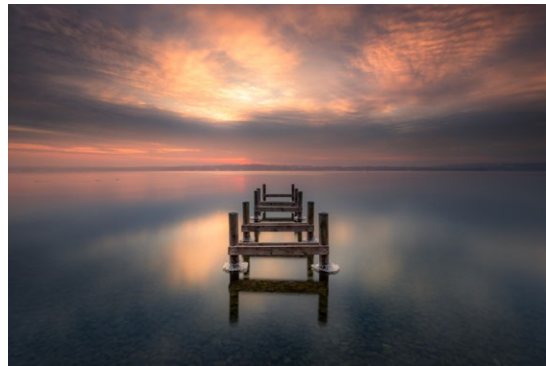
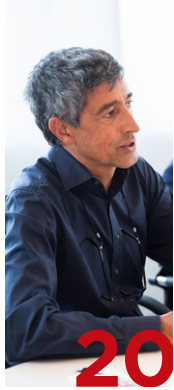


2019

SUSTAINABILITY REPORT



HONEST AND FAIR
CONDUCT



20

ECONOMIC
VIABILITY



24

ENVIRONMENTAL
AND RESOURCE CONSERVATION



34

RESPONSIBILITY
FOR EMPLOYEES



44

SOCIAL
COMMITMENT



56

Profile

To us, sustainability encompasses a proactive management which interacts with our commitment to people and the environment. For many years, we have been demonstrating that commitment in five dimensions.

CONTENTS

- 2 Editorial
- 4 Key indicators CEWE Group 2019
- 5 Present in Europe
- 6 Selected examples

SUSTAINABILITY MANAGEMENT AT CEWE

- 12 Systematic sustainability management
- 13 Management approaches
- 14 Stakeholder engagement: key issues
- 18 Memberships and partnerships

HONEST AND FAIR CONDUCT

- 21 Ethical principles supported by employees
- 21 Implementation of the German Corporate Governance Code
- 22 CEWE's Mission Statement
- 23 Our data protection promise – a key concern
- 23 CEWE Customer Charter: Responsible Digitisation

ECONOMIC VIABILITY

- 25 Business development – all company goals achieved
- 26 Development of the quality brand
- 27 Guaranteeing quality and product safety
- 28 Positive performance by the key business units
- 29 Research and development with a gift for innovation
- 30 Long-term approach to financial management
- 31 Risk approach
- 32 Sustainable procurement strategy

ENVIRONMENTAL AND RESOURCE CONSERVATION

- 35 CEWE's environmental policy
- 35 Improved environmental performance approach
- 36 Advancing climate protection
- 38 Climate action measures
- 39 Managing materials and waste responsibly
- 43 Approach to other environmental effects: water, air and soil

RESPONSIBILITY FOR EMPLOYEES

- 45 Successful strategic human resources activities
- 45 Employee satisfaction
- 46 Shaping demographic change
- 47 Awards: CEWE as a good employer
- 47 The high value of diversity within the company
- 48 Balancing career and family as a key focus
- 49 Employee pension schemes
- 50 Training and education: investing in the future
- 53 High priority of health and safety for employees



SOCIAL COMMITMENT

- 57 Social commitment as a part of CEWE's corporate culture
- 57 Committed to the people
- 58 Committed to the environment
- 59 Cultivating a photo culture






FURTHER INFORMATION

- 60 Reporting
- 61 Transitioning the materiality matrix to GRI Standards
- 63 GRI Content Index
- 66 Independent auditor's report on the Sustainability Report
- 68 Consolidated non-financial declaration
- 70 Independent auditor's report on the non-financial reporting statement
- 72 Legal information

NAVIGATION

-  Page reference
-  Reference to external documents

NAVIGATE THIS REPORT BY MOUSE CLICK

-  Go to table of contents
-  Forward
-  Back
-  Back to last page
-  Search in document

The photos shown on the cover are four of the winning entries for the international CEWE Photo Award 2019.

Editorial

*Dear Shareholders, Customers, Partners
and Employees of CEWE,*

**»To us, sustainability
also encompasses social
commitment.«**

While writing these lines, the memory of our Innovation Days which were held in Oldenburg in February, like every year, is still fresh on my mind. For two days, more than 600 colleagues explored new ideas and discussed the future of our products and software. As before, the ideas came from the midst of our workforce – all 4,200 CEWE employees together form our innovation department. What is so remarkable is that sustainable products were at the very top of multiple product categories. Many of our Future Zone stands were also focused on how to repurpose recycled materials, making sustainability one of the hot topics of these Innovation Days. I am thrilled – and it is my personal conviction – that we will be able to implement some of these ideas very soon.

Sustainability is firmly established here at CEWE. It is a given for us that we continuously aim for improvements within our company: whether through the blanket purchase of green power, the installation of photovoltaic units, or the use of efficient LED lighting. By 2021, the Oldenburg plant alone is to have 29 additional charging points for electric vehicles. The individual projects are thus firmly established with the workforce. We routinely train sustainability ambassadors who not only work at the business units and plants, but who also act as indispensable multipliers.

Our balance is rather impressive. In 2015, we committed to reducing 50 % of our CO₂ emissions by 2025. By 2019, we had already reached 43% of this goal, which represents a reduction of 2,910 tons in CO₂ emissions. That is all the more remarkable because as a company we have grown significantly, both organically as well as through acquisitions, over the past years. Nevertheless, we have steadily lowered our CO₂ emissions.

There are situations where today's technology thwarts our further optimisation efforts, so that any additional reduction of CO₂ emissions remains truly challenging.

Yet, both the industry and our own employees keep churning out new ideas on alternative options available to us. I appreciate even the small initiatives, such as the settlement of two bee colonies at our Oldenburg premises which our employees are independently looking after. We aim to train additional sustainability ambassadors in 2020 who will boost and accompany additional projects at the different business units and plants.

To us, sustainability also encompasses social commitment.

For many years, we have been committed to people, the environment and photo culture – not only at our headquarters, but pointedly within the local communities of our many plants. For example, most production plants partner with an SOS Children's Village. CEWE has also been cooperating closely with and funding SOS Children's Villages around the world for years.

DR CHRISTIAN FRIEGE,
CHAIRMAN OF THE BOARD OF MANAGEMENT

»We are committed to reducing CO₂ emissions by 50% between 2015 and 2025.«

We demonstrate our commitment to customers with our Customer Charter which sets out responsible digitisation, and which was introduced in 2018. Our external Digital Advisory Board came together for the first time in 2019 and discussed the ethical dimension of many different developments.

Promoting a photo culture reached new heights in 2019. "Our world is beautiful" headlined our CEWE Photo Award and became the world's largest photo competition with almost 450,000 entries. Beyond this, we support all major photography festivals in Germany.

We have once again prepared this report transparently and in line with GRI Standards. We attentively follow international efforts, such as the United Nations Sustainable Development Goals (SDGs), and naturally, our activities pay towards various SDGs. One example: SDG 13 (Climate Action) has been a primary focus for many years. We record our CO₂ emissions within the supply chain, publish a CO₂ footprint and have set reduction targets for Scope 1/2 and Scope 3 by 2025. So far,



we have not yet systematically reconciled our sustainability activities with the SDGs. However, we will address this subject during the imminent stakeholder survey this year and publish the outcome in the upcoming report in early 2021.

I sincerely hope you enjoy reading this new report. We look forward to your comments and feedback!

Yours,

Christian Friege
Oldenburg, March 2020

Overview

KEY INDICATORS CEWE GROUP 2019



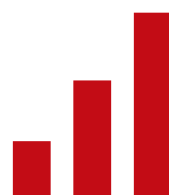
21

European countries¹



27

Distribution
offices



714.9 million euros
Turnover



6.6 million

CEWE
PHOTOBOOKS



4,200

Employees



14

Production plants

18,000

CEWE PHOTOSTATIONS



20,000

Retailers supplied



2.4 billion

Photos produced

¹ The review of countries was specified for 2019 and now refers to countries where CEWE products are actively distributed.



PRESENT IN EUROPE

● PRODUCTION PLANTS

WITH DISTRIBUTION OFFICES

Oldenburg (Headquarters ■), Bad Kreuznach, Dresden, Freiburg (Eschbach), Frechen, Munich (Germering), Budapest (HU), Koźle (PL), Paris (FR), Prague (CZ), Warwick (UK)

● PRODUCTION PLANTS

Mönchengladbach, Montpellier (Fabrègues (FR)), Rennes (Vern-sur-Seiche (FR))

● DISTRIBUTION OFFICES

Aarhus (Åbyhøj (DK)), Berlin, Bratislava (SK), Bucharest (RO), Gothenburg (SE), Cologne, Ljubljana (SI), Madrid (ES), Mechelen (BE), Münster, Nunspeet (NL), Oslo (NO), Warsaw (PL), Vienna (AT), Zagreb (HR), Zurich (Dübendorf (CH))

□ DELIVERY AREA FOR CEWE PRODUCTS

Austria, Belgium, Croatia, Czech Republic, Denmark, France, Germany, Hungary, Ireland, Italy, Luxembourg, Netherlands, Norway, Poland, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, United Kingdom



WE STAND FOR RESPONSIBLE DIGITISATION

As Europe's leading photo service provider, CEWE wants to remain a technology pioneer. To achieve this, the company relies on new possibilities in digitisation, such as artificial intelligence.

Honest and fair conduct is also demonstrated by advancing technological developments with a high degree of responsibility – both towards our customers and society as a whole. A central topic is the responsible use of artificial intelligence as well as customer data. Transparency, too, is a topic that will play a greater role in future.

In 2018, CEWE gave itself a Responsible Digitisation Customer Charter and simultaneously formed an independent Digital Advisory Board. The Board is composed of renowned individuals from the fields of science and research:

- » Ranga Yogeshwar (physicist and TV presenter)
- » Prof. Dr Susanne Boll (University of Oldenburg)
- » Prof. Dr Dr h. c. mult. Wolfgang Wahlster (German Research Center for Artificial Intelligence)

The core aspects of this Customer Charter are data protection, transparency, full control and freedom of choice by the customer and a commitment to promote research and teaching on these issues in Europe. The full charter can be found at <https://company.cewe.de/en/about-us/customer-charter.html>

The constituent meeting of the Advisory Board was held in Oldenburg on May 23, 2019. The Advisory Board discussed, for example, CEWE development projects with a view to criteria outlined by the Customer Charter. The Advisory Board evaluates new software or functionalities from a customer's perspective before they launch.

Insights





»CEWE uses digital technologies responsibly and with the customer in mind. In doing so, we rely on the support from and monitoring by an independent Advisory Board.«

Dr Christian Friege, Chairman of the Board of Management

WE ARE DEVELOPING ARTIFICIAL INTELLIGENCE FOR THE CEWE PHOTOBOOK

Artificial Intelligence (AI) can be found in many areas of our everyday lives – from our smartphone’s language assistant to automatic image recognition to smart home applications. AI has long become an integral part of the industrial sector.

Every copy of the six million CEWE PHOTOBOOKS produced each year is an account of people’s life events and memories. That such a product contains a lot of technology is often not apparent at first. In future, particularly the design of a CEWE PHOTOBOOK will become even more intelligent: CEWE is working in-house as well as with outside partners on creating applications which, for example, propose intelligent photo choices and show the design of a CEWE PHOTOBOOK. The biggest obstacle for many customers when creating photo products is not knowing which pictures to choose.

In 2019, many new features were added to the software and introduced as a conceptual study at photokina 2018. In the meantime, CEWE MYPHOTOS, a photo management service, offers facial recognition, object recognition, location recognition and a complex search functionality. Using “Auntie Joyce



“Digitaler Ort Niedersachsen”: CEWE was the first enterprise to receive this distinction from the Hanover Ministry for Economic Affairs in 2019, for instituting the MAIC.

2016 beach Denmark” as a search reference, the sought photo can be located from thousands of photos within just a few seconds. CEWE’s software can even select the 200 best holiday snapshots from, for example, 1,000 pictures taken and arrange them in a CEWE PHOTO-BOOK, including their matching format. All that is left for customers to do is make minor adjustments – instead of sorting through photos for hours on end – and finalise the design.

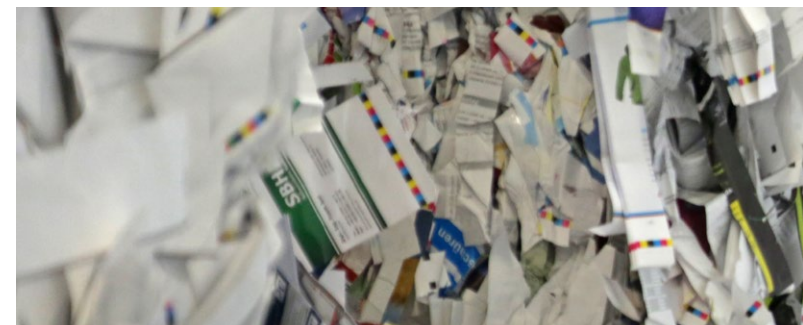
These future projects are advanced at the MAIC – the Mobile & Artificial Intelligence Campus. Employees from a range of different business units develop new software away from everyday operations, using especially artificial intelligence and mobile applications. The MAIC even has offices at the Founding Center of the University of Oldenburg and collaborates with other universities, such as the Poznan University of



Technology as well as international enterprises like IBM, Google, HP, EyeEm or Huawei. At the University of Oldenburg CEWE, together with other industry partners from the region, called to life an endowed chair for Applied Artificial Intelligence in 2019; the professorship is expected to start in 2020.

WE RECYCLE ALMOST ALL PHOTO CHEMICALS

89% of photo chemicals were recycled and 95% of silver was reclaimed.



CEW E has been recycling its photo chemicals as far back as the 1980s and has reached maximum efficiency by now, with recycling rates of 89% across all CEWE plants. Photo chemicals are not a relic from the days of analogue technology: next to classic photo prints, customers enjoy printing CEWE PHOTOBOOKS or CEWE CALENDARS using photographic paper. The photographic development of digitally exposed photographic paper requires two succeeding process steps. The colour developer simultaneously creates the silver compound and the colour image in three layers (cyan, magenta, yellow). The bleach fixing bath that follows oxidises the silver image thus created, and the

fixing agent extracts the full silver content from the paper. An average 80% of the colour developer is recycled through this process, while over 97% of the following bleach fixing bath is reprocessed. 95% of the silver can be reclaimed.

The concentrations of the active bleaching and fixing chemicals undergo an ongoing analytical monitoring. Impurities are removed with great efficiency from the bleach fixing bath, like silver – which at the same time is a valuable raw material. This is performed with silver recovery systems from Weinmann.

At least once a week, CEWE analyses all baths at the production facilities centrally in Oldenburg and the recipes are quantified to ensure consistent process quality. In combination with a regular analysis of waste water samples, this vouches for process consistency that achieves high recycling rates and the least possible environmental impact according to available technical standards.

OUR EMPLOYEES CAN PARTICIPATE DIRECTLY IN OUR COMPANY'S ECONOMIC SUCCESS

CEWE's Employee Share Programme is a way for its workforce to benefit directly from the company's economic success.

The goal is to tie employees to the company and provide them with additional security for when they go into retirement. This scheme receives major support from CEWE's management. The Board of Management even encouraged and supported the formation of a shareholder association for employees.

The Employee Share Programme allows employees to choose between two programmes. The large option lets them subscribe to free shares which must be held until they go into retirement. Those who prefer the possibility to sell their shares at some point receive fewer shares, however with the option to



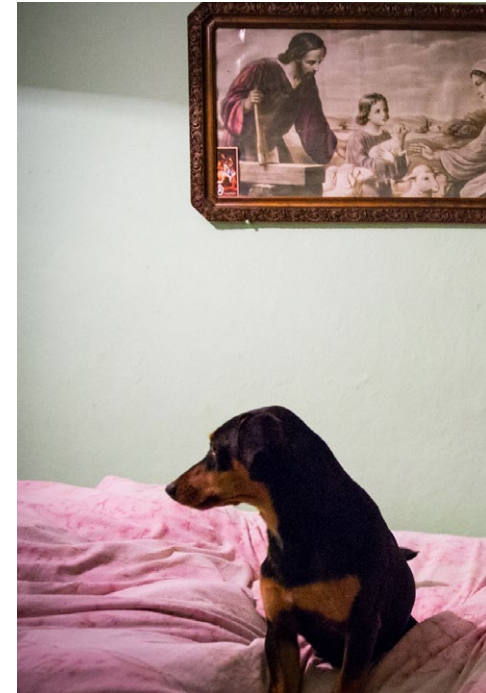
17,110 shares
were issued in 2019

purchase additional shares at a reduced price. CEWE covers all service charges connected to the transactions and the share portfolio.

The number of shares made available differs each year. In 2019, seven free shares were made available through the large share option, and two free shares (plus two at half the share price) under the smaller share option. The goal is to win over as many employees as possible to participate.

In 2019, 74.4% of eligible employees were CEWE shareholders. 2,898 employees took the free shares option in 2019 – more than the year before and a solid 75% more than in 2016. The scheme has been available to CEWE's international sites since 2018. Laserline and Cheerz joined in 2019.

*The participation
rate for 2019 totalled*
74.4%
of all eligible employees





WE ORGANISE THE WORLD'S BIGGEST PHOTOGRAPHY COMPETITION

“Our world is beautiful” headlined the CEWE Photo Award 2019. Both amateur and professional photographers were invited to submit their photos in ten categories. The winners enjoyed prizes worth in total over 250,000 euros.

