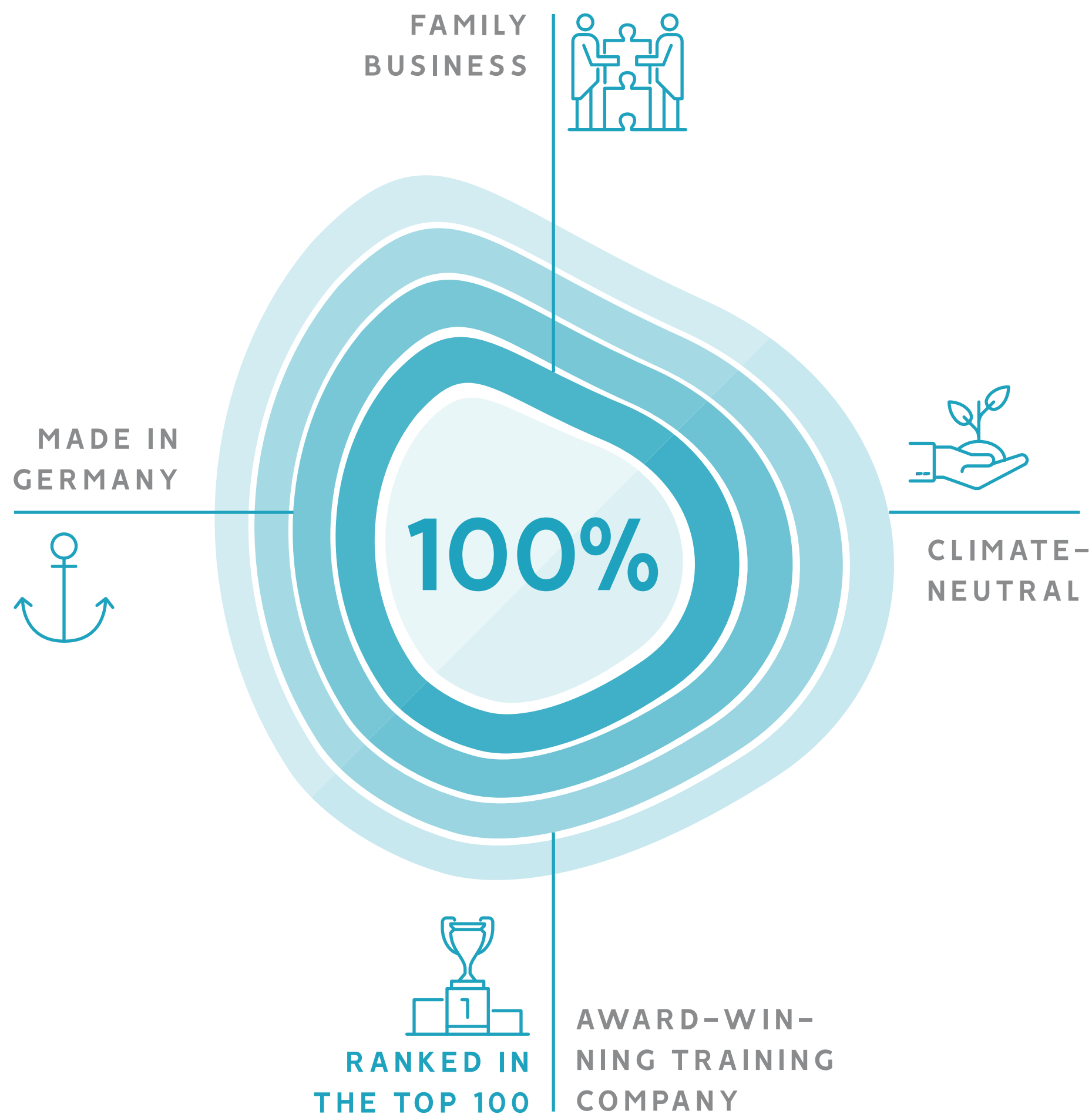
FAMILY BUSINESS Christine Steger represents the third generation of the family to manage the affairs of MANN & SCHRÖDER COSMETICS at the Headquarter in Siegersbach, Germany. Prior to this, Hans Schröder had spear-headed the company for more than three decades. In the 1980s, he built the entire product range around haircare and personal care products. His father Hans Schröder Senior had started up the company in 1951 to manufacture putty for windows and floor polish.

MADE IN GERMANY MANN & SCHRÖDER COSMETICS enjoys special trust in both the domestic market and in the export markets thanks to the “Made in Germany” seal of quality. The company once again completed the IFS certification process in 2018 with a very high score, demonstrating that the products meet high quality standards. Other internationally recognised accreditations include DIN EN ISO 9001:2015, the GMP certificate DIN EN ISO 22716, and the BRC CP certificate.

AWARD-WINNING EDUCATING COMPANY

MANN & SCHRÖDER COSMETICS is regularly acknowledged to be one of the leading training companies in Germany. In 2017 and 2018, for example, the business magazine Capital named MANN & SCHRÖDER COSMETICS one of the best training companies in the category of “companies with 500 - 2,000 employees”.

CLIMATE-NEUTRAL MANN & SCHRÖDER COSMETICS has been increasing its energy conservation in production processes and building up its supply of energy-efficient production lines since 2014. This is a matter of particular importance because, as a manufacturing company, it cannot completely stem the flow of CO₂ emissions. MANN & SCHRÖDER COSMETICS has succeeded in offsetting its carbon footprint since 2017 by signing up to an accredited international environmental protection project. This has earned the company recognition from ClimatePartner by way of its award for 100 per cent climate neutrality.



RAW MATERIALS ON THE TEST BENCH

PRODUCTS AND INNOVATIONS

MANUFACTURE OF
PERSONAL CARE
PRODUCTS IN

15

CATEGORIES



1,610

DIFFERENT HAIRCARE
AND PERSONAL CARE
PRODUCTS



576

NEW
PRODUCTS
LAUNCHED



Focus: the Research & Development section has an eye for environmentally friendly solutions.

ECO-FRIENDLY ALTERNATIVES

“GREEN” POWER OF INNOVATION

The Research & Development team at MANN & SCHRÖDER COSMETICS analyses trends and innovations in haircare and personal care products and continuously develops the formulas, always holding them up to scrutiny in respect of sustainability.

Whenever MANN & SCHRODER COSMETICS works on new formulas and complex active ingredients, their development is driven by the highest quality standards. The company works across all departments, applying the latest technological standards, analysing the relevant markets worldwide, and seeking out the trends

of tomorrow. But MANN & SCHRÖDER COSMETICS is also firmly convinced that innovations should not be developed at the expense of the environment. The in-house Research & Development department is therefore committed to the search for feasible solutions which will improve the carbon footprint of the formula.

MANN & SCHRÖDER COSMETICS made great strides in many areas in 2018 and the results are plain to see, especially in microplastics, palm oil, palm kernel oil and recyclable plastic.

USE OF MICROPLASTICS REDUCED

The use of microplastics in cosmetics is a hotly debated topic in the media and among consumers. Microplastics are solid and insoluble synthetic polymers in beads which are smaller than five millimetres. Polymers in dissolved form are also under discussion. They serve various purposes, such as adding to the viscosity and fixative properties of personal care and haircare products, which is why they can be found in hairsprays, hair lacquer, sunscreen and sunblock products, for example.

ALTERNATIVE INGREDIENTS

MANN & SCHRÖDER COSMETICS has been working on ridding the products of solid microplastic particles since 2015. As things stand, 99 per cent are free of them. The main



100

PER CENT

CERTIFIED PALM OIL AND PALM KERNEL OIL: MANN & SCHRÖDER COSMETICS HAS ALREADY ACHIEVED THIS OBJECTIVE IN SOURCING RAW MATERIALS FOR ITS PRODUCTS.

alternative used is natural perlite. These are pumice stone particles which provide a comparable peeling action to microplastics but are of natural origin. Peeling grains made from plant ingredients like peach stones or walnut shells might also be used depending on the product.

FACING THE FACTS

WHAT WAS AT THE TOP OF THE AGENDA IN YOUR DEPARTMENT IN 2018?

We put a lot of R&D resources into avoiding synthetic polymers. We are also continuously working on making our manufacturing processes more efficient in order to consume less energy.

WHAT IS YOUR RESPONSE TO THE SENSITIVE ISSUE OF PALM OIL?

Palm oil and palm kernel oil are important sources for many of our raw materials. No other oil-bearing plant is as productive as the oil palm therefore switching to other oils would mean far more land use and therefore greater ecological damage. This is why we continue to use palm oil-based and palm kernel oil-based raw materials



Dr. Klaus Hempel
Head of Research & Development

which are 100 per cent RSPO*-certified in support of sustainable cultivation.

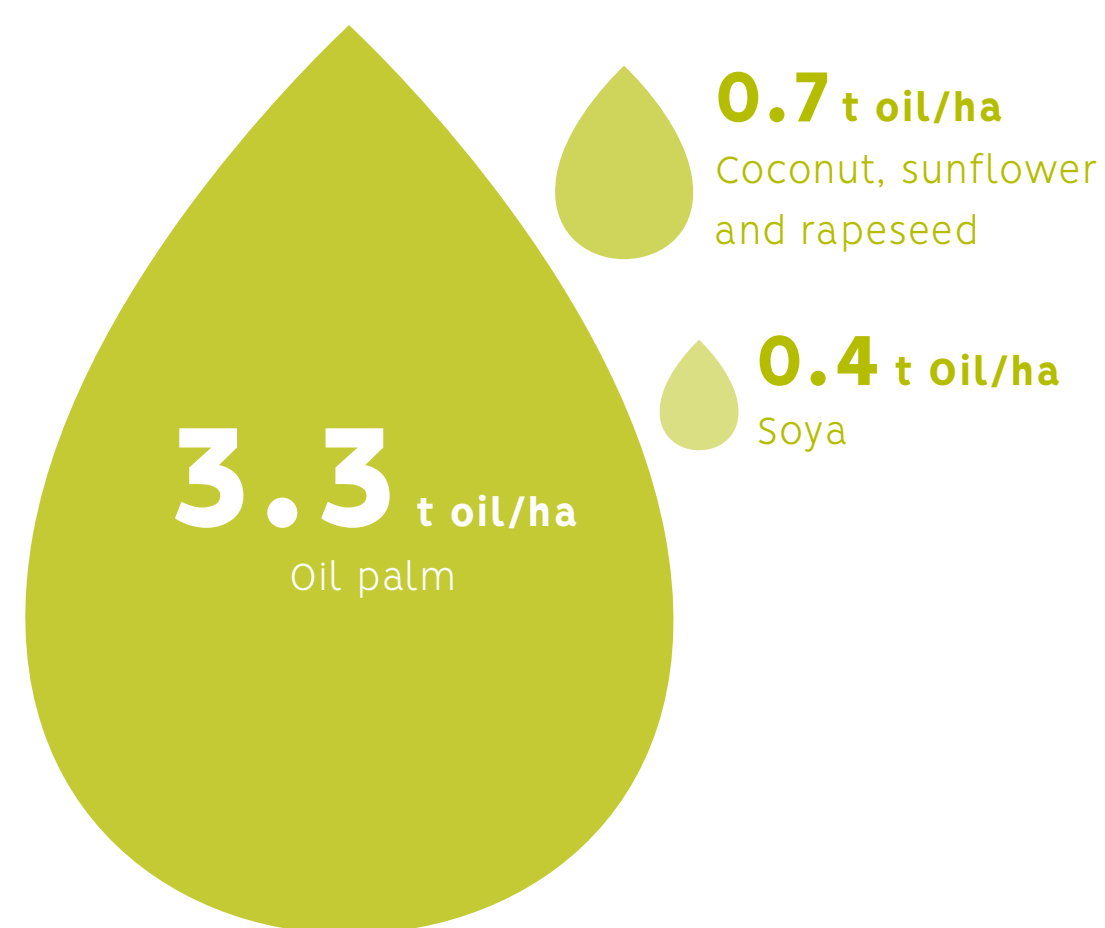
WHAT ARE YOU DOING TO AVOID MICROPLASTICS?

Solid microplastics are no longer used in 99 per cent of our products and we are working on the other one per cent. We are trying to replace liquid polymers with raw materials that are mostly of natural origin, biodegradable or produced more sustainably. A straight exchange is not usually possible therefore we are developing new formulation systems.

* Roundtable on Sustainable Palm Oil, WWF initiative set up in 2004

COMPARISON OF OIL-PRODUCING PLANTS

Average global yields from 2012 to 2014
(source: WWF Magazine)



The success of the oil palm can be explained by its high yield and low demand for land. Boasting an average yield of 3.3 t oil/ha, the oil palm is the most productive of all the oil-bearing plants and therefore the most economical in terms of land use. By way of comparison, the soya plant only yields 0.4 t oil/ha, coconuts and sunflower seeds produce just under 0.7 t/ha, and the yield for rapeseed is slightly over 0.7 t/ha.

The changeover to products without synthetic polymers is the sustainability issue which most occupied the minds of the Research & Development team at MANN & SCHRÖDER COSMETICS in 2018.

Further research was conducted into synthetic polymers in 2018 with a view to developing products containing substances of natural origin or based on renewable resources instead of synthetic polymers. Replacing ingredients in this way is a major challenge but it has been possible to develop solutions without liquid plastics for more than 90 per cent of the products. The team continues to work tirelessly on the conversion of the remaining formulas.

PALM OIL AND PALM KERNEL OIL: 100 PER CENT CERTIFIED

Raw materials containing palm oil and palm kernel oil can be found in varying proportions in many personal care products. They serve as emulsifiers, moisturisers, stabilisers and cleansers 100 per cent of the quantity contained

in MANN & SCHRÖDER COSMETICS products has been validated as conforming to the RSPO Mass Balance** Supply Chain Certification Standard. This ensures transparency and sustainability in the supply chain.

THE MOST SUSTAINABLE SOLUTION

The oil palm is by far the most productive oil-bearing plant therefore MANN & SCHRÖDER COSMETICS insists on palm oil as the most sustainable solution above all other oils. The use of coconut oil or other oils with similar properties would entail far greater use of land for cultivation because the yields would be much lower.

The company prefers to promote sustainable cultivation methods by subscribing to 100 per cent certified raw materials from palm oil and palm kernel oil.

PIONEER IN RECYCLABLE AND RECYCLED PACKAGING: ALKMENE®

Sustainability is also the goal and standard in

packaging at MANN & SCHRÖDER COSMETICS, as borne out by the example of its own brand alkmene® which claims to harness the natural healing power of medicinal plants.