With 448,152 entries, the CEWE Photo Award thus became the world's largest photography competition. Contrary to other big photography competitions, the CEWE Photo Award is open to all, including amateur photographers. CEWE supports photo culture and the environment with this: “Our world is beautiful” was a conscious choice as a motto that focuses on the most beautiful motifs from around the world, which also show just how deserving of protection our planet is.

The jury included the renowned French photographer and environmental activist Yann Arthus-Bertrand (“Earth From Above”); the British celebrity photographer Christie Goodwin (Royal Albert Hall London); the Swede Tobias Hägg (@airpixels), who specialises in drone photography; the journalists Markus Schreiber (Associated Press) and Joachim Herrmann (Reuters); Dr Wilfried Vyslozil, Chairman of the Board of SOS Children's Villages worldwide; and Dr Christian Friege, Chairman of the Board of Management at CEWE.

What was so special here: for each photo that entered the CEWE Photo Award, CEWE donated ten eurocents to the SOS Children's Villages worldwide. Their Chairman, Dr Wilfried Vyslozil, accepted a cheque over 44,815.20 euros from CEWE Board Member Thomas Mehls during the awards ceremony held in Vienna. The money will be used for an educational project in India. SOS Children's Villages worldwide supports over 51,500 children, young people and adults in need in India. The donation from the CEWE Photo Award flows into the new YouthCan! support project which gives young adults from low-income families a genuine opportunity to enter the local labour market.



Top left: winner of the Nature category “Bunny jumping” by Csaba Daróczy from Hungary

Left: winner of the People category “Everyday life” by Janusz Nadolski from Poland

Top: winner of the Sports category “Jump” by Thorsten Becker from Germany

SUSTAINABILITY MANAGEMENT AT CEWE

SYSTEMATIC SUSTAINABILITY MANAGEMENT

Sustainable governance with innovative drive

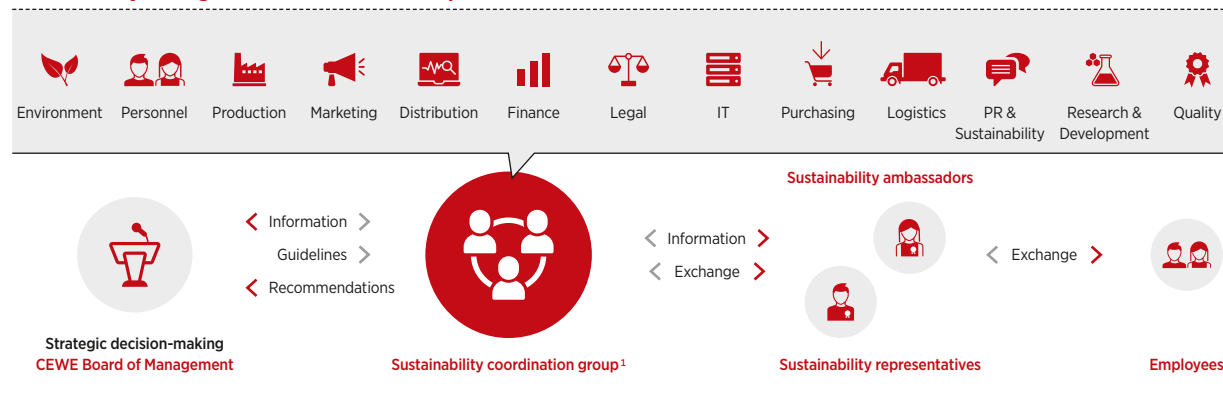
CEWE persistently advances the technology and quality in the three strategic business units of Photofinishing, Commercial Online Printing and Retail. Products are sold via integrated multichannel concepts. The company utilises various distribution channels and cooperates with business partners in the brick-and-mortar retail segment as well as online retailers in addition to selling directly online itself. The photo and online printing sector continuously creates fresh impetus through innovation.

CEWE greatly values sustainable governance across all sectors. Sustainability management forms an integral part of governance and comprises five dimensions:

- » Honest and fair conduct
- » Economic viability
- » Environmental and resource conservation
- » Responsibility for employees
- » Social commitment

GRI 103

Sustainability management at the CEWE Group



1 Composed of Board of Management, sustainability ambassadors and executives

Disclosure 102-18

The legal form of a partnership limited by shares (German: KGaA) enables the CEWE Group to combine the typical strengths of a capital-market-oriented company with those of a family business. CEWE therefore pursues an innovative approach to achieve economic success while assuming social and ecological responsibility. This integrated and proactive management approach has always been the mission of the company's founders. For more information about the governance structure of the CEWE Group, see page 29 of the Annual Report
Disclosures 102-1, 102-5

Integrated governance structure

Disclosure 102-18

The topic of sustainability has been enshrined with the Board of Management since 2008 and has been governed by Thomas Mehls since 2016, who oversees Sustainability, Marketing and New Business on the Board of Management. He formulates the strategic orientation and vouches for the implementation of sustainability measures across all sites. He also forms the managerial committee of the Sustainability coordination group together with Christian Stamerjohanns (Head of Corporate Communications, responsible for PR and sponsoring) and Dr Matthias Hausmann (Head of Chemicals and Environment). They oversee sustainability within their units as well as for the coordination group. The managing directors of the international and national plants oversee the respective sustainability topics there.

The Sustainability coordination group merges the sustainability activities of all units: the group regularly convenes the heads of all specialist departments and sustainability ambassadors from the Oldenburg site. They discuss fields of topics, plan new projects, provide impetus for the company, work out targets and check the progress within sustainability management.

Sustainability officers are appointed at the national and international sites who oversee the implementation of central projects and guidelines, for example within occupational safety and climate protection. They keep in contact with the Sustainability coordination group and are kept up to date about the debates.

Since 2016, six CEWE employees have been trained as sustainability ambassadors and hold an interdepartmental position. They answer questions about sustainability from among the workforce, accept proposals and table topics during Sustainability coordination group meetings. They implemented, for example, the switch-over from bright white copying paper to recycled paper and initiated the new CEWE carpooling scheme. The goal is to train additional sustainability ambassadors from different departments in 2020 who are dedicated to the pursuit of sustainable projects at the company.

Disclosure 102-18

MANAGEMENT APPROACHES

GRI 103

CEWE has integrated concepts and tools to improve social, ecological and economic aspects at the various business units and supported this with the appropriate management approaches. To record and control the data, a specific sustainability management software has been in use since 2015.



All larger production sites of CEWE, LASERLINE and SAXO-PRINT are DIN EN ISO 14001-certified (Environmental Management System) and all German sites are DIN EN ISO 50001-certified (Energy Management System). Both systems regularly undergo external audits and inspections. An expansion to include further subsidiaries is in progress. Within Human Resources, additional audits are conducted by the Hertie Foundation and TÜV Rheinland on balancing family and career needs, as well as on health management.



CEWE showcase at photokina

Quality, Product Safety and Occupational Safety are controlled by the Chemicals and Environment unit; all vital aspects are regularly checked in this way and adjusted where necessary. The supplier management system based on the BME Code of Conduct [see page 33](#) helps to monitor ethical, social and ecological principals on an internal and external scale. In terms of materials procurement, CEWE – depending on the requirements – conducts its own analyses to rate sustainability aspects, such as for products with high product safety and product quality standards. [see page 33](#)

STAKEHOLDER ENGAGEMENT: KEY ISSUES

Comprehensive reporting

Sustainability forms a fixed element within management and corporate communications: as one of the first SDAX companies, CEWE voluntarily rolled out its sustainability reporting in 2010. The company covers the direction and progress within sustainability management by applying the standards laid out in the Global Reporting Initiative (GRI) each year. This report has been prepared in accordance with the GRI Standards: “Core” Option. **Disclosure 102-54** GRI Content Index is on **pages 63–66**. **Disclosure 102-55**

10th In 2020
CEWE published its
sustainability report.

Since 2014, the limited assurance engagement of the sustainability report has been conducted by an independent auditor. **see pages 66–67, Disclosure 102-56** The company also covers current projects and other interesting topics on its website and in press releases. When it comes to dealing with customers, CEWE greatly values transparency and quality advice, all while relying on high communication standards even on social media platforms. CEWE regularly evaluates opinions, expectations and wishes and never fails to be inspired by emerging trends on product innovations.

Disclosure 102-43



Stakeholder engagement is crucial for CEWE.

Stakeholder engagement

Disclosures 102-42, 102-43, 102-44

Sustainability management at CEWE comprises an exchange between internal and external stakeholders on crucial impacts, requirements, and developments. The exchange with stakeholders allows the company, for example, to address the status and understanding of sustainability as well as material topics and the prominence of the commitment, the status of its sustainability management as well as the challenges in implementing these. CEWE even routinely supports interested

groups from the public domain such as the Countrywomen's Association or students wishing to obtain information on specific sustainability topics through, for instance, behind-the-scene tours.

In the year under review, the stakeholder groups and their concerns listed on **page 15** as well as the ways to incorporate them into internal analyses by referring to the prospects of specialised departments and the feedback from external consultants were once again restated. **Disclosures 102-42, 102-48**

Next to the material topics [see page 17](#) they also include personal concerns. For **employees**, a safe job, working independently, a good corporate image and dependable communication are vital concerns. Employee surveys, the employee suggestion scheme and a regular dialogue between senior executives and employees are exemplary for the many different approaches to engaging employees.

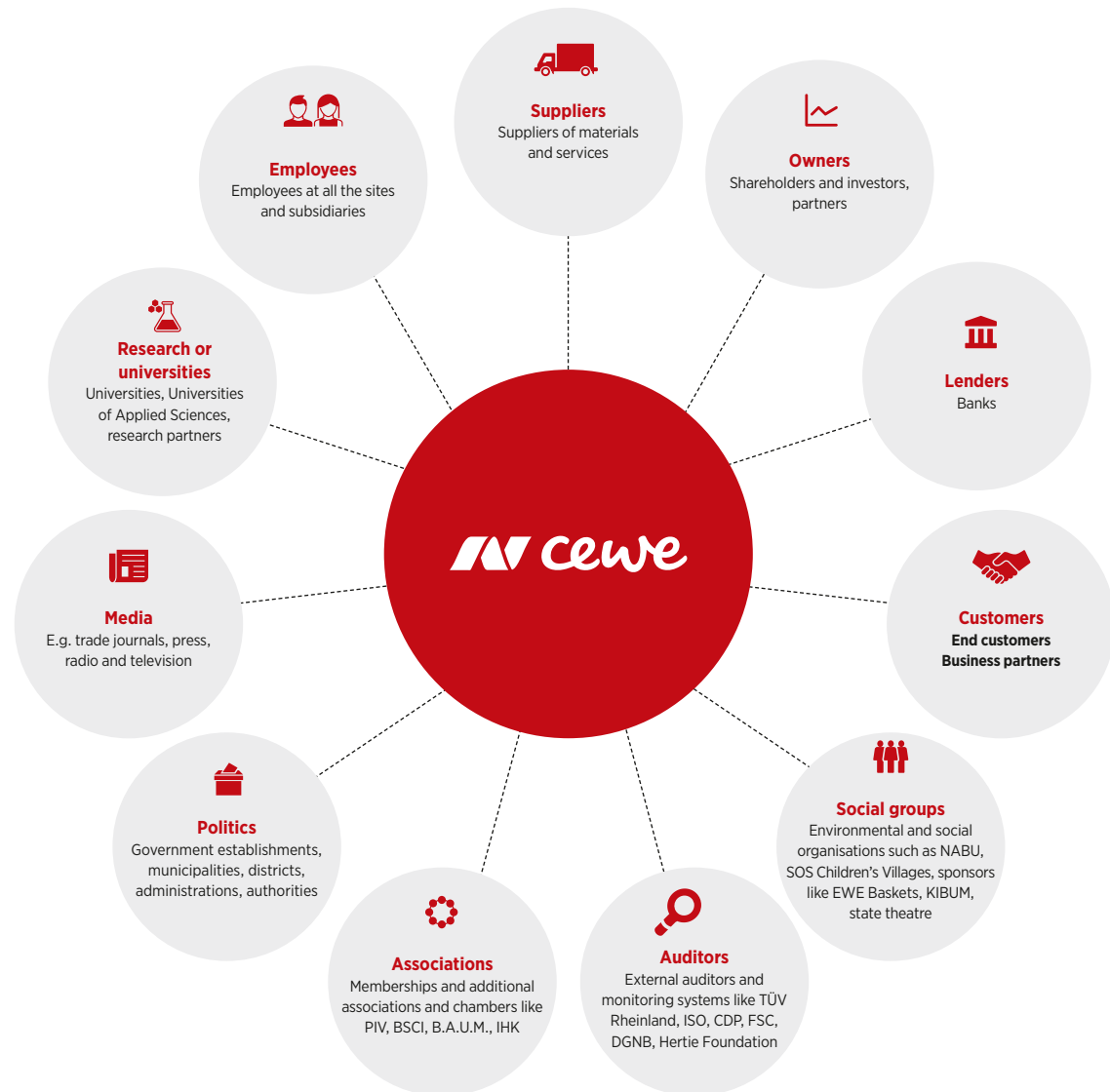
Lenders expect CEWE to provide dependable reporting and information on long-term business planning. Personal talks through the routine communication channels via press releases and Investor Relations play an important role in this regard.

Business partners as key accounts prioritise high quality, deliverability, active sales support and information about sustainability topics. Here, too, personal contact forms a central element, such as during annual reviews which are conducted by field service representatives, marketing managers or partly the management. CEWE also responds regularly to individual customer enquiries.

Associations in turn favour an exchange on topics that are relevant to the industry, on shared viewpoints and approaches as well as the cooperation on sustainability aspects on a professional and topic level. CEWE employees are involved in a variety of committees and task forces, partake in conferences or are actively involved in sector-related projects.

Disclosures 102-43, 102-44

Our stakeholders





CEWE takes the concerns of stakeholders seriously.

Materiality analysis

Disclosures 102-43, 102-46

Stakeholders play a decisive role in determining the key topics of sustainability management. CEWE regularly conducts surveys with stakeholders and chooses individuals from the key stakeholder groups to do this, to capture as many different viewpoints as possible.

In 2014, CEWE conducted a first comprehensive stakeholder survey amongst 630 employees (internal stakeholders) and 15 external stakeholders. CEWE derived a materiality matrix from the findings. In 2015/2016 the analysis was propelled with the aim of recording expectations and opinions on an even more differentiated scale. In-house, 17 employees participated in a personal interview, and 22 interviews were conducted with external stakeholders. One finding from this: for the company's

interviewees, sustainability clearly plays a more important role and is much more strongly perceived as an integral element of the company's values and corporate culture than during the first survey held in 2014. This can also be considered an accomplishment from dealing more intensively with sustainability.

In 2018, CEWE invited 30 internal and external stakeholders to a sustainability workshop. CEWE received positive feedback from the debates on existing sustainability management structures and impetus on new topics which will become more important in the future.

In 2019, CEWE carried out a thorough analysis of the survey's results from the past years and incorporated the feedback from experts. The materiality analysis from prior years was thus revised; the terminology and content were slightly adjusted in line with the material topics and consolidated with greater clarity. Accordingly, the transition towards GRI Standards was reconciled. [see pages 61-62](#) This results in the following changes:

- » Data Protection (which includes Data Security) was added
- » Supply Chain (Traceability) and Sustainable Procurement merged under Supply Chain Sustainability
- » Identification of Products and Ecological Product Optimisation merged under Sustainable Products
- » CO₂ emissions renamed as Climate Protection, Eco-friendly Transport and Energy (Consumption) merged under Climate Protection

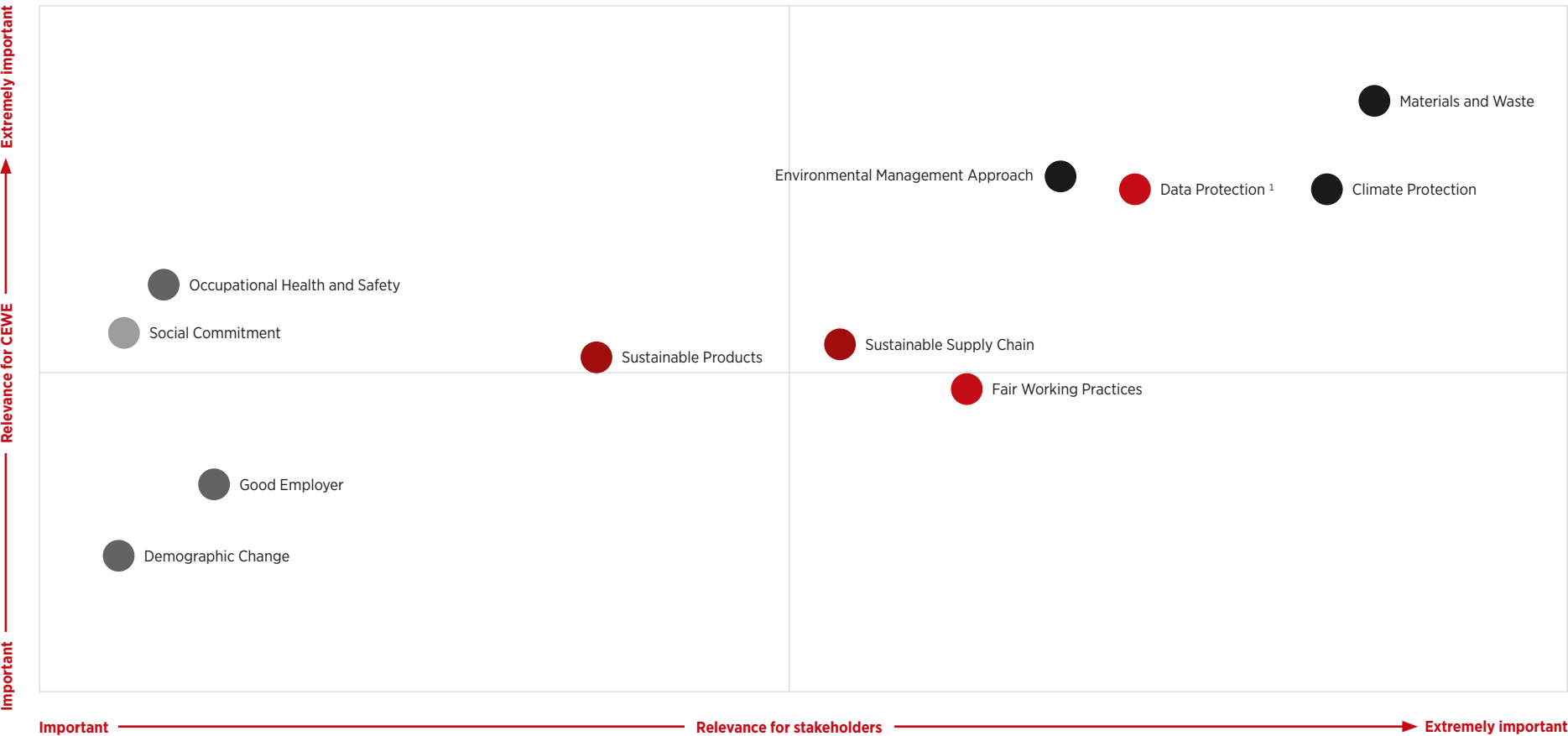
- » Use of materials (incl. chemicals) and Waste/Effluents (under Waste) merged under Materials and Waste – still includes Chemicals
- » Environmental Protection renamed Environmental Management, Waste/Effluents (under Waste) and Water Consumption merged under Environmental Management
- » Diversity and Equal Opportunity renamed Good Employer which umbrellas further aspects (such as human resources development)

The list of material topics and their distinction has thus led to changes, whereas in terms of content they more strongly represent a restatement rather than a significant change. **Disclosures 102-48, 102-49** For 2020, CEWE is planning a new stakeholder survey and, based on its outcome, a new materiality matrix.

Materiality matrix

The material topics identified based on the 2014 stakeholder survey, incorporating the described advancements, are shown in the materiality matrix. They have been allocated to the five dimensions of sustainability management at CEWE. The relevance of any topic increases if, from the viewpoint of the stakeholders as well as of the company, it is deemed crucial. Generally speaking, all material topics have an internal and an external impact. **Disclosure 102-46** The matrix was based on the above analyses compared to the prior year. **Disclosures 102-48, 102-49**

Materiality matrix



- Honest and fair conduct
- Economic viability
- Environmental and resource conservation
- Responsibility for employees
- Social commitment

¹ Data Protection (which includes Data Security) was added as a new topic since its relevance had grown over the past years. The topic was assigned within the framework of the internal evaluation process without having been validated to date through an external survey.

MEMBERSHIPS AND PARTNERSHIPS

Disclosures 102-12, 102-13, 102-11

CEWE has joined various associations and stakeholder groups as well as different external initiatives. The overview reflects a selection of our memberships and partnerships in Germany and on an international level.



SOS Children's Villages international

Since this partnership began in 2013, the collaboration has grown to encompass twelve partnering sites around the world. The commitment to families and children in need is demonstrated in many ways. On top of this, CEWE employees volunteer at local facilities. www.sos-childrensvillages.org



Charta der Vielfalt

CEWE joined the Charta der Vielfalt – the Diversity Charter – in May 2017. By signing the charter, a working environment is acknowledged which is free from prejudice for all employees. www.charta-der-vielfalt.de/en



NABU

The company's headquarters in Oldenburg predominantly work together with the local nature conservation group of Naturschutzbund Deutschland e.V. (NABU); since 2013, the collaboration with the Federal NABU association has even been pan-regional. www.en.nabu.de



CDP

Since 2010, CEWE has been involved in the Carbon Disclosure Project (CDP), the world's most comprehensive database for environmental data on companies, cities, states, and regions. CEWE scored a (B) for its environmental reporting and climate protection performance in 2019. www.cdp.net/en



pro:connect

CEWE has been a member of pro:connect since 2016. The charity brings together unemployed refugees seeking work in Oldenburg with potential employers from the region, to pave the way for a successful integration into our society. Assistance is provided by partially funding human resources as well as through various monetary donations and donations in kind. www.proconnect-ev.de



B.A.U.M. e. V.

CEWE has been a B.A.U.M. member since 2012. In 2017, it received the B.A.U.M. environmental award for its sustainability stewardship. www.baumev.de



Healthy Printing Alliance

CEWE joined the Healthy Printing Alliance in 2017 to support the search for health-friendly and degradable printing inks in order to improve the recyclability and environmental compatibility of printing products. www.healthyprinting.eu



German Sustainability Code

CEWE became engaged in the transparency standards devised by the Council for Sustainable Development and in 2015 as well as 2017 issued a respective declaration of compliance. www.deutscher-nachhaltigkeitskodex.de/en-gb/



Bundesverband Materialwirtschaft, Einkauf und Logistik e. V. (BME)

CEWE joined the BME Compliance Initiative in 2009 and became a member of the BME in 2010. BME promotes knowledge sharing through an exchange of experience and scientific work about new methods and procedures. www.bme.de



UN Global Compact

Since September 2010, CEWE has been invested in the global initiative of economic enterprises and their fight against corruption, slavery and child labour as well as the creation of safe and fair working conditions. In the annual Communication on Progress, CEWE reports on its progress in implementing the ten principles and corporate-wide activities to promote sustainable development. www.globalcompact.de/en



FSC®

Since 2011, all European operations of CEWE are certified according to the Forest Stewardship Council® (FSC®). CEWE may therefore apply the FSC® label to FSC® products. FSC® standards require the complete processing and trading chain from the forest to the wholesaler to be completely certified. Within the framework of the certification, production flows undergo an annual review by independent third parties. www.fsc.org/en



UPS Carbon Neutral Shipment

With its participation in the UPS Carbon Neutral Shipment, CEWE has been supporting projects since the end of 2016 which offset emissions created through shipments. This includes, for example, reforestation projects. www.ups.com



GOGREEN

By partaking in GOGREEN by Deutsche Post AG, CEWE has been sending out carbon neutral shipments since 2010. CO₂ emissions that are generated from shipments are established following a certified standard (ISO 14064) and offset by climate protection projects borne globally by Deutsche Post AG through the purchase of carbon credits. www.dhl.de/en



Total Zero

CEWE has been cooperating with the shipping service provider DPD since 2014 for climate neutral shipments. DPD has adopted the Total Zero principle and finances renewable energy projects from the purchase of carbon credits. DPD's Total Zero was recently replaced by a holistic sustainability concept that goes by the name of Driving Change. DPD finances renewable energy projects from the purchase of carbon credits. www.dpd.com



“Niedersachsen für Europa” alliance

CEWE joined the Lower Saxony for Europe alliance in February 2019. The alliance was called to life by the two major Christian churches, the German trade union confederation, Unternehmerverbände Niedersachsen e.V. and the government of Lower Saxony. CEWE pledges to support a strong and united Europe as a guarantor for peace, democracy, constitutionality, prosperity and social progress. Upon joining the initiative, the partners declare that they want to actively contribute towards a European integration. For instance, they motivate their workforces to vote in European elections and promote intercultural understanding and the European Union through other initiatives. nfe.niedersachsen.de



ISO 14001

An Environmental Management System was set up in line with the DIN EN ISO 14001 standard at the plants in Germany in 2011. In the meantime, all larger production facilities of CEWE have been certified accordingly. To achieve this, employees record somewhere around 30,000 readings each year from the fields of Chemicals and Environment and analyse them to achieve continuous process improvements for the protection of the environment; moreover, this field is also responsible for occupational safety. esc-cert.de/en/



HONEST AND FAIR CONDUCT

CEWE HAS BEEN MANAGING ITS BUSINESS TRANSACTIONS IN ACCORDANCE WITH HIGH ETHICAL PRINCIPLES. KEY TOPICS THAT HAVE BEEN IDENTIFIED INCLUDE FAIR WORKING PRACTICES AND DATA PROTECTION. STRUCTURES AND PROCESSES, FOR EXAMPLE IN RELATION TO COMPLIANCE AND CUSTOMER PRIVACY, ARE FIRMLY ROOTED WITH THE COMPANY.

ETHICAL PRINCIPLES SUPPORTED BY EMPLOYEES

GRI 103 Fair Working Practices, GRI 205, 103

Sustainability plays a key role in all of CEWE's business units. To uphold a balance between social and ecological challenges and successful management, solid ethical principles are a must. Employees' actions are reflective and proactive; they keep an eye on the needs of stakeholders and of the company. To support them with this is the duty of CEWE's senior executives. Fair Working Practices constitutes a material topic of CEWE's materiality matrix which merges aspects from within compliance with, in a broader sense, corporate culture.

CEWE has an established tradition of conducting its business affairs in compliance with national and international legislation as well as generally acknowledged ethical principles. The commitment towards the Global Compact of the United Nations highlights the understanding of this fundamental conception.

To warrant compliance, principles of conduct have been established which constitute a binding guideline for all employees. On January 1, 2016, Oliver Thomsen, Head of CEWE's Legal Department, was appointed as the Compliance Officer. He reports directly to the Board of Management and to the Supervisory Board. The principles of conduct can be viewed at <https://company.cewe.de/en/about-us/compliance.html>

The principles of CEWE's compliance are shaped alongside the model of an 'honourable businessman'. Honest and Fair Conduct at CEWE therefore encompasses, for example, values like dependability, honesty, durability, decency, integrity

and trustworthiness. The company formulated a Mission Statement based on this [see page 22](#) which represents a guideline for employees and the conduct towards each other as well as with stakeholders and, more specifically, with business partners. New employees are presented with a welcome folder in which all values, principles, standards, and norms of behaviour have been compiled. Training seminars are held regularly. Employees can also download these from the Intranet. Certain principles, such as the Code of Conduct and the Mission Statement, are also published on the Internet. **Disclosure 102-16**



In 2019, no instances of
misconduct or breach were
reported

External ombudsman secures compliance

Illegal practices are incompatible with CEWE's fundamental values and business principles. Within the framework of the compliance system, the respective principles of conduct have been created to prevent economic crime. All members of the committees (Board of Management, Supervisory Board, Board of Trustees), managerial staff and all relevant employees (e.g. in marketing) have been trained in anti-corruption practices. All CEWE employees received training on anti-corruption practices during meetings of the workforce, through intra-company communications as well as anti-corruption lecture events. Suppliers are informed accordingly through a reference that has been added to the terms and conditions of purchase. CEWE informs all other stakeholders of anti-corruption measures via its website and the Sustainability Report.

Disclosure 205-2

Within this context, an external ombudsman was appointed which employees, business partners and third parties may approach if they wish to make a confidential report on suspected cases of corruption, fraud, embezzlement or other serious irregularities. Information regarding suspicious activities may naturally also be provided anonymously.

During the 2019 period under review, the ombudsman did not receive any reports. No instances of misconduct or breach against compliance regulations or other laws could be established. **Disclosure 205-3**

IMPLEMENTATION OF THE GERMAN CORPORATE GOVERNANCE CODE

The Board of Management and the Supervisory Board have long subscribed to the principles of modern corporate governance. The aim is to validate, if not reinforce the trust which investors, the financial markets and other stakeholders extend to the company.

For this, CEWE implemented the organisational measures that are necessary to comply with applicable requirements:

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

CEWE regularly monitors the implementation of the German Corporate Governance Code and aligns the related policies with current developments. In 2019, the company once again complied almost completely with the provisions of the German Corporate Governance Code; CEWE comments on this extensively in its Annual Report 2019 as from [page 68](#).

GRI 405, 103 The Supervisory Board of CEWE Stiftung & Co. KGaA consists of twelve members. Its current line-up fulfils the requirements stipulated in item 5.4.1. (2) of the German Corporate Governance Code. The Supervisory Board includes three female representatives of the shareholders and four female representatives of the employees. The company thus clearly fulfilled the new statutory requirement of a 30% female representation on its Supervisory Board. CEWE surpasses this requirement with a female representation on its Supervisory Board that surpasses 50%. **Disclosures 405-1, 419-1** While fulfilling applicable statutory requirements, in any future nominations the Supervisory Board will also appropriately consider whether candidates have the necessary skills, competences and technical experience which are required for service on the Supervisory Board. **Disclosures 102-16, 102-18**

Code of Conduct for suppliers

Securing supply chain sustainability is a vital task for today's businesses which CEWE meets with a range of different measures. [see pages 32-33](#) A basis for ethical and fair conduct within the supply chain is provided by the BME Code of Conduct. This voluntary code – initiated by the German Association Supply Chain Management, Procurement and Logistics (BME) – is to emphasise the interest in fair, sustainable, responsible ethical principles of action by companies. CEWE joined BME ten years ago already. The code constitutes the foundation for contracts with suppliers. It serves as an added standard for surveys which the purchase department regularly conducts amongst suppliers.

GRI 204, 103; Disclosures 102-16, 102-13, 102-11

CEWE'S MISSION STATEMENT

Our self-image

CEWE is the leading photography service provider and technology leader for industrial photofinishing and online printing in Europe. This lead is further expanded through performance, honesty and proper business transacting. At the core of our actions are customer orientation, the quality of our products, outstanding innovative drive and the good name of the business group. CEWE attaches great importance to qualified and committed employees as well as quality products. We advocate a fair world of working because employees are a key success factor.

Management model

CEWE's corporate culture is shaped by partnerships and the respect for the individual. The partnership-based management model has been formed around reciprocal trust, respect for the individual, and the principle of delegation of responsibility. Our employees are thus granted the greatest possible discretion and participate in decision-making processes and in the company's economic success. The companies of the business group are led by managing directors and responsible persons who think and act like a business.

Business partners and competition

The relationship with business partners of CEWE is defined by trust and fairness. We are dependable partners and expect applicable laws and regulations to be complied with for all business concerns. Any behaviour that challenges or jeopardises the integrity of the business group is unacceptable. Therefore, unlawful arrangements or sham offers are rejected. The conclusion is that CEWE obtains contracts by neither granting nor offering unlawful advantages. In 2010, CEWE joined the Code of Conduct by the German Association for Supply Chain Management, Procurement and Logistics, which encompasses a framework for fundamental rules of conduct.

Corporate and social responsibility

Shareholders also view assets as a commitment to society. They see the market economy legitimising the company as a result of its contribution to society. Both to the inside and outside they act responsibly at all times and allow ethical principles to guide them. CEWE feels specifically committed to the protection of its employees and the environment and lives up to this through sustainable action.

Commitment

CEWE's business principles are governed by an ongoing critical review and advancement. All employees are expected to ally with the goals and fundamental values of the Mission Statement and to always act accordingly. Senior executives have a particularly prominent responsibility and act as special role models;

OUR DATA PROTECTION PROMISE – A KEY CONCERN

GRI 103 Data Protection; GRI 418, 103

Data Protection, which encompasses Data Security, is a top priority at CEWE and was added as a new material topic to the materiality matrix. CEWE's respectful handling of customer data has also been laid down in the CEWE Customer Charter.

To meet the high requirements in dealing with data protection as well as potential issues, the company's Data Protection Officer, Elwira Wall, is supported by a team composed of employees from many different corporate segments. The systems' growing complexity requires their periodic review. Additionally, employees once again received extensive training in 2019 on the topic of Data Protection as well as aspects that regard Data Security.


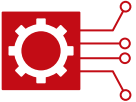



CEWE formed an independent Digital Advisory Board which monitors compliance with the Customer Charter and appraises new technologies. The Advisory Board convened for the first time in May 2019 and conferred on the CEWE Customer Charter.

During the reporting period there were no incidents regarding data leaks, data theft or loss, or substantiated complaints concerning breaches of customer privacy and losses of customer data. Accordingly, no fines were issued. **Disclosures 418-1, 419-1**

CEWE CUSTOMER CHARTER: RESPONSIBLE DIGITISATION

CEWE wants to remain a technology pioneer as Europe's leading photo service provider and online printing partner while using new possibilities in digitisation – including artificial intelligence. CEWE uses digital technologies responsibly and in a customer-centric manner. This stance has been formulated in a Customer Charter.