All the bottles used for body lotion and shampoo were developed from 100 per cent recycled material (rPET) for the first time for the brand relaunch in 2017. What is more, all alkmene® labels are free of mineral oils and solvents. This means that the alkmene® bottles are fully recyclable.

FSC*** CERTIFICATION

MANN & SCHRÖDER COSMETICS attaches importance to the supply of products without additional outer packaging or – where this is not possible – in packaging with the highest possible proportion of recycled or recyclable material.

FACING THE FACTS

WHAT CRITERIA DO CUSTOMERS CITE WITH REGARD TO SUSTAINABILITY?

Consumers are paying more and more attention nowadays to environmental concerns when they go shopping but their expectations in terms of quality and performance have not changed. The big challenge for us is to meet these demands in both existing and new products. This is right at the top of our agenda.

HOW IMPORTANT ARE SEALS OF QUALITY?

A label on the products is important because it allows consumers to see at a glance whether the products will satisfy their expectations. There are many different facets to sustainability, however, which makes labelling more difficult. Nevertheless, retailers are



Jan Bennefeld,
Private Labels Sales
Director DACH

beginning to launch products with sustainability labels on the market.

WHICH DEPARTMENTS ARE INVOLVED IN THE DEVELOPMENT OF SUSTAINABLE SOLUTIONS?

We are looking for sustainable product solutions in almost all areas of the company: the Purchasing department looks for alternative raw materials and packaging; the Development section conducts research and tests; the Production department optimises energy use, and the Category Management team assesses the commercial feasibility of our sustainability initiatives.



OVERVIEW

MANN & SCHRÖDER COSMETICS sources many different raw materials for the manufacture of personal care products. They are all required to meet the internal CSR criteria.

125

MANN & SCHRÖDER-PRODUCTS

HAVE BEEN AWARDED A TOTAL OF FIVE DIFFERENT SUSTAINABILITY SEALS OF APPROVAL

The folding boxes which we use are made of FSC-certified material and have a recycled content of 90 to 95 per cent. In addition to the highest quality standards and the environmental protection criteria, the safety of the products for human health is another aspect which is a matter of course for the company. All the products undergo a safety assessment under the EC Regulation on cosmetic products

before they are put on the market. This includes the testing of raw materials and packaging as well as tests on the end product.

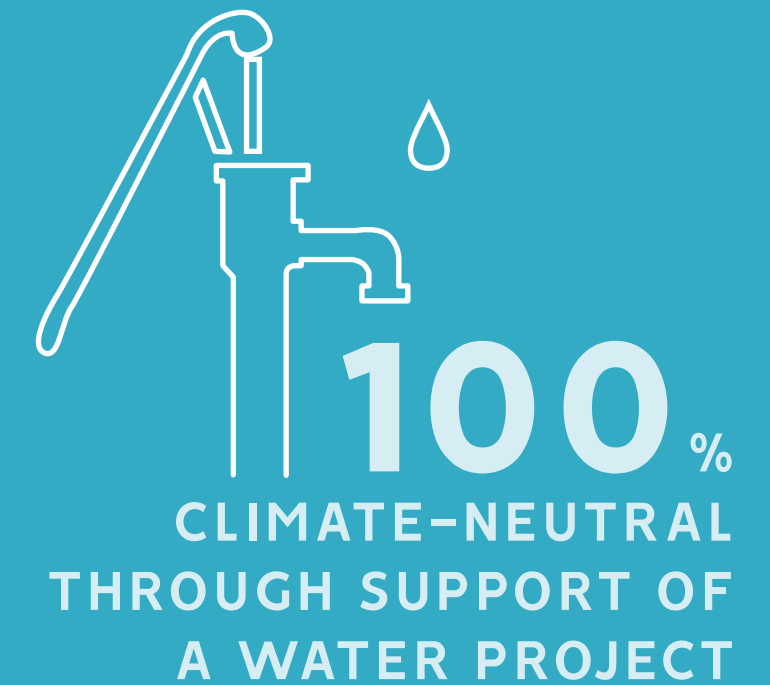
[READ MORE ABOUT THE USE OF RESOURCES](#)

TAKING RESPONSIBILITY SERIOUSLY

WATER CONSUMPTION



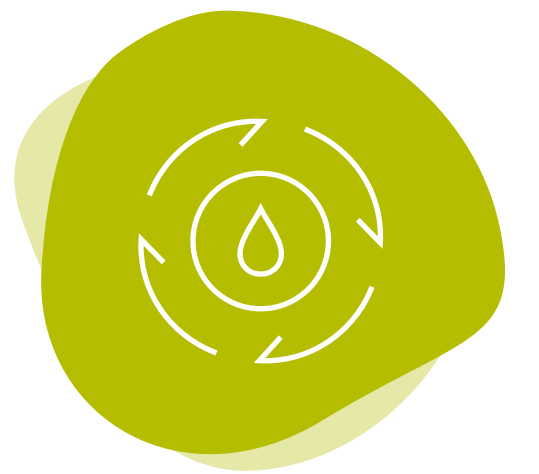
WATER REDUCTION
TECHNOLOGIES



CLIMATE-NEUTRAL
THROUGH SUPPORT OF
A WATER PROJECT



COLLABORATION IN
OF THE 17 GOALS IN
THE UN 2030 AGENDA



RESOURCE-EFFICIENT PRODUCTION

WISE WAYS WITH WATER

Water is one of the most important resources. Not only is it needed as a component of the products but also for their production and purification. This is why MANN & SCHRÖDER COSMETICS insists on careful ways with water and uses state-of-the-art systems.

The body of an adult consists of 65 per cent water on average. Fluid is therefore the largest component of the human body. The same applies to skincare and haircare products which essentially consist of purified water. Not only does it improve the tolerability of the cosmetic products but it is also conducive to a pleasant feeling on the skin. The addition of water enhances creams, for example, giving them a soft and smooth texture and making them easier to apply to the skin. Water also makes it possible to dilute surfactants, the cleansing substances which dissolve dirt and grease, in a way that is kind to the skin. Water is also required to incorporate water-soluble active ingredients like panthenol or glycerine.

VERSATILITY

MANN & SCHRÖDER COSMETICS consumes about 94.5 million litres of water per year. Approximately 61 per cent of the water goes into the haircare and personal care products. The resource is also used for the manufactu-

ring processes, however, and the subsequent cleaning of the systems and machines at the two production sites in Siegelsbach and Hüf-fenhardt. MANN & SCHRÖDER COSMETICS relies on state-of-the-art manufacturing processes in-volving three resource-efficient systems in or-der to achieve sustained reductions in the use of water and in the production of waste water and to keep consumption and wastage as low as possible in the long term.