CEWE Customer Charter: Responsible Digitisation

1.		2.		3.		4.		5.	
We protect your data.		Our technologies serve to help you.		You have control and creative freedom.		We are open and transparent.		We wish to actively shape our future on the basis of European values.	
Data privacy has always been a top priority for CEWE ("Privacy by Design"). We neither sell customer data nor do we forward such data to third parties without our customers' consent. Comprehensive data analyses are only carried out using anonymised data or with the express approval of our customers.		At CEWE, we always aim to use digital technologies to make our applications simple and more enjoyable for our customers to use.		Our customers stay in control at CEWE. They can, for example, always modify or reject proposals from digital assistants in our software or deselect them in advance.		When it comes to using artificial intelligence, CEWE maintains transparency. CEWE explains the mode of action of artificial intelligence in our customer products as far as possible. Before introducing any such technologies, CEWE and the Advisory Board check them jointly on the basis of the criteria set out in this Customer Charter.		CEWE believes that the capacity to shape innovation in the area of new digitisation technologies oneself must be maintained in Europe – also in order to ensure that the handling of such technologies is in line with our values. This is why CEWE supports research and teaching in the field of artificial intelligence in Europe.	

GRI 102-16

CEWE's Customer Charter is available for viewing and download at <https://company.cewe.de/en/about-us/customer-charter.html>



ECONOMIC VIABILITY

AS A BRAND, CEWE STANDS FOR LONG-TERM ECONOMIC SUCCESS. COLLEAGUES FROM MANY DIFFERENT FIELDS SUCH AS FINANCE, PURCHASING AS WELL AS RESEARCH & DEVELOPMENT CONTRIBUTE TO THIS. MATERIAL TOPICS INCLUDE SUSTAINABLE SUPPLY CHAIN AS WELL AS SUSTAINABLE PRODUCTS.

BUSINESS DEVELOPMENT – ALL COMPANY GOALS ACHIEVED

GRI 201, 103; GRI 202, 103

CEWE is active in three strategic business segments:

- » Photofinishing with brands like CEWE PHOTOBOOKS, CEWE CALENDAR, CEWE CARDS and CEWE WALL ART
- » Commercial online printing (LASERLINE, SAXOPRINT, CEWE-PRINT.de, viaprinto)
- » CEWE's own multichannel retailing in the form of brick-and-mortar stores and online shops (incl. brands like Fotojoker, Fotolab, Japan Photo) **Disclosure 102-2**

Buyers and recipients include retail stores, consumers and trade professionals. **Disclosure 102-6**

CEWE PHOTOBOOK as the number one in the market is a major contributing factor to CEWE once again having reached all its company goals and receiving multiple awards as one of Germany's strongest brands. The company focuses on a long-term positive development rather than short-term profits and incorporates sustainability aspects into the corporate strategy on a large scale.

CEWE's turnover rose to 714.9 million euros (previous year: 653.3 million euros). The lucrative Christmas season once again proved the power of the CEWE brand: around 40 % of its turnover and more than 100 % of its EBIT were generated in Q4. CEWE's brand products again provided for solid turnover growth. With around 6.6 million CEWE PHOTOBOOKS sold, previous year's sales were exceeded by over 0.4 million sold copies. Around 2.4 billion produced photos clearly surpassed the target of 2.22 to 2.26 billion photos in 2019. The strong



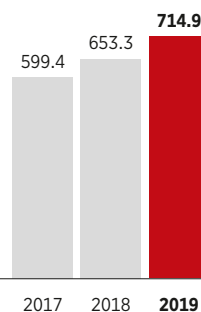
For the first time,
6.6 million
CEWE PHOTOBOOKS were
sold in 2019

earnings and financial position allows CEWE to continue exercising acquisition opportunities. In 2019, the wall art specialist WhiteWall was acquired. **see Annual Report 2019, P&L page 98 and Balance Sheet page 100**

Disclosures 102-7, 201-1

CEWE strives to offer shareholders a long-term, in the least a constant, yet ideally a growing dividend in absolute terms. For the financial year 2019, dividends are to increase for the eleventh consecutive time to 2.00 euros (previous year: 1.95 per share). The planned consolidated turnover in 2020 is to reach between 725 million euros and 755 million euros and the operating result (EBIT) between the targeted 58 and 64 million euros. **Disclosure 201-1**

Turnover
in millions of euros



Strategic planning for long-term profits and sustainability

The corporate strategy is geared towards a sustained positive performance. Findings from market research institutes, congresses and symposia, the trade press and general business press as well as dialogues with suppliers, trading partners and consumers are regularly analysed and incorporated in a long-range forecasting model. This provides the management with an outlook on possible future profit and loss statements, balance sheets and cashflows.

Once a year, CEWE defines initiatives based on the data thus collected. The implementation of these initiatives is a regular topic at meetings, and the respective actions are launched. The impact these measures have is then reviewed, and the results are incorporated into the forecasting model.

Sustainability is a part of the corporate strategy and contributes in many ways to its economic success. Sustainability criteria are, for instance, incorporated into the product development phase as well as into decisions on the launch and continuation of products already. Sustainability plays a role at the annually staged Innovation Days. **see page 2** Customers appreciate the credible commitment to the environment and society. By largely foregoing materials that require long transport routes, CEWE lowers costs and preserves the environment, for example. The systematic approach to sustainability management is described from **page 12** onward. **GRI 103 Sustainable Products**

DEVELOPMENT OF THE QUALITY BRAND

CEWE strengthened the brand even further in the year under review. This is substantiated by the surveys on brand awareness and brand equity which the company regularly conducts across the whole of Europe. Over the past years, the company routinely found itself amongst the 50 brands which Superbrands Germany rated as the country's best and strongest. The latest rating is still outstanding.

The CEWE PHOTOBOOK as the key product has established itself as Europe's most popular photobook since its market launch. In the year under review, the 60 millionth CEWE PHOTOBOOK was sold in Austria and handed to the customer during a festive ceremony. Millions of customers trust in the quality of this bestselling product, which has received multiple awards. The same is true of CEWE's other brand products.

Again, CEWE referred to its customer feedback system in 2019 in order to further optimise products and services. In the reporting year, more than 512,000 customers from all CEWE countries gave feedback. Furthermore, the company participated in customer satisfaction surveys. Kundenmonitor Deutschland is a cross-sector survey on customer orientation. During the last customer monitor, CEWE reached the highest possible ratings in certain customer satisfaction segments in 2017; in others, CEWE was the runner-up.



Multiple awards for CEWE products



CEWE wins the TIPA World Award for the second time in a row – this time for hexxas.

CEWE took the top spot in the TOP SERVICE Deutschland competition for the Business-to-Consumer category. The CEWE PHOTOBOOK received the ServiceRating award in 2019 with the jury stating that the "CEWE PHOTOBOOK inspires customers – not only as a product, but also with the service". Europe's leading photo service convincingly demonstrated customer orientation and was cited as a Best Practice example in the categories of Product and Service Offer as well as Customer-Related Information.

In August 2019, CEWE received the German Design Award 2020. The German Design Award is one of the world's most renowned design contests and enjoys an outstanding reputation far beyond professional circles. CEWE asserted its position as the winner in the category of Excellent Product Design – Home Textiles and Home Accessories with hexxas, the hexagonal photo tiles, for outstanding design quality. CEWE won yet another prize with hexxas: the international Technical Image Press Association awarded the TIPA World Award once again in 2019 to CEWE for the category of Best Photo Print Service Worldwide. It is considered the most coveted award for photo and imaging products worldwide. Publishers of prestigious photo magazines around the globe refer to regular product tests for their product choices.

The CEWE PHOTOBOOK Pure offer also convinced the European Imaging and Sound Association (EISA), which bestowed its EISA Photo Service 2018–2019 award on it as best photo product.

»CEWE PHOTOBOOK inspires customers – not only as a product, but also with the service.«

Jury of the TOP SERVICE Deutschland competition

GUARANTEEING QUALITY AND PRODUCT SAFETY

GRI 416, 103

The quality of the brand products is established on one hand with a digital workflow and on the other with the industrial production process. Quality management therefore focuses on both process flows. Multiple Heidelberger Speedmaster XL162 4/4 large-format printing machines plus additional cutting-edge machinery are the basis for the commercial online printing offer. Highly automated systems finish the prints produced with this large-sheet technique.

Crucial to one of CEWE's core skills is its access to digital data. CEWE uses cutting edge software to improve the picture quality, constantly reviewing and fine-tuning it based on its own choice criteria. Process monitoring was introduced for the pivotal colouring processes to secure colour consistency.

Within complaints processing, recommendations and information to enhance the product quality that customer services receive are processed together with the specialist departments. CEWE claims to process complaints fair and swiftly. The goal is to keep the complaints rate low despite the growing complexity of the products produced. The complaints rate in 2019, just like the year before, was 0.6 %.

The systematic approach to product safety is the responsibility of a team of experts together with employees from Purchasing, Production, Product Management as well as Legal and Quality Assurance. The team continuously checks the



CEWE employees are passionate about achieving the highest possible quality.

marketability of all available products. Proprietary criteria go beyond current laws and comply with the latest recommendations issued by the German Federal Institute for Risk Assessment. They are taken into consideration for each production process. New products are launched only with the respective evaluations and certificates. CEWE works very closely with suppliers and, for example, visits production sites in order to observe their compliance with pivotal stipulations regarding

product safety. [see page 33](#) CEWE's high standards in relation to product safety and quality management contribute to the brand's success. During the reporting year 2019, no incidents were identified where any non-compliance with regulations and voluntary codes concerning the impact of products and services on health and safety occurred. **Disclosure 416-2** The goal remains to market products without any safety flaws.



The CEWE PHOTOBOOK with a sophisticated leather or linen cover in a slipcase premiered in September 2019.

POSITIVE PERFORMANCE BY THE KEY BUSINESS UNITS

GRI 201, 103; GRI 202, 103

New highlights and brand reinforcement for the Photofinishing core business unit

In 2019, CEWE's brand products again provided solid turnover growth. Especially the CEWE PHOTOBOOK, but also the CEWE CALENDAR, CEWE WALL ART, CEWE CARDS and other photo gifts like smartphone cases, contributed significantly to a successful year. A further factor in the excellent annual result is the high brand awareness for CEWE. Product innovations play a particularly large role in photofinishing. For example, refining the CEWE PHOTOBOOK with gold, silver and special-effect print varnish was stepped up considerably to yet again increase its pioneering role in this segment. Customers can now finish covers with raised (and therefore touchable) text, clip art, frames and designs. During the year under review, rose gold finishes and the CEWE PHOTOBOOK Leather & Linen were new additions – the latter went on sale for the first time in September 2019.

In February 2018, the French photo product maker Cheerz was acquired. Cheerz focuses on a younger target group which primarily orders via a smartphone app. Cheerz also met all targets in 2019 and is a valuable new addition to the photofinishing portfolio.

CEWE specifically participates in established as well as up-and-coming businesses, to develop new business segments or advance existing ones. The business group focuses above all

on start-ups with online business models that produce customised, high-quality products with a substantial customer benefit, thereby seeking to build a strong brand. CEWE gains a good overview of start-ups and potential investments through its interest in the High-Tech Gründerfonds (HTGF) seed investor, one of Europe's most active and largest venture capital funds, launched by the German government. The fund gives innovative technology start-ups the possibility to turn promising research into a real business. By participating in the HTGF, the role as a trailblazer in industrial photofinishing is to be expanded further both by supporting young technology enterprises and creating synergies with individual start-ups.

The Commercial Online Printing and CEWE RETAIL segments are featured in detail in the Annual Report.

 [see Annual Report 2019, pages 43–46](#)

RESEARCH AND DEVELOPMENT WITH A GIFT FOR INNOVATION

CEWE stood for innovative production machinery and equipment even during the analogue era, which allowed it to take a solid competitive lead. CEWE has been continuing this tradition in the digital era and renews its investments into the research and development of technology and software. Qualified employees are pivotal to this. Many colleagues working in Research & Development successfully completed their training, or even a dual course of studies at CEWE, and they are



Dr Ralf Wieting explains the intelligent Cloud solution for photos, CEWE MYPHOTOS.

very familiar with the company and its technology. Currently, around 200 employees are working on technological advancements, such as the development and progress of in-app order options, or on purchases made through the CEWE website or with the help of a free ordering software.

For its software development, CEWE makes use of agile engineering and automated tests, for faster market launches of better-tested products and software features. Its own mechanical and electrical device development department plans and builds prototypes which are subsequently duplicated in-house or by external partners for CEWE's plants.

This reporting year has also witnessed CEWE focus more intensively on applications that rely on Artificial Intelligence (AI). To create an even easier, more intuitive and improved photo selection and design process for products, a close cooperation is sought with universities in Germany and the European Union as well as with international industrial partners.

 [see page 7](#)

Other possibilities concerning the application of artificial intelligence in other areas of our company such as customer services, or within production control and optimisation, are also closely looked into. First results and concepts were showcased with great success at photokina 2018 in Cologne. In the year under review, several of these were brought to market and integrated into customer applications. CEWE also played a key role in the establishment of an endowed chair for Applied Artificial Intelligence at the Carl von Ossietzky University in Oldenburg and provides both financial and content-based support. New colleagues are thus purposefully and effectively trained and employed on location for this innovative topic.

**Currently, around 200
employees are working on
technological develop-
ments at CEWE.**

LONG-TERM APPROACH TO FINANCIAL MANAGEMENT

Disclosure 102-11

CEWE creates value within business operations rather than financial management. Its financial management serves to create value. Research and development, marketing, distribution, production and other fields of operational value creation thus perform free from financial constraints. The financial market strategy caters to long-term value creation. For instance, payment deadline decisions or capital market communication all depend on long-term impacts. As an example, the company buys back treasury shares if CEWE thinks the share price has clearly dropped below their fair value. The long-term forecast model for shareholder value plays a decisive role. And even in terms of financing, within Investor Relations especially, financial management has adopted a long-term perspective for investments and general cost awareness.

With the legal structure of a partnership limited by shares, or KgaA, the company's founder, Senator h.c. Heinz Neumüller, intended to ensure that his entrepreneurial principles remain permanently established within the company. He also aimed to ensure the company's long-term future. This is safeguarded by Neumüller CEWE COLOR Stiftung and the major interest held by ACN Vermögensverwaltungsgesellschaft mbH & Co. KG (the heirs of Senator h.c. Heinz Neumüller, the largest

shareholder with 27.2%). The heirs of the company's founder provide for continuity and a long-term orientation. More information has been detailed in the Annual Report.

 see Annual Report 2019, page 29



Our CEWE PHOTOBOOK Pure with a slipcase.

CEWE is targeting a high equity ratio which provides security and strategic freedom to the company – regardless of current financial market situations. CEWE considers share growth speculation by reducing equity capital and the resulting anticipated increase of the return on equity capital as the wrong approach. There are no efforts to increase the equity yield by reducing equity capital.

Long-term investment prospects

CEWE chooses a long-term positive performance and therefore seeks shareholders that invest in pursuing long-term, value-oriented prospects.

Investments are viewed in the same light. On principle, CEWE is willing to invest – however, each investment is analysed. Bigger projects are extensively calculated and rated afterwards. Direct solvency through available liquid funds or free lines of credit let suppliers benefit from special offers. This is how flexible investing helps to save on costs. CEWE considers the short-term drawback that results from preponing investments less relevant compared to the long-term advantage achieved by saving costs. CEWE does not engage in speculative investments. Liquid funds, if possible, are used to repay loans or are invested at a fixed interest rate.

Even within debt financing, CEWE cultivates trustworthy and long-term relationships with multiple banks. Since CEWE pursues a conservative business policy, the leading lending banks are chosen according to this criterion. These ties are cultivated through ongoing communication. In creating its debt capital lines, CEWE observes a healthy mix of shorter and longer loan periods. To be able to draw on strategic possibilities even at very short notice, CEWE attaches importance to generous unutilised lines of credit.

RISK APPROACH

Disclosure 102-11

Non-financial risks

CEWE has been overseeing non-financial risks which need to be reviewed under mandatory reporting according to the German Commercial Code. Environmental, employee and social topics, respecting human rights and the fight against corruption

and bribery call for the investigation of risks resulting from our own business operations, business relationships or products and services.

CEWE applies a long-range analysis to non-financial risks.

On principle, gross risks are identified within this context, meaning before the implementation of risk mitigation measures.

Mitigating risks, such as environmental risks or in relation to data protection and data security requires a net observation (once risk mitigation measures have been implemented).

Those in charge of sustainability have performed a risk assessment together with the risk officer taking into consideration CEWE's sustainable management. Once every three months, CEWE analyses the risks inherent in its business. In line with Secs. 289c (3), nos. 3 and 4 and 315c (2) of the German Commercial Code, no material risks were identified, neither in relation to its own business activities or its business relationships nor for products and services in terms of non-financial aspects under review, which most probably have or would have serious negative impacts on these aspects. The comprehensive non-financial declaration can be found on [pages 68–69](#).



Product displays and CEWE photostations at the point of sale

The European Imaging and Sound Association (EISA) awarded the EISA Photo Service 2018 – 2019 prize to the CEWE PHOTOBOOK Pure as the best photo product.



Employees ensure a high quality and safety at the production plants.

SUSTAINABLE PROCUREMENT STRATEGY

GRI 103 Sustainable Supply Chain, GRI 204, 103; GRI 413, 103

CEWE examines the direct suppliers of production materials for its supply chain. When purchasing through business partners, a supplier of critical materials is also examined and, if need be, even their supplier. Critical materials are categorised as such if products are of special relevance to product safety and product quality. During the year under review, the purchase department included LASERLINE for the first time.

Disclosure 102-9

CEWE consciously cultivates long-term relationships with its delivery companies. Even in relation to sustainability, suppliers are expected to meet high demands. The partnership-based rapport with suppliers is defined by openness, transparency and honesty in order to guarantee a lasting collaboration. Together, the procurement process takes ecological as well as social aspects into consideration in addition to low costs and physical proximity, proven process competency as well as long-term and steady quality assurance. **Disclosures 102-16, 102-11**

Wherever production facilities make it possible, CEWE works with local suppliers. All production materials are rated as local if the supplier comes from the same country where they are produced. During the year under review, just as the year before, 56 % of materials were sourced locally; 23 % within the European Economic Area (previous year: 22 %); and 21 % from abroad (previous year: 22 %). **Disclosure 204-1** The goal is to engage a higher number of local suppliers in the future, to support the regions of the production facilities and to reduce



CO₂ emissions in supply logistics. **Disclosure 413-1** To meet the commitment of managing and mitigating risks in the long run, a two or multiple supplier strategy is aimed for. In 2019, the total number of all suppliers reached 6,300 (previous year: 6,400). On principle, all suppliers with whom an order is placed are informed of CEWE's fundamental values, principles and Code of Conduct through a reference that has been added to their terms and conditions of procurement. This also includes ethical, social and ecological aspects. [see page 22](#)
GRI 413, 103; Disclosures 413-1, 413-2

Ecological aspects play a role in purchasing from multiple points:

- » All energy contracts at the production sites for CEWE photo products in Germany were re-negotiated in 2019 and, starting 2020, will all be operating with renewable energy.
- » The vehicle fleet will increasingly use hybrid and electrical vehicle models. The complete vehicle fleet is CO₂ neutral.
- » The use of eco-friendly packaging continues to be extremely relevant, for example in projects that aim to avoid plastics in packaging and in auxiliary materials. In the

meantime, the use of aluminium Dibond plates does away with double-sided coating that applies a protective technical film made of synthetic material; today, film is applied to the printed side only. Packaging for small items uses less plastic and produces less waste: this shifts raw material from small to larger containers where possible. They are therefore delivered in larger packaging, at times even loose in boxes.

- » Imports from Asia have been further optimised. Part of the value chain was relocated to Europe due to the close cooperation with our suppliers for certain products. Moreover, the products are no longer stored exclusively at a central warehouse but are delivered directly to the individual sites which reduces transportations and CO₂ pollution.

Further approaches towards an ecological product optimisation, such as improving the CO₂ footprint and choosing environmentally friendly materials, have been listed in the chapter "Environmental protection and resource conservation". [see page 34](#)

GRI 103 Sustainable Products

Supplier management

Disclosure 102-9; GRI 308, 103; GRI 408, 103; GRI 409, 103; GRI 414, 103; GRI 419, 103

All of CEWE's business locations are in Europe and therefore must adhere to statutory requirements, such as the ban on forced, compulsory and child labour, and fulfil high demands on the protection of employees. CEWE joined the BME Code of Conduct in 2010 already, which also highlights the stance of businesses in relation to child labour. Moreover, CEWE issued its annual self-assessment to the BME during the period under review.

CEWE takes social and ecological aspects of the supply chain seriously. To obtain a better understanding of the relevance and level of implementation of the diverse sustainability topics within the supply chain, a supplier assessment on sustainability was held during the last four reporting periods already. This assessment was conducted in 2019 for the year 2018. It is planned to distinguish suppliers that espouse special commitment to sustainability in the future. All new production material suppliers in critical countries were reviewed during the reporting year under ecological criteria and with regard to their human rights record.

Disclosures 414-1, 308-1

CEWE examines the direct suppliers of production materials of its supply chain. If critical materials are sourced through a business partner, its supplier is equally examined. Critical materials include especially products that meet the exacting standards for product safety and product quality. **Disclosures 102-9, 413-2** CEWE itself randomly examined the on-site conditions of suppliers which CEWE rated as critical. In 2019, the company again visited suppliers with a focus on quality, product safety and social compliance (ban on child labour, high level of occupational safety/active health protection) at existing suppliers. During these visits, CEWE was able to verify their compliance with sustainability requirements throughout the complete value chain. During the reporting year, suppliers around the world were visited, including suppliers in China, Japan and South Korea. In 2019, no new incidents were recorded at, or complaints filed about suppliers that CEWE works with.

Disclosures 408-1, 409-1



ENVIRONMENTAL AND RESOURCE CONSERVATION

THE REDUCTION OF ENVIRONMENTAL POLLUTION AND THE CONSERVATION OF NATURAL RESOURCES ARE KEY CONCERNS OF CEWE. THE MATERIAL TOPICS

THAT WERE IDENTIFIED INCLUDE CLIMATE PROTECTION, MATERIALS AND WASTE AS WELL AS ENVIRONMENTAL MANAGEMENT. MANY EMPLOYEES AND AREAS ARE INVOLVED IN THE CONTINUOUS IMPROVEMENT OF THE ENVIRONMENTAL PERFORMANCE AT CEWE.

CEWE'S ENVIRONMENTAL POLICY

GRI 307, 103

CEWE's Environmental Policy forms the basis for the company's environmental protection and resource conservation and is reviewed in annual audits. CEWE commits to complying with the going legal requirements and, beyond this, refers to the interests of stakeholders such as customers and business partners for guidance. The Conserving Nature guiding concept headlines the five fields of action of CEWE's environmental policy:

- » Advancing climate protection
- » Saving energy
- » Protecting water, keeping air and soil clean
- » Responsible use of materials
- » Reducing waste and optimising recycling processes

The constant enhancement of environmental protection and the prevention of environmental pollution are the declared goal. In terms of planning and investments, the company counts on the best available technologies. All newly set-up plants and procedures comply with the going national and international standards and laws and fall below the prescribed thresholds to the benefit of the environment. **Disclosure 102-11**

For the year under review, CEWE did not report any breach of environmental obligations; there were no complaints, and no fines were imposed due to an ecological impact. **Disclosure 307-1**

IMPROVED ENVIRONMENTAL PERFORMANCE APPROACH

GRI 103 Environmental Management Approach

The materiality matrix covers Climate Protection, Materials and Waste as well as Environmental Management as the material topics in relation to environmental protection.  **see page 17** As early as 2011, CEWE had already created and put into practice a DIN EN ISO 14001 Environmental Management System at its four German digital printing production sites in Oldenburg, Germering, Mönchengladbach and Freiburg. Since 2013, all four locations have been certified accordingly, even recertified according to the new 14001:2015 standard in 2018, including the subsidiary LASERLINE. SAXOPRINT in Dresden and operations in Hungary, Czech Republic, Poland, England and France were ISO 14001:2015-certified (Environmental Management System) in the spring of 2019. All larger CEWE production sites therefore now operate under a certified Environmental Management System. In terms of environmental management, the consumption of energy during production and for IT processes as well as emissions caused by the transportation of products are systematically recorded and reduced.



All larger CEWE production
sites operate under a
**certified Environmental
Management System**
(DIN EN ISO 14001)

Additionally, CEWE operates the DIN EN ISO 50001 Energy Management System in Oldenburg, Germering, Mönchengladbach, Freiburg as well as at SAXOPRINT in Dresden and LASERLINE, all of which were recertified in 2018. CEWE's energy policy, as part of its environmental policy, commits to the continuous improvement of its energy-based performance and thereby actively advances the protection of our climate. Legal requirements and our own energy goals form the framework of our energy policy. When purchasing products and services, as well as using machinery, equipment and installations, the use of energy, the consumption of energy, and energy efficiency are all monitored. Energy targets are regularly reviewed with the help of performance indicators, for example within the framework of climate action. **GRI 302, 103; Disclosure 302-5**

The consolidated entity referred to for environmental data comprises all production facilities of the parent company as well as affiliated companies, except fitalis. Scope 1 and Scope 2 CO₂ emissions and the energy consumption within the organisation also include all distribution locations.

Environmental protection expenditure

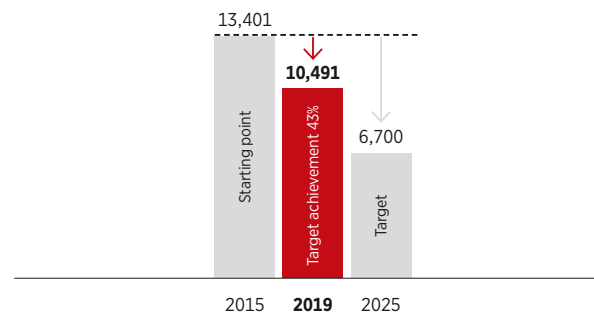
In 2019, CEWE spent in total 0.4 million euros on environmental measures. This total includes the costs of the Energy and Environment Management Systems (0.15 million euros), the costs of the treatment of effluents and the waste water analysis (0.15 million euros), clean-up costs (0.05 million euros) and additional project costs (0.05 million euros). Not included in this schedule are the costs of disposal which totalled roughly 0.7 million euros in 2019. Additionally, CEWE invests into the protection of the environment in other ways, such as with expenses for offsetting CO₂ and CO₂ neutral shipping plus environmental protection commitment projects. **Disclosure 102-11**



A certificate issued by Deutsche Post attests that CEWE offset in total 4,184.43 t CO₂e through climate neutral products and services in 2018. Left to right: Thorsten Grüten (Head of Logistics CEWE), Dr Christian Schawel (Managing Director DHL Paket GmbH), Carsten Heitkamp (Board of Management Logistics & Personnel), Dr Tobias Meyer (Board of Management Post and Parcel Germany) and Christoph Preissner (DHL Key Account Manager).

CEWE was amongst the first three German enterprises that joined the Science Based Target Initiative to assert the international climate goals.

Reduction of Scope 1 and Scope 2 CO₂e emissions in t CO₂e



Disclosures 305-1, 305-2, 305-5

ADVANCING CLIMATE PROTECTION

GRI 103 Climate Protection, GRI 305, 103; GRI 302, 103

Global climate change is the result of manmade greenhouse effects. Especially the reduction of industrial emissions is crucial. CEWE is aware of the substantial responsibility which the industry has in this regard. Following the ambitious objectives formulated in Paris in 2015 for a low-carbon society, CEWE has set itself two long-term goals to be reached by 2025:

- » Cutting absolute Scope 1 and Scope 2 CO₂e emissions between 2015 and 2025 in half, from 13,401 t/a to less than 6,700 t/a.
- » Reducing absolute Scope 3 CO₂e emissions as shown in the CDP Carbon Disclosure Project by a minimum of 25% by 2025 compared to figures of the baseline year 2015.

CO₂ equivalent (CO₂e) is the customary international unit to standardise the climate impact from different greenhouse gases. The impact of methane, for instance, is 28 times greater on the climate compared to CO₂, however it is sequestered much more quickly from the atmosphere. The different greenhouse gas emissions are converted into CO₂ equivalents and consolidated.

These targets were recognised by the Science Based Targets Initiative in 2017. CEWE was amongst the first three German enterprises that joined this initiative to assert the international climate goals.

Disclosures 201-2, 305-5

CEWE's CO₂ footprint

The company's CO₂ footprint is established along the international standards issued by the IPCC (Intergovernmental Panel on Climate Change). It is quantified and illustrated based on the current Corporate Accounting and Reporting Standard of the Greenhouse Gas Protocol Initiative (GHG Protocol). All

production and distribution locations are included. CEWE reports annually within the Carbon Disclosure Project. For 2019, the company was awarded a good score (B). Our transparent and comprehensive reporting as well as our climate protection performance were rated. **Disclosure 102-12**

Direct CO₂ emissions from stationary and mobile sources are considered Scope 1 GHG. At CEWE, this refers to both combustion-related processes for heating (primarily natural gas, very little fuel) as well as the consumption of petrol by the company's own vehicles or leased company cars. Indirect emissions (Scope 2) originate from generating the electricity bought. Other indirect emissions connected to the company's activities yet not generated by CEWE are Scope 3 emissions. This report categorises Scope 3 as the supply chain processes for sourcing materials and the delivery of products, waste management logistics as well as employee commutes or business trips. The full Scope 3 reporting is published in the annual CDP report.

Energy consumption in 2019 at 151.4 TJ was slightly below that of the previous year (152.9 TJ). The value is comprised of 33.1 TJ of gas for heating; 20.9 TJ of fuel (mainly Diesel) and 97.4 TJ (27.0 GWh) of electricity. Compared to last year, the consumption of energy was lowered by around 1%. **Disclosures 302-1, 302-4**

In 2019, energy consumption outside of the organisation totalled 179 TJ (2018: 162 TJ) and comprises supply chain, goods delivery, waste management logistics and employee commutes incl. business trips. **Disclosure 302-2**

The consumption of energy (GJ) per material used for products and services (t) in the year under review was 11.9% less compared to the previous year. **Disclosures 302-3, 302-5**

CO₂e emissions 2017-2019 (Scope 1, 2 and 3)

in t CO ₂ e	2017	2018	2019
Scope 1	3,272	3,237	3,183
Scope 2	6,907	7,342	7,308
Scope 3	14,043	12,014	13,279
Delivery logistics	8,793	6,585	6,585
Goods delivery	2,942	2,982	3,448
Waste management logistics	399	412	399
Employee commutes incl. business trips	1,909	2,035	2,847
Total	24,222	22,593	23,770

Disclosures 305-1, 305-2, 305-3, 305-5

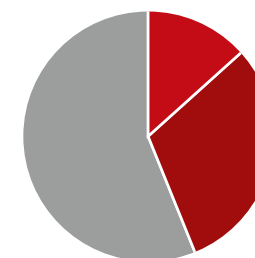
Energy consumption and CO₂e emissions 2017-2019 (Scope 1 and 2)

	2017	2018	2019
CO ₂ e emissions in t/a	10,179	10,579	10,491
CO ₂ e emissions in t/millions of euros of turnover	17	16	15
Energy intensity coefficient	250	234	212
GJ/millions of euros of turnover	3.35	3.37	2.97

Disclosures 305-1, 305-2, 305-4, 302-3, 302-5

CO₂e emissions share 2019 (Scope 1, 2 and 3)

in %



● Scope 1	13.4%
● Scope 2	30.7%
● Scope 3	55.9%

Breakdown Scope 3

● Delivery logistics	27.7%
● Goods delivery	14.5%
● Waste management logistics	1.7%
● Employee commutes incl. business trips	12.0%

Disclosures 305-1, 305-2, 305-3

CO₂e emissions in kg/t material 2017-2019 (Scope 1 and 2)

kg CO₂e/t material



Disclosures 305-1, 305-2, 305-4, 305-5

**In 2015, we committed to reducing
50 % of our CO₂ emissions
by 2025. By 2019, we have already
achieved 43 % of this goal.**

CLIMATE ACTION MEASURES

CEWE's climate action is to pay forward towards two objectives: cutting Scope 1 and Scope 2 CO₂ emissions in half and reducing Scope 3 emissions by 25%, both by 2025 compared to figures of the baseline year 2015. CEWE's climate policy consists of different projects and approaches.

Reducing energy forms a key approach of the climate policy. The goal to improve energy efficiency each year by 5 % will be adjusted to 2% per year in the future. As many of the measures stated have already been implemented and the effects have been recorded, these comprehensive increases are no longer feasible in the future.

Projects	Approaches	Impact
Use of regenerative energies	In-house photovoltaic systems at the locations in Freiburg, Germering and at the new building in Oldenburg (since August 2017)	Performance of 276 MWh/a, CO ₂ e reduction of 112 t/a
Growing use of certified green electricity	Since 2018, Oldenburg- and Prague-based operations as well as some distribution sites run 100% on renewable energy. During the year under review, 3,416 t CO ₂ were avoided.	Prevention of 3,416 t (previous year: 3,629 t) Scope 1 and Scope 2 CO ₂ e
Ongoing reduction of energy consumption	Efficiency increases, such as the installation of LED lighting systems at SAXOPRINT in Dresden Energy-optimised computer centres (Green IT in Oldenburg) Between 2017 and 2018, all production facilities switched to using LED lighting. In Oldenburg, LED lights were fitted in 2018. Reductions in air conditioning for rooms and the production of compressed air	CO ₂ e reduction of 250 t/a CO ₂ e reduction of 150 t/a Reduction of power consumption by 1 GWh (ca. 400 t CO ₂) Reduction of 300 MWh
Energy-conscious behaviour	Energy-conscious behaviour on the part of employees as well as energy-conscious use of production machinery	Enhanced machine running times
Use of low-consumption company vehicles	Financial assistance for electrical and hybrid vehicles as well as compensation for fuel consumption in Germany with the DKV Fuel Card. The vehicle fleet consists mainly of new Diesel-driven vehicles equipped with AdBlue reduction technology.	In 2019, reduction of 726 t Scope 1 CO ₂ e emissions DKV Fuel Card (2018: 768 t).
Eco-friendly organisation of distribution logistics	Optimisation of transport services	In the year under review, the low emissions rating of 6,585 t from the previous year was maintained. In the years to come, additional reductions are aimed at.
Climate neutral printing	All CEWE brand products (CEWE PHOTOBOOK, CEWE CALENDAR, CEWE WALL ART, CEWE CARDS, CEWE INSTANT PHOTOS) are printed according to fully climate neutral standards. Commercial Online Printing (CEWE-PRINT.de, SAXOPRINT, viaprinto and LASERLINE) lets customers produce a climate neutral print of their products against a small surcharge.	20,000 t CO ₂ were offset for CEWE brand products in 2019.
Mobility offerings for pro-environment commutes	CEWE contributes to commuter job tickets and provides bicycles for its employees. CEWE's carpooling conveniently groups commuters to effectively reduce the number of cars driven to get to work. CEWE even supports employees who own an electrical vehicle by providing electrical charging points. CEWE considers eco-friendly mobility to be extremely relevant and thus works on continually progressing this segment.	276 leasing contracts for bicycles, additional measures such as CEWE carpooling, charging stations or job tickets
Business trips using public transport	The use of BahnCard Business, a service by Deutsche Bahn for discounted rail travel, allows for climate neutral business travel.	Climate neutral business travel

GRI 103 Climate Protection; GRI 302, 103; GRI 305, 103; Disclosures 302-4, 302-5, 305-5

Calculation and compensation of CO₂ emissions

GRI 305, 103; Disclosures 201-2, 305-5

CEWE collects data on greenhouse gas emissions by balancing the CO₂ production (source) and CO₂ destruction (drain). To determine the CO₂ footprint of its products, the production of raw materials, their transportation to the sites as well as the fuel, gas and power consumption from the creation of the materials to the factory gate (cradle-to-gate) are taken into consideration. The output is lowered with the help of the energy reducing projects described and a regenerative power production. Moreover, CO₂ emissions from all CEWE brand products are offset by reforestation and forest preservation with a project in Africa which is certified by an independent third party. The carbon dioxide that had been extracted or saved is quantified according to international standards. These CO₂ credits (drains) are offset against CO₂ debits (sources) so that the balance is reconciled.