PIGGING SYSTEM: MORE OF THE PRODUCT

When care products are put into bottles and tubes, there is always a residual amount left in the pipes leading to the filling line. This is unavoidable. These production residues are flushed out with huge amounts of water and detergent in conventional systems and then disposed of as hazardous waste. Up to 600 ki-logrammes of residues may be in line for di-sposal, depending on the product and filling

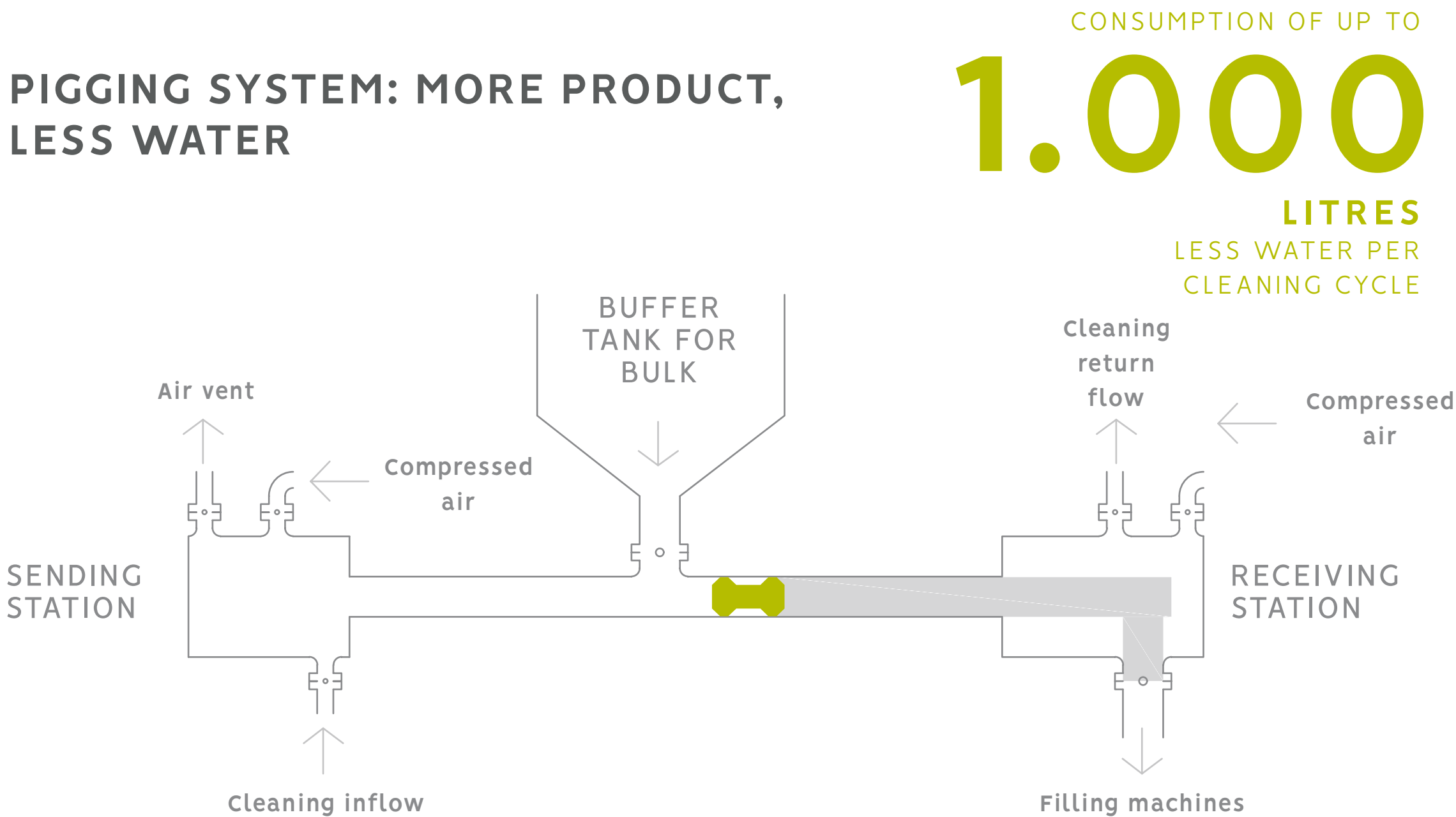
process. This is a waste of both valuable water and flawless products. MANN & SCHRÖDER COSMETICS uses pigging systems in order to counteract this loss.

SIGNIFICANT SAVINGS

The intelligent systems consist of a sending

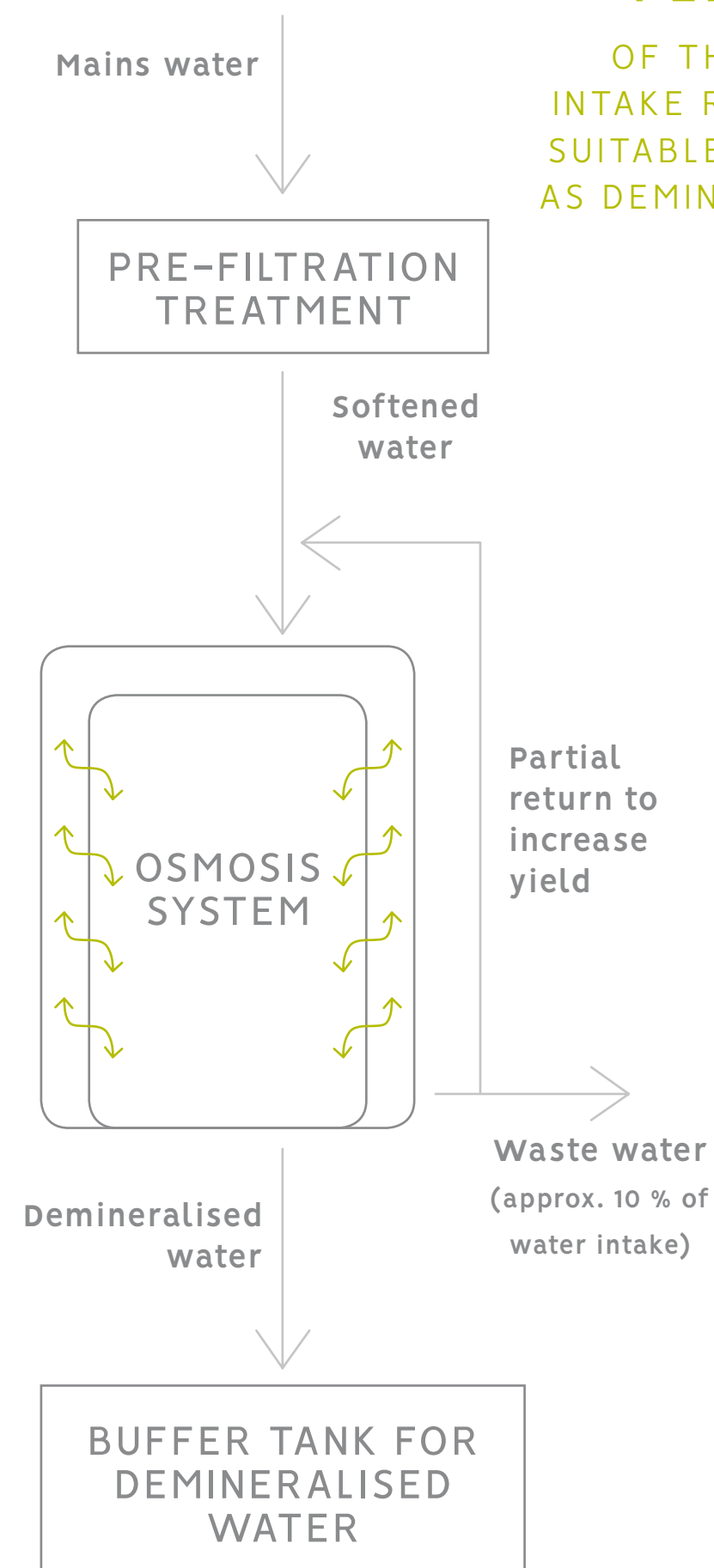
station, a receiving station and the pig, which is usually made of rubber or silicone. The electronically controlled pig pushes all the re-sidue forward through the pipe with the aid of compressed air, leaving the pipe empty.

PIGGING SYSTEM: MORE PRODUCT, LESS WATER



OSMOSIS SYSTEM: EFFICIENT AND ECOLOGICAL

90
PER CENT
OF THE WATER
INTAKE RENDERED
SUITABLE FOR USE
AS DEMINERALISED
WATER



The residue which has been pushed out can then be put into tubes and bottles. After the pig has passed through the pipes, there is virtually nothing sticking to the insides and so they are easier to clean. This saves considerable quantities of water and detergent, potentially amounting to up to 1,000 litres of water and 10 kilogrammes of cleaning agent per cycle. The amount of waste is also reduced, causing less impact on the environment and conserving valuable resources. The proven pigging technology will also be used when putting new systems into operation because of the many advantages and total lack of disadvantages.

OSMOSIS: SAVING INSTEAD OF FLUSHING

Only purified salt-free water, i.e. demineralised water, may be used for the manufacture of personal care products. MANN & SCHRÖDER COSMETICS obtains this with the aid of a top-of-the-range osmosis system. This is the most

efficient and ecological method for obtaining pure desalinated water. Other methods of desalinating water, such as distillation by evaporation, consume at least 10 times as much energy which is why MANN & SCHRÖDER COSMETICS has not used them for more than 10 years.

90 OUT OF 100 LITRES OF WATER FULLY DEMINERALISED

The osmosis unit separates the salt from the previously softened water by means of a filter system and returns the demineralised water to a buffer tank which is a kind of storage tank. MANN & SCHRÖDER COSMETICS gains around 90 litres of demineralised water from 100 litres of tap water. This is then used for the manufacture of the care products. The remaining 10 litres flow back into the waste water as salt concentrate. MANN & SCHRÖDER COSMETICS invested in a further system with additional buffer tanks in 2017 due to increasing production capacities, placing particular

emphasis on the conservation of water in the process.

Larger quantities of demineralised water can now be stored temporarily in the additional buffer tanks. This means that the osmosis unit has to be started up and cleaned less frequently. Every time the unit is started up, the entire system and all the membranes and pipes are thoroughly rinsed through with water for three minutes.

Having installed the new unit, MANN & SCHRÖDER COSMETICS has cut the original number of start-up cycles by a third and is saving large amounts of water and waste water.

STEAM CLEANING: FAST AND ECONOMICAL

The latest water-saving technology, which has been in use in the production facilities at MANN & SCHRÖDER COSMETICS since the beginning of 2018, is steam cleaning.



SOUND ALL-ROUND

We can generate a vast amount of energy in a very short time with the new steam process. The hot steam dissolves grease residues on the insides of the tanks at great speed and with a gentle cleansing action. After the steam cleaning treatment, the tanks and pipelines are free of grease, completely clean and ready for the production of new care products. Steam cleaning is an environmentally friendly and ecologically sound process which saves time, detergent and precious water.

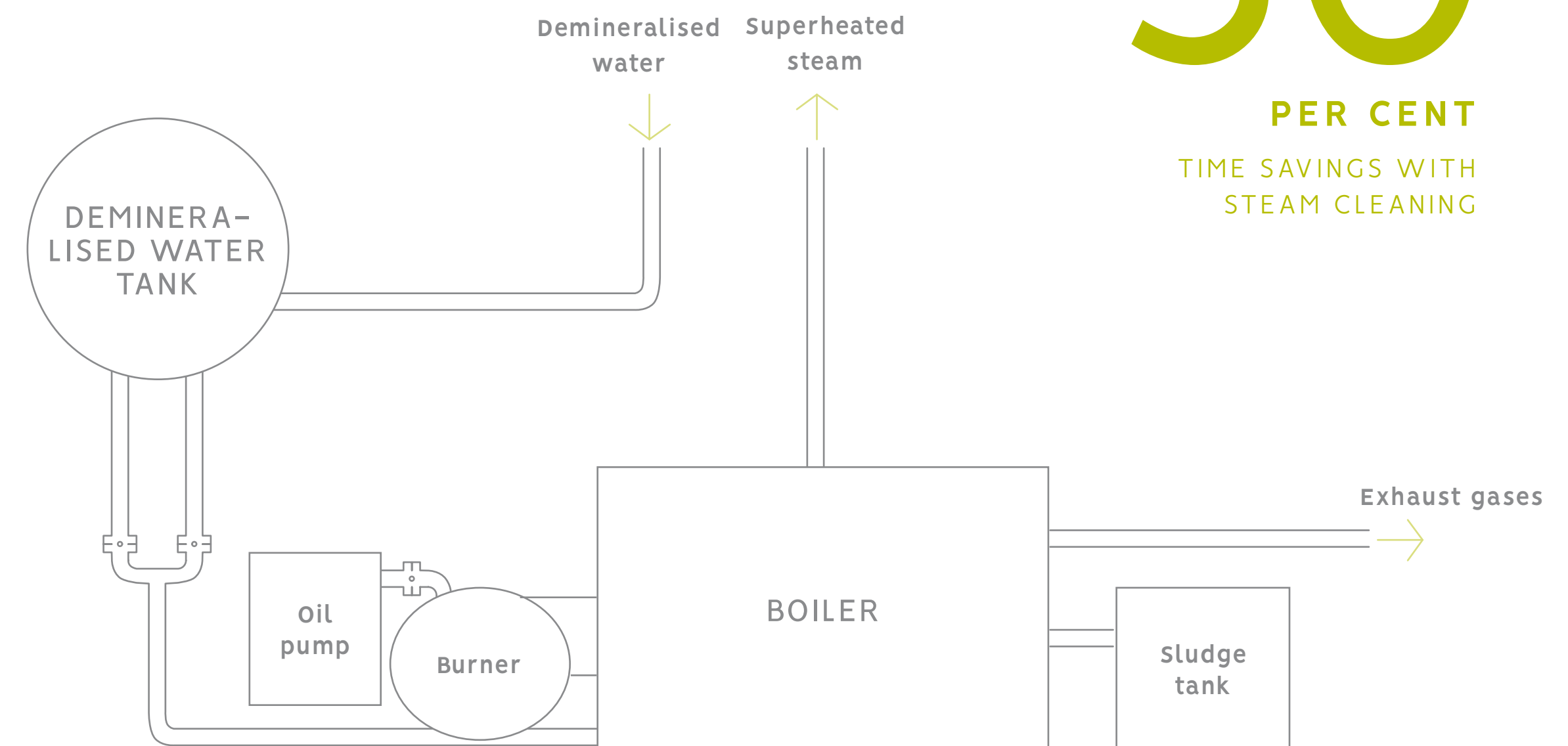
The steam is generated in a separate boiler by means of an oil burner and routed to the production vessels. Steam pipes were installed on the existing production vessels for this purpose and integrated into the existing cleaning software.

The amount of effort involved in the conventional cleaning process is very high due to the grease in the mixtures and because the lines must be completely free of residues after every filling cycle and ready for further production.

Pipelines and boilers can be cleaned faster with steam and with less water and detergent. Up to four hours were required for the various rinsing cycles in the conventional cleaning process but now MANN & SCHRÖDER COSMETICS can clean the systems in about half the time with steam.