CEWE supports the Kasigau Wildlife Corridor in Kenya as a compensation project for greenhouse gas emissions through Climate Partner. This is a forest preservation and reforestation project in a 200,000 ha-large landscape between two national parks in Kenya's south. The project is certified according to the internationally recognised Verified Carbon Standard. The goal is for local citizens to take care of preserving the forest as well as its reforestation instead of – as before – deforesting it. The local communities (around 150,000 people) see themselves as forest and game keepers. The financial earnings from the CO₂ compensation project is invested into the community, into

schools and training, into reforestation and the preservation of the forest, into making resource-friendly hearths for cooking, but also into building Fair Trade production sites. In July 2017, employees involved in the Environmental Management System from the locations in Germering, Kožle, Oldenburg and Prague were on site, met with those in charge and saw for themselves what the project looks like and how CO₂ compensation is calculated.

MANAGING MATERIALS AND WASTE RESPONSIBLY

GRI 103 Materials and Waste; GRI 301, 103; GRI 306, 103

The resource-friendly use of materials is a crucial environmental aspect. The life-cycle assessment which CEWE conducted in 2017 for its best-selling products considers this even the most relevant factor. Therefore, two measures play an outstanding role in CEWE's environmental policy:

- » The materials used are selected specifically not only in terms of their quality, but also their ecological aspects.
- » Production aims to produce as few scraps as possible and waste that cannot be avoided is disposed of in a pro-environment manner.

Use of paper

During the year under review, more than 28,248 t of paper were printed to produce products (photos and print). **Disclosures 301-1, 102-7**

CEWE continually ups its use of environmentally-friendly materials, especially when it comes to the most relevant raw material – paper – and the most important product, the CEWE PHOTOBOOK. Since 2011 already, all papers used for digital printing products have been purchased as FSC®-certified paper. Since the end of 2018, this also goes for the photographic paper used for the CEWE PHOTOBOOK, which is FSC®-certified. The Forest Stewardship Council® (FSC®) examines the complete value chain of the forest owner, all the way to the printing shop, before awarding the certification. Within the framework of the certification, incoming and outgoing goods as well as production flows undergo an annual review by independent third parties once a year. **Disclosure 301-2**



CEWE's sustainable actions are communicated at trade fairs.

CEWE continues to strive towards increasing the environmental compatibility of all materials used. The company has high quality standards regarding the main material that is processed, paper. Unfortunately, recycled paper has not yet reached these high quality standards. The cardboard used for book covers, however, is made completely from recycled materials. The share of secondary raw materials totals 12%. Secondary raw materials include packaging materials as well as grey cardboard for book covers and copying paper. Around 96% of packaging consists of corrugated cardboard made from recycled materials. Less than 4% are plastic, which mainly serves to protect against humidity during transportation. The goal to keep the share of plastic in packaging far below 5% was reached once again in 2019. **Disclosure 301-2**

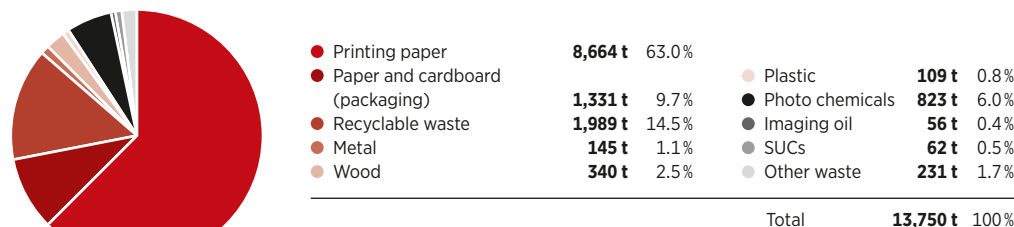
Reducing waste and optimising recycling processes

In the reporting year 2019, all waste amounted to 13,750 t, which corresponds to around 27% of the materials used (waste ratio). The target formulated in 2015 of minimising the percentage of waste over the next three years to below 30% was reached in 2019. The recycling rate of waste totalled on average for the year under review, just as for the year before, 89%.

CEWE's waste balance rates the volumes of waste by types of material. The largest amount of waste is produced by far from printing paper and packaging. For printing paper in particular, it is extremely important that the paper waste added to the recycling process is of a high quality. Offset printing alone separates and collects three different types of paper to ensure quality recycling. The waste chemicals from preparing photographic baths are used as a nitrogen oxide reducing agent in the cement industry. The full percentage of hazardous waste (photo chemicals 823 t; imaging oil 56 t; and remaining waste 106 t) totals 7.2% of the complete volume of waste.

Waste balance

in %



The types of waste have been recategorised and therefore are not fully comparable with last year's balance line-up. Rounding differences may apply.

Disclosures 306-2, 306-3; Disclosure 102-48

Volume balance 2019

Material in t	Total	Product	Waste
Paper (photo and printing)	37,264	28,248	9,016
Additional product components	2,138	2,018	120
Consumables and equipment	2,732	1,764	968
Packaging ¹	8,823	5,177	3,646
Total	50,957	37,207	13,750
Share in total volume	100%	73.0%	27.0%

¹ Packaging includes in-house and third-party packaging materials such as paper and cardboard, plastics, photo envelopes and copying paper.

Disclosures 301-1, 301-2


Over 90% of even this hazardous waste is recycled. The complete volume of waste is disposed of in compliance with EU laws and the German Waste Act by specialist waste management facilities. During the period under review, there were no hazardous substance spills. **Disclosure 306-3**

The waste percentage was lowered to 27% (previous year: 31.3%).

Silver is a by-product in the development of films and photographic paper. German waste water regulations provide for a restriction on photographic materials of 30 mg/m². CEWE is five to six times below this value. A consistent electrolytical de-silvering of the photographic process solutions has been reclaiming on average more than 95 % of the silver for some years now. In 2019, this figure amounted to 4,253 kg of silver.

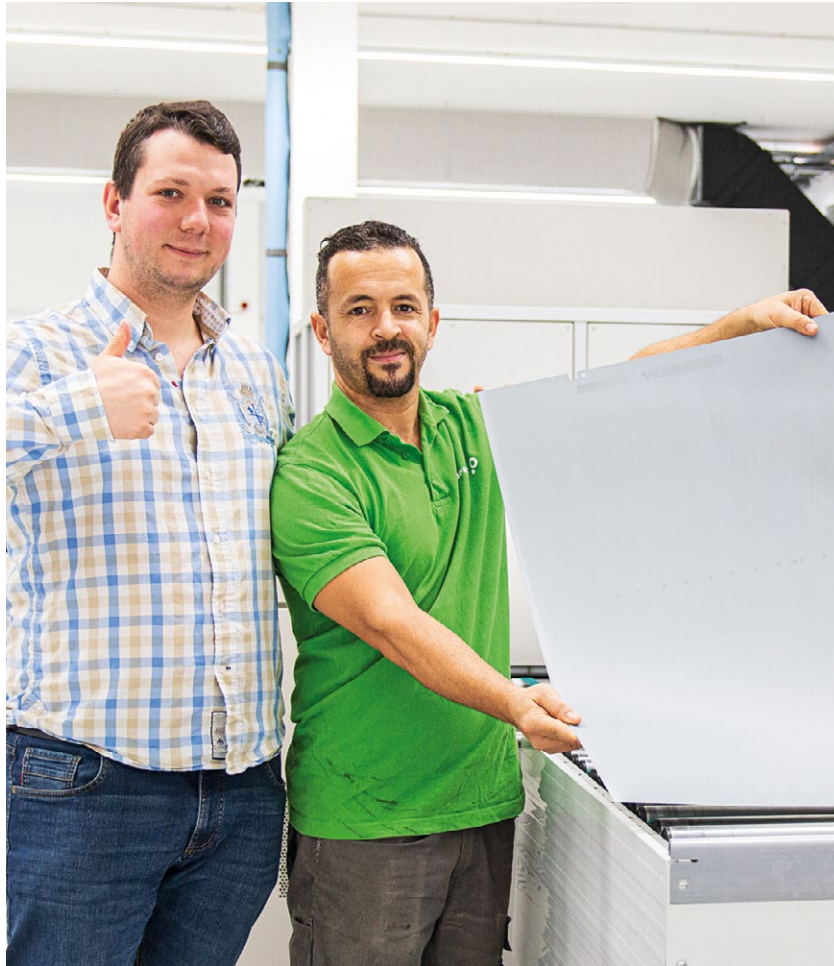
In 2019, CEWE reached a high recycling rate across the entire group of 89 % for chemical process solutions. The rate is the result of reusing the spillover in relation to the entire volume of photographic process solutions prepared. Samples from all photochemical solutions taken at all plants are analysed at the central laboratory in Oldenburg. Optimum recycling recipes are also calculated here. The consistency of the process quality is secured by performing sensitometric process checks in addition to the analyses multiple times a day.

And even for day-to-day operations, possibilities to save materials and decrease waste are continually sought. In 2019, for instance, the entire group converted to suppliers submitting their invoices electronically.



**Group-wide
recycling rate of
89 %
for chemical
process solutions**





Head of Production, Richard Müller (left), with his co-worker, Mohammed Bekahlouche, at SAXOPRINT in Dresden

SUSTAINABLE PRINTING IN PLATE IMAGING

Producing the plates for offset printing typically uses water, electricity, rubbering and chemicals – but not so at SAXOPRINT and LASERLINE. Since September 2019, they have been working 100 % with innovative and sustainable process-free plate technology.

This preserves resources: every year, around 6,000 m³ of water, 44,000 litres of chemicals and waste chemicals, 14,000 litres of rubbering, roughly 10,000 kW/h of electricity and more than 1,000 hours of maintenance are saved (at SAXOPRINT and LASERLINE).

Process-free printing plates are negative plates. The plate's coating hardens the requested image points, thus absorbing ink which is later applied to the paper. The non-printing coat is no longer rinsed and cleaned in a developing bath. Instead, it is removed inside the printing machine due to the pull from the ink. The underlying layer absorbs the water and is unable to soak up the ink.

CEWE is ahead of the curve with its SAXOPRINT and LASERLINE printing plate volumes (1.2 million m²). It is the largest consumer worldwide to use the sustainable process-free plate technology.



Saving up to
44,000 litres
of chemicals and waste chemicals

APPROACH TO OTHER ENVIRONMENTAL EFFECTS: WATER, AIR AND SOIL

Water management

GRI 303, 103

Water is widely used to develop photographic materials like films and paper. To successfully lower the consumption of fresh water, CEWE has been pursuing these in-production measures for many years now:

- » Cascading for the final rinsing in the paper segment
- » Use of low-friction paper development machines that do not use a leader belt, in many cases applying eco-wash technology
- » No final rinsing of colour negative films; instead, final baths are used
- » Consumption-rated water dosing facilities

CEWE predominantly uses tap water; the total share of well water reaches around 16%. The absolute consumption of water has not changed significantly over the past years. In the meantime, more than 15% of the entire water consumption is used for humidification. Water consumption in relation to the throughput totalled 3.0 l/m² in 2019. Since all optimisation measures have come into full, maximum effect, the goal for the years to come will be to keep the specific rate of water at or below 3.0 l/m². The target was aligned following the higher percentage of professional and album papers. The absolute water consumption should be similarly low. **Disclosure 303-1**

Improved waste water quality

GRI 306, 103

The quality of waste water is closely monitored and always complies with legal requirements. To develop photographic materials, industrial photofinishing will have to rely on water even in the future. It is therefore a pivotal concern of those in charge at the production sites to keep the quality of the resulting waste water consistently high. Since 2001, they have been meeting the voluntary self-commitment of the photo industry to halve the entry of hard complexing agents into waste water because of their challenging bio-degradability. Final rinses using formaldehyde were completely discontinued in 2002.

Disclosures 306-2, 306-3

Keeping air and soil clean

Disclosure 305-3

The chemicals used during production impact both the air and soil. This also concerns employees at their workstations. CEWE has taken the necessary precautions and to the greatest possible extent has lowered the concentration of hazardous substances. Modern and safe technologies are applied for this very purpose throughout the entire production process. Ozone concentrations emitted by the digital printing machines are so low that the threshold values are significantly undercut. Most digital printing machines that produce the CEWE PHOTO-BOOK work with extremely small toner particles, to complement an ideal picture quality. Because the toner's liquid carrying system retains the toner particles with imaging oil, any potential air pollution which may harm employees is completely excluded. Certain large-format digital printing products use water-based inks. Other products require the use of UV inkjet procedures. However, both processes are solvent-free.

Digital printing has long forgone the use of isopropyl as a cleaning agent and primarily uses ethanol, which is less hazardous to health. Even offset printing dispenses with mineral oil and alcohol. This means that the offset inks used are either plant-based or build on UV-curing systems so that ideally no isopropyl is added to the water rinse.



A look inside the VSP25 with a high-efficiency scraper system for the photographic development of paper



RESPONSIBILITY

FOR EMPLOYEES

**MOTIVATED, WELL-
TRAINED AND HEALTHY
EMPLOYEES ARE CRUCIAL FOR
CEWE'S SUCCESS. OCCUPATIONAL
HEALTH AND SAFETY, GOOD
EMPLOYER AND DEMOGRAPHIC
CHANGE ARE THE MATERIAL
TOPICS OF THIS DIMENSION.**

SUCCESSFUL STRATEGIC HUMAN RESOURCES ACTIVITIES

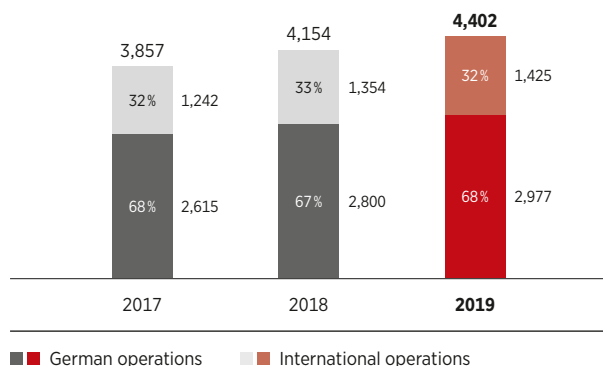
GRI 103 Good Employer; GRI 401, 103; GRI 405, 103

CEWE's success is decidedly borne by its motivated and qualified workforce. Its human resources activities strengthen CEWE for the future. It centres around four pillars:

- » Responsible entrepreneurship
- » Qualified personnel management
- » Education and support for junior recruits and
- » Modern and safe workplace design

The current human resources strategy focuses on different leading subjects, including Demographic Change and Good Employer. Strategic personnel activities encompass many diverse measures which together feed CEWE's reputation as a Good Employer, which is acknowledged by a range of awards.

Employees by operations as % and in numbers



German and international operations; the quantification is based on the per capita count of employees on the reporting date, as at December 31, 2019.

To cover the Christmas season, German operations engaged around 800 seasonal staff for the period between October and December in 2019. CEWE has made it one of its core principles to conclude the employment contracts itself and, wherever possible, to avoid contracting labour leasing agencies. As at December 31, 2019, CEWE Group's headcount totalled 4,402 people (2018: 4,154/per capita count on reporting date). The annual average full-time equivalent resulted in a headcount of 4,200 employees in 2019 (previous year: 3,900).

Disclosure 102-8

The collective bargaining arrangements vary for the employees across the group: all employees working at CEWE Stiftung & Co. KGaA (except for senior executives) are employed according to collective wage agreements; Germany-wide, including subsidiaries, this share totals 58% – Europe-wide, 42%. Disclosure 102-41

Employment contracts in 2019

	Female		Male	
	Number	in %	Number	in %
Open-ended	1,922	43.7	2,003	45.5
Fixed-term	217	4.9	260	5.9
Full-time	1,526	34.7	2,062	46.8
Part-time	613	13.9	201	4.6

Disclosures 102-8, 405-1



approx. **80 %**
of satisfied employees
in Germany

EMPLOYEE SATISFACTION

For more than ten years, CEWE has been conducting employee satisfaction surveys at its German operations. The responses provide valuable information which are incorporated into human resources activities as well as the development of the organisation. The last employee survey took place in 2017 in cooperation with Great Place to Work® and was conducted on an international scale for the first time. The overall figures showed that almost 80% of employees working at the German locations, and roughly 70% working at the international locations were highly satisfied with their workplace situation.

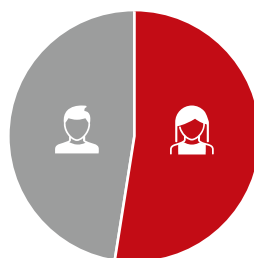
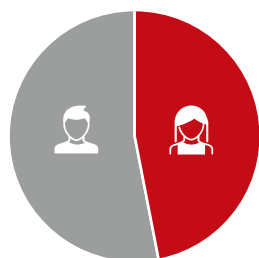
A high level of agreement (over 80%) was recorded, for instance, concerning the topics of friendly workplace atmosphere, proud of team achievements and good welcoming culture. The next employee survey is scheduled to take place in 2020.

The loyalty of employees is also an expression of satisfaction and secures know-how and experience for the company. In 2019, the turnover rate at German operations totalled 9.5% (previous year: 13.1%) and for international operations around 18.1% (previous year: 17.9%). In 2019, 140 employees working at the German plants celebrated their various company anniversaries, after having worked anywhere between ten and 50 years at CEWE – 16 of those have been with the company for 40 years now. Disclosure 401-1

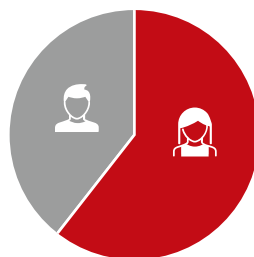
Turnover and new hires by age

	< 30		30–50		> 50		Total
	Number	in %	Number	in %	Number	in %	Number
Turnover							
German operations	114	21.0	133	24.5	37	6.8	284
International operations	104	19.2	129	23.8	25	4.6	258
New hires							
German operations	118	20.1	118	20.1	24	4.1	260
International operations	209	35.5	109	18.5	10	1.7	328

Turnover in %



New hires in %



German and international operations; the quantification is based on the per capita count of employees on the reporting date, as at December 31, 2019.

Disclosures 401-1, 405-1

SHAPING DEMOGRAPHIC CHANGE

GRI 103 Demographic change

Demographic change is a topic that affects CEWE, too. Therefore, it is a material topic of the materiality matrix. At its Oldenburg site, Demografiefest 4.0 is a certification which takes a holistic approach with a primary focus on fields of activities, target agreements and processes for the respective implementation. The target agreements merge different measures in the four segments of leadership, equal opportunity and diversity, health as well as knowledge and skills and are reviewed and audited every other year by an outside party.

One primary focus is the anticipated noticeable shortage of skilled labour in STEM professions (science, technology, engineering and mathematics). In 2018, CEWE organised an Elevator IT Night for IT specialists in Oldenburg, plus a CEWE meets JUG (Java User Group) event in Oldenburg and Bremen. During the year under review, CEWE participated in three university fairs targeting specifically IT students and graduates.



CEWE employee anniversary celebrations in 2019

AWARDS: CEWE AS A GOOD EMPLOYER

GRI 103 Good Employer

A visible sign of diverse and employee-friendly human resources activities are the certificates and awards which are regularly bestowed on CEWE.

In 2014, CEWE was one of the first-ever companies to receive an Excellent Employer certificate complemented by the Parent-Friendly Employer submodule from TÜV; in 2016, it was extended by the Health Management submodule based on cewe-vital's health management system. Recertification takes place annually, as was the case in 2019. It covers CEWE's Oldenburg, Mönchengladbach, Munich and Freiburg sites.

The Hertie Foundation regularly certifies a particularly friendly family-focused HR policy at CEWE. Awarded with the audit berufundfamilie (career and family audit) certificate for the first time in 2014, the certificate was recertified in 2017 for CEWE's locations in Oldenburg, Mönchengladbach, Munich



Holiday childcare at the Oldenburg location

and Freiburg. This recognised quality seal attests to employers being highly skilled in balancing family and career needs. Each year, the measures and target attainment are reported on; certification takes place every three years. The current certificate is valid until July 31, 2020.

Once again, the "Demografiefest – Sozialpartnerschaftlicher Betrieb" organised by the State of Lower Saxony was renewed for CEWE's Oldenburg location. The award honours the company which took exemplary measures in different fields to prepare for demographic change.

In 2019, the magazine BRIGITTE named the best employers for women. CEWE locations in Oldenburg, Mönchengladbach, Munich and Freiburg were voted into the best 120.

THE HIGH VALUE OF DIVERSITY WITHIN THE COMPANY

GRI 405, 103; GRI 406, 103

Equal opportunity for all – that is the corporate philosophy at CEWE: neither gender, skin colour, nationality, age, sexual identity, religion or other personal factors play a role here. To set a clear sign, CEWE signed the Diversity Charter in 2017 in which the company commits to implementing diversity.

company.cewe.de/cewe-unterzeichnet-die-charta-der-vielfalt.html



No cases of discrimination were brought to the attention of the ombudsman or the works council last year. **Disclosure 406-1**

CEWE advocates an international and colourful workforce. At its German operations alone, the roots of around 13% of the workforce originate from over 50 different countries (incl. Venezuela, South Africa, Mexico, Sri Lanka, Turkey and Vietnam). Inclusion forms an integral element of the corporate culture at all locations. The rate of people employed who are differently abled is 5.16%. The site in Germering has been ensuring exemplary conditions for years and earned an award for its good inclusion projects in 2017. In the year under review, the Oldenburg site employed a deaf woman in production as a media technologist following her internship. The complete team at the location are involved in ensuring the process of integration into the daily working routine. Together, ways must be established to guarantee safety at the machines and espouse communication amongst all colleagues.

The share of female employees in Germany totalled around 45 % in 2019; internationally, this share totals around 56 %. One declared goal is to gradually increase the share of women in managerial positions. The Board of Management has defined clear targets here. For the first management level of executives, a rise to 20 % has been established; currently, this percentage reaches 11 %. The second management level (department heads, commercial managers, etc.) already records 30 % of women in these positions; CEWE raised the target to 35 %. The target has not yet been achieved for the Board of Management and the goal is to fill one in seven positions by a woman (reaching a share of 14.3 %). The Supervisory Board, composed of twelve members, includes seven women – three female representatives of the shareholders and four female representatives of the employees. CEWE has thus clearly fulfilled the legal requirement of a 30 % share. More than half of the Supervisory Board members are women. **GRI 405, 103; Disclosure 405-1**

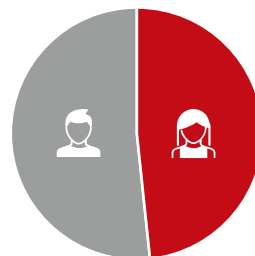
Even the Future Flash, an innovative lecture format, discussed the future of women in leadership positions at CEWE.

The share of female employees totals

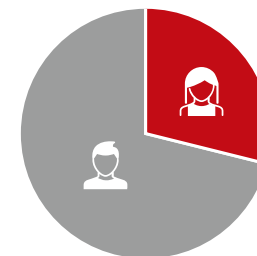


48.6 %

Employees by gender as % and in numbers



**All employees
(incl. senior executives¹)**
● female **2,139** 48.6 %
● male **2,263** 51.4 %



Other executives¹
● female **121** 28.9 %
● male **298** 71.1 %

¹ CEWE refers to executives as employees at the following levels: Board of Management, managing director, area manager, department head and team leader.

Disclosure 405-1

BALANCING CAREER AND FAMILY AS A KEY FOCUS

Reconciling one's career with the family requires different sets of measures for very different situations. Childcare services during parents' working hours are an important issue. Back in 2014, CEWE opened its own large daycare facility, cewelino, which celebrated its fifth anniversary in the year under review.

This company childcare service offers CEWE employees ten places for children under the age of three on the Oldenburg site, from Monday through to Friday. Since its inauguration, 32 children have attended cewelino. Because of the unwavering demand, CEWE aims to expand the offer for daycare places to children under the age of three in the medium term. To alleviate employees during school holidays CEWE has been offering two weeks of holiday activities for children and youths up to the age of 14 during the summer holidays to children of employees working in Oldenburg since 2012. In 2019, 55 girls and boys took up this offer.

In Oldenburg, CEWE cooperates with awo lifebalance which is specialised in different aspects of balancing a professional career with family life. It advises employees on matters of how to accommodate children or how to look after dependents in need of care, for example. The company covers the costs of these consultations.



cewelino celebrates its fifth anniversary.

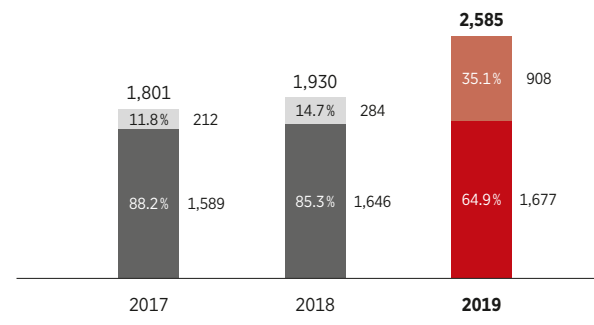
Different measures are planned which have been specified in the “audit berufundfamilie”, the career and family audit programme as target arrangements and therefore will be reviewed in the future. One example in this regard is the intention to systematically support employees in caring for their dependents and to work out a process which allows them to work part-time when living with an at-home care situation. All locations are to appoint contact persons that advise on the balancing of career and family. Also, it is planned to include the topic of family-conscious management into the development programmes for executives.

EMPLOYEE PENSION SCHEMES

GRI 103 Demographic Change

CEWE supports employees at its Germany-based locations with collectively agreed allowances towards a private pension. The international locations have their own pensions schemes. In 2014, the parties to the collective agreement of the photo-processing industry in Germany signed the Demography and Working Life collective agreement. CEWE uses this approach to demographic change to cope with the challenges of our ageing society. The available choices include a personal long-term account, an old-age part-time working scheme, collectively agreed old-age pensions, additional free time granted to senior workers and additional vocational disability insurance. CEWE pays 300 euros into a demography fund for each employee who has been in service with the company as a full-time employee for more than six months on March 31 of any one year. Between 2014 and 2015, CEWE agreed to use the demography contributions towards the collectively agreed old-age pensions. Since 2016 – including the year under review – a general works agreement for additional free time granted to senior workers has been in place. As from the age of 60, employees may reduce their working hours. The company finances half of this reduction.

Recipients of allowances Europe-wide as % and in numbers¹



■ German operations ■ International operations

¹ The collection of data in the 2017 reporting year included for some international operations partially the mandatory statutory old-age pension (insurance). In 2018, the figures were corrected retrospectively for 2017. This now refers to employees who voluntarily opt for the company's pension scheme.

Disclosure 201-3



As from the age
of 60, CEWE
participates financially in the
reduction of working hours.



CEWE Trainee of the North,
Fabian Schlich, and Sarina Gerke

TRAINING AND EDUCATION: INVESTING IN THE FUTURE

GRI 404, 103

Qualification beyond demand

CEWE is one of the major employers and training facilities in the German photography industry. The cooperation with universities, stipends, tailored events and the gradual expansion of the employer brand have helped to establish CEWE as a popular and in-demand employer which has been building up its contacts with qualified junior recruits from an early stage onward. In 2019, 159 young people trained in 18 different professions at German locations – six of them for the new profession of an E-commerce Specialist. The qualification rate in relation to German CEWE operations totalled 5.34% (previous year: 5.5%). On principle, CEWE trains in excess of its need to allow as many young people as possible to start their professional careers. Once training has been completed and if both sides voice their interest in continuing the collaboration, CEWE will take on trainees.

CEWE's practice of training in Oldenburg gears towards offering a good environment to the learner – as the trainees are called – in which they can evolve as employees and as personalities. Before taking up their training in Oldenburg, all learners become acquainted with each other during a three-day trip to Cuxhaven, followed by a meet and greet event the day after for all learners and training supervisors. After that, they receive training and induction. The company's own training department is highly appreciated by the learners as they can approach "their" HR department with anything that is of immediate concern to them. The training officers at CEWE are to see themselves as learning companions.

They receive CPD on, for example, how to deal with the younger generation as well as on the different types of personalities and learning preferences. Qualified tutors train the learners in aspects such as resilience and body awareness as well as crafts. In October 2019, Fabian Slisch, Media Technologist at CEWE, received the special Trainee of the North award for his social commitment & diversity from AGA Unternehmensverband, a merger of 3,500 mid-sized enterprises in Germany's north.

Developing junior executives early

GRI 401, 103

CEWE's tried and tested Junior Managing Programme (JMP) has also been carried out since 2017. Over 50 % of CEWE's senior executives have completed the JMP. Over a period of nine months a modular training programme conveys the values, strengths and challenges of CEWE. Moreover, the junior managers were trained in a total of four modules on innovative methods, management and leadership skills through input phases and intense training blocks. 14 participants graduated from the first international JMP year in 2018. At the end, participants were to present innovative and promising ideas to the members of the Board of Management. The specification was to develop a product, social or process innovation. The ideas on topics like Brand Visibility at the POS, The Power of Our Products and Photo Stories were then reviewed by the respective specialist departments, while some were even directly implemented afterwards. In Q3 2019, the new JMP programme kicked off with a total of 14 participants.

The commitment shared with universities currently includes funding for five stipends under the Deutschlandstipendium, including one at Stuttgart Media University, one at the Carl von Ossietzky University of Oldenburg and a further three at Jade University of Applied Sciences in Wilhelmshaven. The University in Oldenburg, because of its proximity to the company's headquarters and the evolved relationships, is strategically relevant.



Preventive healthcare such as exercising during a break, is written in capital letters at CEWE.

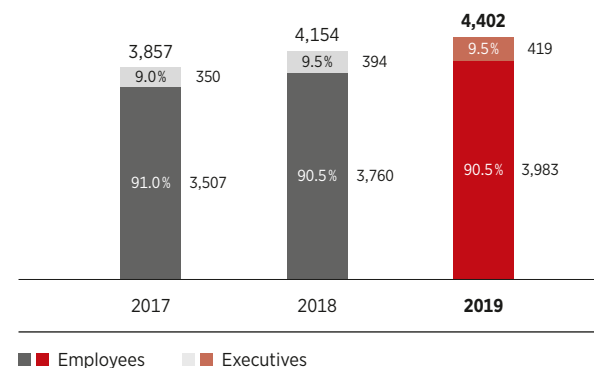
Employees by age as % and in numbers



Disclosure 405-1

¹ CEWE refers to executives as employees at the following levels: Board of Management, managing director, area manager, department head and team leader.

Employees and executives¹ as % and in numbers





In 2018, the graduates completed the international Junior Management Programme year.

 Over **50 %**
of CEWE's executives have completed the
Junior Management Programme

Lifelong learning for all employees

GRI 404, 103; Disclosure 404-2

With its CEWE FORUM educational programme, the CPD CEWE Wissen and personalised coaching offers as well as seminars and training, the company gives its employees the opportunity to specifically develop their qualifications and employability, thereby securing its innovative power. In the context of professional development interviews, the need for continued professional development and further training of skilled personnel and senior executives is identified and the respective seminars are chosen. The CEWE FORUM offers cross-locational training for managers and skilled workers of the CEWE Group. The seminars cover three generic topics:

Leadership skills, methodological skills and personal and social competence. Seminars and training on Design Thinking and rhetoric are available, for example. Feedback from employees' annual appraisals involves them in the topics chosen by the CEWE FORUM. The coaching format provides new programmes for personalised support which specifically cater to the respective strengths of the individual employees. The willingness and openness on behalf of the workforce towards these new development formats is generally on the rise. The Oldenburg headquarters also offer in-house training on, e.g. MS Office. External CPD within IT is selectively funded or taken over by CEWE.