Another advantage is that only a fractional amount of detergent is required. This has a positive effect on the consumption of chemical

STEAM CLEANING: LATEST WATER-SAVING ADDITION



50
PER CENT
TIME SAVINGS WITH
STEAM CLEANING

agents and also significantly reduces the quantity of polluted waste water.

[READ MORE ABOUT WATER CONSUMPTION](#)

People in Kenya learning how water is treated without harming their health or the environment.

ENVIRONMENTAL PROTECTION IN KENYA

EASY ACCESS TO CLEAN DRINKING WATER

MANN & SCHRÖDER COSMETICS is supporting a project in Kenya, which enables the local people to use water without boiling it beforehand, and thereby offsetting 100 per cent of the CO₂ emissions from its business operations.



ClimatePartner works out the CO₂ emissions of MANN & SCHRÖDER COSMETICS every year and calculates the overall corporate carbon footprint (CCF) based on the Greenhouse Gas Protocol. This covers all greenhouse gas emissions from Scopes 1 to 3, including in the supply chain of raw materials and packaging. As a manufacturing company, MANN & SCHRÖDER

COSMETICS cannot completely avoid CO₂ emissions. With the help of environmental protection projects which reduce emissions in other parts of the world, however, MANN & SCHRÖDER COSMETICS has been offsetting its own CO₂ emissions since 2017 and is therefore a 100 per cent climate-neutral company. Water is so essential for the products and processes at MANN & SCHRÖDER COSMETICS

that the company is particularly keen to support a carbon offset project involving the treatment of drinking water. This is why MANN & SCHRÖDER COSMETICS has chosen to back a certified environmental protection project which allows people in rural Kenya free access to clean drinking water. Contaminated water, which can cause disease, and a lack of drinking water are among the most frequent causes of death there.



Angelina Straub,
PR & Communication
Manager

DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS

	Source of emissions	t CO ₂ 2017	t CO ₂ 2018
Scope 1 (Direct emissions)	Process heat and building heat, etc.	2,469.7	2,255.1
Scope 2 (Emissions from purchased energy)	Green electricity	0	0
Scope 3 (Indirect emissions from upstream and downstream value chains)	Raw materials, packaging, transport, business travel, etc.	73,366.9	74,359.7
Total		75,836.6	76,614.9

GOOD FOR HEALTH AND THE ENVIRONMENT

The people in Kenya boil their water on an open fire in order to produce clean drinking water. They invest a lot of time and money in sourcing firewood and risk their health at the same time in that the resulting smoke can cause severe respiratory disorders, especially in closed rooms.

EMBRACING THE NEEDS

Environmental protection and corporate social responsibility go hand in hand at MANN & SCHRÖDER COSMETICS. Our commitment to the climate and people in Kenya through the drinking water project goes beyond the statutory requirements and regulations. This enables us to offset our carbon footprint and achieve 100 per cent climate neutrality as the company. Even more importantly, however, we are helping the people on the ground in Kenya. This is our pleasure!



FACTS & FIGURES

UN 2030 AGENDA

The 2030 Agenda for Sustainable Development was adopted by the member states of the United Nations in September 2015 and has set the tone for international cooperation ever since. It applies to all the countries in the world because only together can the global problems be solved. The 17 Sustainable Development Goals are at the heart of the agenda and cover three dimensions summarised as social, environmental and economic.



CO₂ and other pollutants are also released by burning wood and coal. The project supported by MANN & SCHRÖDER COSMETICS therefore finances the treatment of drinking water with chemical substances like chlorine. This avoids the harmful emissions and so protects human health and the climate at the same time.

COMMITMENT TO THE UNITED NATIONS GOALS

In supporting the project for drinking water treatment in Kenya, MANN & SCHRÖDER COSMETICS also contributes to the achievement of the United Nations (UN) 2030 Agenda. This is built around 17 goals for sustainable development. MANN & SCHRÖDER COSMETICS is working on the following six of

these goals through the project:

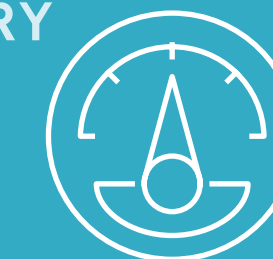
- No poverty: households, hospitals and schools save time and money which would otherwise be spent sourcing fuel and boiling water.
- Good health and well-being: diseases caused by unclean drinking water and the production of smoke during the boiling process are minimised. The incidence of diarrhoea has fallen by 41 per cent.
- Clean water and sanitation: more people in Kenya now have quick and free access to clean drinking water.
- Decent work and economic growth: the sale and distribution of the filter systems has created new jobs.
- Climate action: the project reduces CO₂ emissions by around 45,000 tons per year.
- Life on land: the project reduces firewood consumption and therefore protects local forests and biological diversity.

FOR THE SAKE OF THE ENVIRONMENT

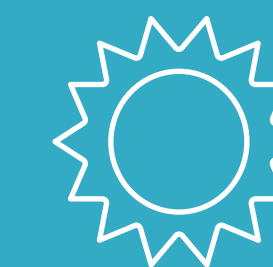
ENERGY USE

40,000

LITRES OF HEATING
OIL SAVED EVERY
YEAR THROUGH HEAT
RECOVERY



714



SQUARE METRES
ALLOCATED TO
SOLAR ENERGY
FARMING

100%

GREEN
ELECTRICITY
CUTTING CO2
BY 3,245 T
PER YEAR



CORRECT USE OF RESOURCES

SAVING ENERGY AND KEEPING IT IN CIRCULATION

MANN & SCHRÖDER COSMETICS sees it as its duty to keep energy consumption as low as possible. This is why awareness of energy efficiency is taken into account not only in the design of new installations but also in the continuous optimisation of existing facilities.

In 2018, the company set itself the goal of reducing its relative (in relation to sales) direct and indirect CO₂ emissions by a low single-digit percentage. This target was achieved by way of a reduction of 5.66 per cent kilograms of CO₂ for every euro of sales revenue. MANN & SCHRÖDER COSMETICS met its objectives by continuously improving inter-

nal processes and by factoring in the consumption of resources by replacement capital assets and new investments.

At 13,961 megawatt hours, the company's total energy consumption – electricity, gas and other energy sources – was around 16 per cent below the figure for the previous year.

Solar panels covering an area of 714 square metres are a wise investment in harnessing the power of



INTENSITY OF CO2 EMISSIONS

ABSOLUTE FIGURES FOR NET SALES, BATCH QUANTITIES AND CO2 EMISSIONS:

	2017	2018
Sales (net, EUR)	143,300,000	153,600,000
Quantity produced	200,827,270	204,510,915
CO ₂ emissions (t)	75,837	76,615

NET SALES, BATCH QUANTITIES AND BULK PRODUCTION IN RELATION TO CO2 EMISSIONS:

	Einheit	2017	2018
Sales (net)	kgCO ₂ /EUR	0.53	0.50
Quantity produced	kgCO ₂ /pc	0.38	0.37
Bulk produced	kgCO ₂ /kg	1.66	1.70

The average level of CO2 emissions in 2018 was 0.37 kg/CO2 per production run. This amounts to a reduction of 2.63 per cent compared with 2017. The decline is partly due to a relative reduction in process heat in the manufacture of the products.

-2,63
PER CENT

CO2 EMISSIONS PER PRODUCTION RUN FROM 2017 TO 2018



The company saves around 40,000 litres of heating oil a year thanks to heat recovery in the manufacturing process.

This proves that the various measures, such as LED lighting and heat recovery at the Siegelsbach and Hüffenhardt sites, have already led to considerable savings in electricity consumption. The figures should be even better in 2019. The production of the purchased raw materials and packaging and the burning of fossil fuels to generate heat in production were again the main sources in the calculation of CO2 emissions

in 2018 (cf. table on p. 17). This illustrates the impact which changes in the production work might have on the use of fossil fuels like heating oil. For example, the increase in the production of emulsified liquids at MANN & SCHRÖDER COSMETICS resulted in greater consumption of heating oil. The goal in 2018 was to curb this increased consumption. This was achieved through efficient cogeneration

30/36

PER CENT

ONLY 30 % INCREASE IN HEATING OIL CONSUMPTION AS COMPARED WITH 36 % INCREASE IN EMULSIFIED LIQUID PRODUCTION

and the associated recovery of waste heat.

HEATING WITH WASTE HEAT

Compressed air serves as the driving force behind the manufacturing process. It is used to switch valves and move machines. There are three compressors at the Hüffenhardt site generating the compressed air required. This produces a great deal of heat. MANN & SCHRÖDER COSMETICS turns this heat to account by means of the heat recovery system. The hot water is pumped into the radiators throughout the building by means of a compressor unit with a heat exchanger connected to the heating network and is therefore used to heat the

rooms. “At normal outside temperatures, we do not need any additional heating oil. There is enough heat given off by the compressors to heat the entire building,” explained technical manager Stefan Martin, “so the heating system is only needed for backup support in the winter.”

The eco-friendly and resource-efficient solution has two immediate benefits. Firstly, around 40,000 litres of heating oil can be saved every year, and secondly, no extra energy is required to cool the compressors thanks to the integrated water cooling system. MANN & SCHRÖDER COSMETICS also had the existing compressors at the Siegelsbach production site retrofitted in 2017.

ROOFTOP SUPPLY OF ELECTRICITY

MANN & SCHRÖDER COSMETICS had the huge roof of the Packstofflager II packaging materials store in Hüffenhardt fitted with solar panels when it was built in 2015 in order to

generate some of the electricity itself. Covering a total surface area of 714 square metres, the solar system allows the power of the sun to be utilised wisely since the radiant energy of the sunlight is converted directly into electrical energy by means of photovoltaics. The energy obtained in this way is fed into the electricity grid and is used wherever it is needed.

TOTAL ENERGY CONSUMPTION IN THE COMPANY

2017	From non-renewable sources	From renewable sources	Total energy consumption
MWh	10,125	6,111	16,235
Proportion	62 %	38 %	

2018	From non-renewable sources	From renewable sources	Total energy consumption
MWh	7,804	6,157	13,961
Proportion	56 %	44 %	

2,274

MEGAWATT HOURS

SAVED BY THE COMPANY IN 2018 COMPARED WITH THE PREVIOUS YEAR.



Matthias Wörner,
Head of Technology &
Organisation

TAKING A STAND

Our aim is to set an example when it comes to climate change and environmental protection. The advancement of renewable sources of energy is imperative in this respect. Why not use something that is available anyway? The solar power which we generate goes a long way towards covering all our needs – and comes from a practically inexhaustible source.

ENERGY EFFICIENCY AND LOW MAINTENANCE

MANN & SCHRÖDER COSMETICS began to convert to LED lighting at the Siegelsbach and Hüffenhardt sites in 2016. The electricity saved on lighting in the entire company will amount to around 60 per cent. LED lighting also has a number of other advantages. It generates less heat and emits no UV light. This means that materials 60 per cent less is spent on electricity for lighting through the use of LED lights. It do not become brittle and do not fade. LED lighting is also a long-life source of light requiring very little maintenance. Another advantage of LED lamps is their disposal. If they stop working, they can simply be disposed of with the normal waste – which cannot be said of the old incandescent bulbs.

GOOD FOR THE CARBON FOOTPRINT

MANN & SCHRÖDER COSMETICS converted entirely to green electricity in January 2014 and now saves 3,245 tons of CO₂ per year with an annual



60 per cent less is spent on electricity for lighting through the use of LED lights.

consumption of around 5,500,000 KWh.

Compared to grey electricity, which is largely derived from fossil fuels and nuclear energy sources, green electricity generates far fewer CO₂ emissions. By purchasing green electricity, MANN & SCHRÖDER COSMETICS is also backing renewable sources, such as hydropower, solar energy, wind power, geothermal energy or biomass.

[READ MORE ABOUT ENERGY USE](#)

9,703
TONNES OF CO₂

ALREADY OFFSET SINCE 2017 BY
MANN & SCHRÖDER COSMETICS,
RECOGNISED AS A 100% CLIMATE-
NEUTRAL COMPANY IN CLIMATE-
PARTNER AWARD

THE MOST IMPORTANT RESOURCE

EMPLOYEES



NO.1
TRAINING COMPANY IN
GERMANY IN THE CARE
PRODUCTS/COSMETICS
SECTOR

 **712**
EMPLOYEES
OF WHOM 331 MEN
AND 381 WOMEN

45     
    
TRAINEES & STUDENT
INTERNS



FOCUS ON TRAINING AND PROFESSIONAL DEVELOPMENT

ONE STEP AHEAD

MANN & SCHRÖDER COSMETICS insists on excellent resources in order to manufacture the best products. The most important resources are committed employees who are stimulated and challenged.

Quality made in Germany – this approach is central to the family business, and MANN & SCHRÖDER COSMETICS invests in the continuous further training of its employees to this end.

As a family business with deep roots in the Heilbronn region, it is important to MANN & SCHRÖDER COSMETICS to cultivate the labour market in the rural vicinity and to provide professional development opportunities geared to the workforce. A total of about 712 staff are employed at the two production sites in Siegelbach and Hüffenhardt and in the administration section at the Mannheim site (as at 31 December 2018).

There are courses tailored to the personal and professional needs of employees, irrespective of their age and qualifications. There are internal and external training opportunities. Every MANN & SCHRÖDER COSMETICS employee attends at least one compulsory training course per year, covering subjects like safety, hygiene and data protection regulations.

STAFF STRUCTURE

	2016	2017	2018
Absolute number of employees	636	686	712
of whom men	298	325	331
of whom women	338	361	381
New employees	99	147	141
Average number of employees	637	666	701
Composition by age group			
under 30 years of age	19.97 %	24.93 %	27.48 %
30-50 years of age	53.62 %	51.61 %	44.93 %
over 50 years of age	30.98 %	27.56 %	27.50 %
Proportion of part-time employees	10.70 %	9.04 %	10 %
Average length of service			8 years
Training quota			22.11 %
Staff turnover rate		10.98 %	10.81 %

DIVERSITY AND EQUAL OPPORTUNITIES

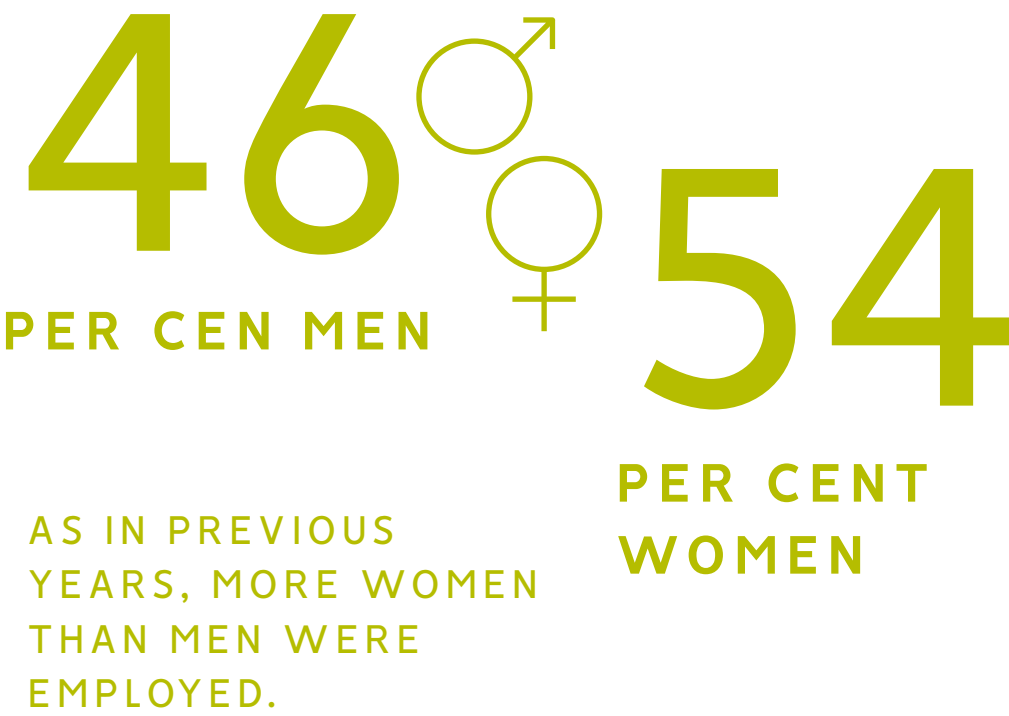
	2016	2017	2018
Employees with severe disabilities	17	19	24
Employees on maternity leave	5	11	7
Employees on parental leave	12	19	23
Nationalities employed			30



Reciprocal support: trainees and student interns benefit from the input and knowledge of the employees.

TRAINING RATE 22.1 PER CENT

The company also facilitates training geared to specific requirements and organised on an as-needed basis. Employees might have the opportunity to improve their business English or Excel skills, for example, or to study new subjects relevant to their work and acquire further professional qualifications.



There were 155 such training courses in 2018. MANN & SCHRÖDER COSMETICS is particularly proud of the high training rate of 22.1 per cent in a workforce averaging 701 employees.

BRINGING UP THE NEXT GENERATION

Promotion starts with the youngest employees at MANN & SCHRÖDER COSMETICS where training is offered in a total of 13 professions and degree courses at both production sites. MANN & SCHRÖDER COSMETICS has been providing workplace training for many years in cooperation with the Baden-Wuerttemberg Cooperative State University (Duale Hochschule Baden-Württemberg - DHBW), working with



the Heilbronn and Mosbach campuses which have a reputation for one-on-one contact and small group sizes. Young people with an interest in the profession can opt for a technical, commercial or scientific career at MANN & SCHRÖDER COSMETICS.

There were 45 trainees and students in the team at the time of going to press.

MANN & SCHRÖDER COSMETICS is committed to in-depth and high-quality training right from the start with modern teaching resources

and company-based input. There are also special seminars on subjects like business etiquette, project coordination and time management. A one-week preparatory stage is offered before the examinations. The company has won accolades for its successful approach. Business magazine Capital singled MANN & SCHRÖDER COSMETICS out as one of the “best 500 training companies in Germany” in October 2018, following on from the same award in 2017 and also preceded by the LEADING EMPLOYERS award in August 2018.

Focus and Focus Money also rank MANN & SCHRÖDER COSMETICS among the top training companies. The company scored 100 out of 100 in the “Care and Cosmetics Products” sector, making it one of “Germany’s Best Training Companies”.

PUTTING THE THEORY INTO PRACTICE

At MANN & SCHRÖDER COSMETICS, training

EXCELLENCE

TRAINING OF OUTSTANDING QUALITY

MANN & SCHRÖDER COSMETICS has again been named one of the 500 best training companies in Germany in the business magazine Capital. Focus and Focus Money and the LEADING EMPLOYERS survey also singled out MANN & SCHRÖDER COSMETICS as a top training company.



[READ MORE
ABOUT TRAINING AND STUDY](#)

means encouraging young talent but also challenging junior staff in their development so that everyone can fulfil their true potential.

The company claims to offer young trainees optimum conditions in which to learn and practise.

The company set up its own training workshop in Hüffenhardt for this purpose in 2018. Prospective mechatronics engineers and trainee machine/plant operators can put the theory into practice here and hone their skills in a realistic setting. The aim is to open up the training workshop to future industrial mechanics and industrial electronics engineers as well from 2019 onwards. The two-storey facility measures approximately 300 square metres and accommodates state-of-the-art training tools, such as the Festo panel for electro-pneumatic circuits and special drilling, milling and grinding machines.



Optimum learning conditions: trainees can assemble machine parts on a practice production line, try them out and produce small quantities of care products.

LEARNING IN THE REAL WORLD

The heart of the training workshop is the practice production line which allows the young colleagues to gain experience of working on a real line without having to stop the factory operations and without being afraid of making mistakes. This makes learning fun and the

trainees are not only versed in the theory but are also prepared in the best possible way for the increasing demands in practice.

In providing good training, the manufacturer of personal care and haircare products is not only investing in the future of the young people but also in the future of the company. In times



where skilled workers are in short supply and labour market conditions are constantly changing, MANN & SCHRÖDER COSMETICS is doing everything it can to remain one step ahead and is giving back to society in enabling young people to gain vocational training and professional qualifications.



INTERNATIONAL GUIDELINES

GRI-INDEX

ADHERENCE TO GRI STANDARDS



MANN & SCHRÖDER COSMETICS takes its lead from the international guidelines issued by the Global Reporting Initiative (GRI) in its reports on corporate responsibility in the area of sustainability. The following tables provide an overview of the GRI standards on which the company bases its sustainable operations.

GRI 100: UNIVERSAL STANDARDS

GRI 102	General disclosures	
102-1	Name of the organisation	p. 31
102-2	Activities, brands, products and services	p. 3-6
102-3	Location of headquarters	p. 5
102-4	Location of operations	p. 3, 5
102-5	Ownership and legal form	p. 31
102-7	Scale of the organisation	p. 24-26
102-8	Information on employees and other workers	p. 26
102-14	Statement from senior decision-maker	p. 3

GRI 200: ECONOMIC STANDARDS

GRI 203	Indirect economic impacts	
203-2	Significant indirect economic impacts	p. 25

GRI 300: ENVIRONMENTAL STANDARDS

GRI 302	Energy	
302-1	Energy use within the organisation	p. 22
GRI 305	Emissions	
305-1	Direct (Scope 1) GHG emissions	p. 17
305-2	Energy indirect (Scope 2) GHG emissions	p. 17
305-3	Other indirect (Scope 3) GHG emissions	p. 17

GRI 400: SOCIAL STANDARDS

GRI 401	Employment	
401-1	New employee hires and employee turnover	p. 26
GRI 416	Customer health and safety	
416-1	Assessment of the health and safety impacts of product and service categories	p. 10

The company has set itself the goal of aligning itself even more closely with the GRI standards in the next few years and developing them further.

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[READ MORE HERE ON THE SUBJECT OF SUSTAINABILITY](#)



MANN & SCHRÖDER
COSMETICS