CEWE funds 5 stipends

under the Deutschlandstipendium stipend programme

Even outside of working hours, CEWE offers free CPD opportunities under its CEWE Wissen project with in-house coaches. Next to language, photography and computer courses, the programmes are constantly expanded by new topics such as preventive healthcare. Various courses of study that run alongside the regular employment such as innovation management, information law and marketing are supported both financially and by releasing employees from work. The average hours of training and continued professional development per year and employee are currently not recorded group-wide. In future, we are working on a method to record this through representative monitoring. **Disclosure 404-1**

For transition assistance programmes, CEWE offers its employees in collaboration with the works council, the HR department and the individual superior a dialogue on early retirement. For example, if an employee wishes to work beyond the statutory retirement age, retraining and refresher training are made possible if necessary, to ensure the continued option to work. **Disclosure 404-2**

HIGH PRIORITY OF HEALTH AND SAFETY FOR EMPLOYEES

GRI 103 Occupational Health and Safety, GRI 403, 103

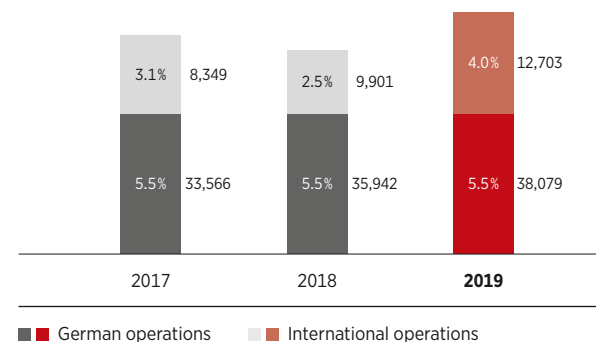
Reducing accidents and sickness figures

Occupational safety is a key concern – especially in production. In line with legal requirements, all production sites have one specialist for occupational safety, multiple safety officers, one company doctor and 10% first responders. In 2019, German plants saw 70 employees representing employees in working and monitoring programmes on occupational health and safety. **Disclosure 403-1**

The total number of accidents at work reached 125 (previous year: 104). The number of notifiable work accidents (3+ days of absence) at German plants reached 49 in 2019, which constitutes an increase to the previous year (36). The number of notifiable commuting accidents rose slightly from 17 in 2018, to 22 in 2019. The international plants recorded six notifiable accidents, of which one was a commuting accident. After each accident, the cause is examined in order to prevent a repeat situation. During the reporting year 2019, none of the accidents resulted in death, neither at home nor abroad. The accident rates per 1 million hours of work performed as well as additional breakdown parameters, e.g. by gender, are currently not accounted for. **Disclosure 403-2**

Naturally, CEWE complies with the legal requirements that regard occupational health and safety. Employees are regularly cautioned about the potential risks inherent in the machinery. Next to driver safety trainings and counselling on burn-out prevention, there is a contingency plan for pandemics. Even in future, CEWE will work towards maintaining the same level of safety at all plants in order to further reduce the number of accidents for the years to come. **Disclosure 102-11**

Sickness figures¹ as % and in days



1. German and international operations; the quantification is based on the per capita count of employees on the reporting date, as at December 31, 2019.

Disclosure 403-2

The number of employees off sick is impacted by different factors in the individual regions, such as the flu outbreak at the start of the reporting year. In addition, figures may be impacted by at times a relatively high average age of the employees and changes to the working structures – especially in the commercial sector.



Anton Byvshev (Head of Product Marketing) – one of our participants in the Everstener Brunnen race

Comprehensive and effective healthcare

GRI 103 Occupational Health and Safety, GRI 403, 103

Healthy employees are more motivated, more effective and more reliable, thereby contributing in the long run to a positive business performance. For this reason, too, CEWE emphasises workplaces that support a healthy lifestyle and assists employees through various healthcare measures.

From a company sports programme, to first response training, the flu vaccine or the prevention of drug dependence – CEWE employees benefit group-wide from a diverse range of services promoting good health. Moreover, executives are prepared for everyday work with seminars on healthy work styles and healthy leadership techniques. By cooperating with gyms in combination with company sports programmes, incentives are created to maintain a healthy lifestyle and prevent illness. There are also different company marathons in which CEWE employees participate, including the Brunnenlauf race and the Spardalauf marathon in Oldenburg. CEWE also funds the City Cycling campaign.

Health checks including ergonomics consultations, skin screening, audio tests, cardio stress tests, vein and foot pressure measuring and different back training classes were held at the plants. Recurring monitor workstation analyses take into consideration the ergonomically correct design of a workplace. Many employees at the locations here and abroad have once again participated in preventive health screenings.

In 2016, TÜV Rheinland reviewed the quality and effectiveness of the company's Health Management Programme in an independent audit (submodule Health Management Programme under the Excellent Employer audit), which was acknowledged by a follow-up audit in 2018. The audit is valid for the locations in Oldenburg, Mönchengladbach, Munich and Freiburg. It calls for an integrated strategy and controlling of measures. The existing healthcare structures and the measures made available to the company's employees were audited. Particular emphasis was placed on a highly systematic approach to the concept for the company's Health Management Programme and its implementation. The effectiveness of the process is monitored and documented by means of surveys.

»CEWE emphasises workplaces that support a healthy lifestyle and assist employees with various measures.«

Julia Wulf, Health Manager

CEWE established its health day as part of the company's Health Management Programme, which is held every year at the company's headquarters in Oldenburg. This gives employees a framework within which they can obtain extensive information about health aspects that touch on their professional and personal everyday life. In-company and outside experts offered plenty of first-hand information and professional advice on special topics in 2019, too. Additionally, Oldenburg routinely offers opportunities for practicing a healthy workday: for instance, employees may improve their posture and stamina on the health day with business yoga, and stay fit by participating in other offers such as exercising during their break or joining a running group. Since 2017, CEWE has been giving employees the possibility to lease bicycles at the Oldenburg location, for a sporty and environmentally friendly commute, and to benefit from attractive tax breaks. Many employees make use of this. Since employee safety is also a further vital topic, all those participating in the bicycle leasing programme are given a free bicycle helmet decked out in CEWE red which guarantees high visibility when en route.



276
leasing contracts for bicycles





SOCIAL COMMITMENT FORMS A PART OF CEWE'S CORPORATE CULTURE. WITH DONATIONS, SPONSORING AND FUNDING ACTIVITIES IN LOCAL COMMUNITIES AS WELL AS INTERNATIONALLY, CEWE HELPS TO SHAPE A LIVEABLE SOCIETY. FUNDING PRIORITIES ARE THE PEOPLE, THE ENVIRONMENT, AND PHOTO CULTURE.


SOCIAL COMMITMENT AS A PART OF CEWE'S CORPORATE CULTURE

GRI 103 Social Commitment; GRI 413, 103

CEWE is firmly established within its local communities and cultivates an extensive dialogue with the relevant stakeholders. In the year under review, no negative impacts on local communities were recorded. **Disclosure 413-2** The responsibility for the people in the local communities beyond this is an established practice because social commitment forms a part of CEWE's corporate culture. With donations, sponsoring and funding activities, CEWE shapes a liveable society. All measures are reviewed with the help of defined key points and always meet the going legal and fiscal specifications. The key points include, for example, complementing the brand and excluding political issues.

Funding priorities are the people, the environment, and photo culture. A material part of this commitment is decided and implemented directly by the operations at the company's locations. This ensures that the funds accommodate the needs of local communities. The goal is for a long-term, dependable commitment. CEWE occasionally also spontaneously funds smaller projects and organisations in order to contribute towards the positive development of the individual communities. Flagship projects are adopted at the Board of Management level and are centrally steered. Wherever possible, commitments are given preference towards which CEWE can contribute its experience and skills, and/or which enable education and support for junior recruits. With an amount that totalled slightly more than one million euros, just like the year before, CEWE once again supported numerous projects in 2019.

Even internationally, CEWE is actively involved. For the fourth time now, CEWE has cooperated in Slovakia with the Nadácia detského kardiocentra foundation. The cardio centre is a

specialised agency which treats child patients who were born with heart deficiencies. In April 2019, the amount of 9,178 euros was handed to the cardio centre. Before that, 50 cents from the sale of each CEWE CALENDAR sold in November and December 2018 were donated to the foundation. In Hungary, CEWE supported the "Beautiful with Down Syndrome" campaign.  **to the video** A Budapest photographer had the idea to take beautiful photos of people with Down Syndrome. She kicked off the campaign which more than 200 photographers followed. CEWE donated the pictures that went on display afterwards.

COMMITTED TO THE PEOPLE

People as a primary focus merges the areas of Education, Culture and Social Topics as well as Sports. Wherever help is needed within the company's communities, a piece of sustainable improvement for people and nature is to be achieved. The spectrum covers everything from practical activities such as the annual Oldenburg cleans up campaign, to a cross-Länder and cross-plant partnership with SOS Children's Villages.




In 2019 more than
1 million euros
were used to fund
social commitments



Education – operating in networks

The educational commitment wishes to support the education of junior recruits and promote CEWE's rapport with society. The network of education and research establishments that

has been built over decades has produced many a cooperation with schools, technical colleges and universities. A regular exchange, shared projects and teaching appointments of many seasoned executives result in valuable knowledge sharing between practice and theory. The active mentoring of internships and training as well as collaboration with working students supports and encourages junior managers and secures contacts with tomorrow's skilled experts. The Landesberufsschule Photo + Medienforum Kiel is a vocational facility specialising in the training and continued professional development of young talent working in photography. Each year, the best graduates are awarded the Heinz Neumüller Prize.

Business simulations are a company tradition: for the 21st time already, CEWE hosted the Management Information Game (MIG). 20 participating pupils from secondary level II of Liebfrauensschule Oldenburg assumed the role of Chairmen of the Board of Management of mid-sized enterprises for a whole week and competed in three groups for the best marketing strategy. The junior managers received practice-oriented insight from CEWE managers working in Marketing, Research and Development as well as Strategic Purchasing.

In 2018, CEWE kicked off a collaboration with other Oldenburg business representatives in support of an endowed chair for a five-year period, to boost digital research in the region.  **see page 29**

In the context of its business activities, CEWE is involved in various other educational initiatives, projects and in university collaborations. **See the chapter "Economic viability",  page 29** and **"Responsibility for employees",  page 51**



For the fourth time now, CEWE has cooperated in Slovakia with the Nadácia detského kardiocentra foundation, an agency specialised in child patients born with heart deficiencies.



CEWE supports several SOS Children's Villages.

Culture and social affairs – helping diverse initiatives

In Oldenburg and its surroundings, CEWE supports different projects with funds or print products. This includes, for instance, the Kultursommer event, Oldenburg's state theatre, the Weser-Ems-Halle venue and the Park Gardens. For the tenth time, CEWE was one of the sponsors in 2019 supporting the Children and Youth Book Fair in Oldenburg, a unique book event staged in Germany. CEWE also gave away vouchers for multiple smaller initiatives.

Moreover, the company supports volunteering commitments on behalf of its employees: every other year, they are given the opportunity to vie for a financial contribution towards the project for which they volunteer. Last time, 30 Oldenburg employees each received 500 euros in support of their commitment. 2020 will see the project include further locations.

A special example of CEWE's long-term commitment is its partnership with SOS Children's Villages. Since 2013, SOS Children's Villages worldwide have received donations in excess of 1.75 million euros from CEWE. By choosing locations in proximity to its plants it is possible to maintain a close contact. Oldenburg, for instance, funds the SOS Children's Village in Worpswede and beyond this, one in Kumasi, Ghana. Many other CEWE plants in Europe have chosen similar commitments on location which allows employees to become personally involved in projects. Further SOS Children's Villages in Hungary, Czech Republic, Poland, Austria, France, Norway and Belgium receive dependable funding. Additionally, holiday trips are organised for 40 kids each year – and at the end the children are given a PHOTOBOOK full of memories from the trip. **Disclosure 413-1**

Sports – nurturing the joy of exercise

Many sports associations and events benefit from CEWE's support. This applies to the many popular ball sports like basketball, handball, volleyball and football, but also to running events, equestrian tournaments and ice hockey. The production locations tend to support local clubs with long-term sponsorships. For instance, the partnership with Oldenburg's EWE Baskets is going into its tenth season. Since 2015, CEWE has been the sponsor lending its name to the primary school league CEWE Baskids which gives kids the opportunity to play in an organised basketball league. And even the women's handball Bundesliga team, VFL Oldenburg has been a firm partner for years. Next to financial support, CEWE helps out with its know-how as an innovative online printing pal.

COMMITTED TO THE ENVIRONMENT

CEWE aims to protect the environment in a very practical way. The locations in Oldenburg and Eschbach work closely with the local nature conservation group, NABU. In 2013, this cooperation went cross-regional with the Federal NABU association. **Disclosure 102-13** This includes next to the shared photography competition and sponsorships of nature conservation projects the animal-friendly design of the company's premises in Oldenburg. Nesting boxes for songbirds and bats have been put up, as well as domes for hedgehogs, castles for bumble bees and an insect hotel. Since June 2019, CEWE is also home to two honeybee colonies. Oldenburg's beekeeper association will oversee the bees in their first year. In the medium run, employees at CEWE are to take over the care of the bees and harvest the honey. Two spots have already been reserved for this at the beekeeper's club. Training for the employees will begin in February 2020.



The winning entry of the CEWE Photo Award in the category Food: "bread boat" by Cihan Karac

In the spring, CEWE employees helped with the annual Oldenburg cleans up campaign which collects refuse all around the business premises in Oldenburg. On the Day of German Unity, CEWE participated in a large planting campaign in Oldenburg – #einheitsbuddeln – initiated by the Schleswig-Holstein state chancellery. The company gave each employee at the location who joined the campaign a seedling of either a horn beam or common maple. 100 employees registered to partake in the campaign so that 100 seedlings were given out. Most employees planted their tree at home. Those who had no space to do so had permission to plant it at CEWE in Kreyenbrück. The campaign is to be repeated in 2020 and will most likely expand to include additional locations.

[Watch the video #einheitsbuddeln](#)

CULTIVATING A PHOTO CULTURE

The very passion and emotionality which customers bring to their photography and to their design of photo products motivates CEWE to preserve and support photography as a form of cultural expression. The sponsored formats include international photo festivals, concerts, photography exhibitions and a range of different projects from art schools. The theme of the 2019 CEWE Photo Award, the world's largest photography competition, was "Our world is beautiful". [see page 11](#)

Next to this, various other photography competitions are initiated and supported. CEWE is firmly committed to equally encouraging young and up-and-coming photographers through suitable projects and to providing talented individuals with the opportunity to curate their own exhibitions.

Selected projects to promote photo culture

Project	Highlights throughout the year under review	Further information
CEWE Photo Award "Our world is beautiful"	Almost 450 thousand entries from around the world compete for prizes in ten different categories	www.cewephotoaward.com
Photo summit in Oberstdorf	Exhibitions, presentations, photographer talk	www.fotogipfel-oberstdorf.de
Wonderworld festival	Live coverage, photography competitions, presentations, classes and large fairs	www.wunderwelten-festival.com
Environmental photography festival >>horizonte zingst<<	Workshops, presentations, e.g. smartphone photography, book shows	www.horizonte-zingst.de
Nature photo days in Fürstenfeld	"A trip along the equator", with presentations, workshops, seminars, a showcase of highlights	www.glanzlichter.com
Düsseldorf Photo Weekend	"All Eyes on Me – Photos from the world of theatre and rock'n'roll", an exhibition	



To see who won the CEWE Photo Award 2019 "Our world is beautiful", click here: contest.cewe.de/cewephotoaward/en_gb/winners

FURTHER INFORMATION

REPORTING

Goals

This report aims to create transparency for stakeholders on how CEWE comprehensively and proactively directs sustainability. The different primary focuses include approaches, goals and measures as well as progress, to create a balance between economic, ecological and social aspects. CEWE gives an account on how, as a company, it contributes towards managing and mastering challenges in our society.

Approach

This is the tenth sustainability report by CEWE. The report is published each year. **Disclosure 102-52**
The last report for the financial year 2018 was published on March 30, 2019. **Disclosure 102-51** This 2019 report has been prepared in accordance with the GRI Standards: core option. **Disclosure 102-54**
The sustainability report was audited by a third party. **Disclosure 102-56**

The report was released together with the specialist departments under the aegis of the Sustainability coordination group and signed off by CEWE's Board of Management. March 18, 2020 was the copy deadline.

For the third time, a non-financial declaration has been prepared and incorporated in this report, see pages 68–69, which was audited by an outside party.

The content in this report is supplemented by the Annual Report of the CEWE Group.

Information base

The financial year 2019, between January 1 and December 31, constitutes the date range during which data were collected. **Disclosure 102-50**

The information provided in the report, unless otherwise specified, comprises the parent company and all affiliated companies, meaning all entities in which CEWE Stiftung & Co. KGaA holds a majority share, at the time of completion of this sustainability report. Headcount figures include futas; all other figures exclude futas because it is up for sale. **Disclosure 102-45**

The supply chain (“**Sustainable procurement strategy**”, **pages 32–33**) views direct suppliers for production materials. If a supplier sources critical materials, its supplier is also examined and assessed. The approach requires the supply chain to be included at other points and identified accordingly, such as for climate protection-related Scope 3 emissions. Even when it comes to climate neutral printing and an FSC® certification, the upstream and downstream supply chain has been incorporated.

Financial data are shown in euros.

Changes compared to prior reporting

No significant changes to the organisation and its supply chain compared to the previous year occurred during the year under review. **Disclosure 102-10**

The materiality matrix was aligned following the evaluations for the materiality analysis **see pages 16–17** as was the respective transitioning towards GRI Standards **see pages 61–62**. Restatements of information are identified in the report, such as Overview of stakeholders **see page 15**. **Disclosures 102-48, 102-49**

Ms Fenna Willers and Mr Christian Stamerjohanns are your points of contact if there are questions pertaining to the report. **Disclosure 102-53**

Please note: for the purpose of simplifying the report's readability, any term specifying an individual refers to both male and female persons.

TRANSITIONING THE MATERIALITY MATRIX TO GRI STANDARDS

GRI 103; Disclosures 102-44, 102-46, 102-47, 102-48, 102-49

Transitioning refers to the current materiality matrix [see page 17](#) and the following GRI Content Index [see pages 63–66](#).

All material topics are relevant for the stakeholders within and outside of the organisation. [see page 15](#) They refer to all CEWE production facilities, offices and the complete delivery area. The topics of Environmental Management Approach, Materials and Waste, Occupational Health and Safety and Good Employer are particularly relevant for the 14 production sites.

Material topic according to the materiality matrix	Why is this a material topic?	Related GRI aspects	GRI Standard ¹
Fair Working Practices	CEWE has an established tradition of conducting its business affairs in compliance with national and international legislation as well as generally acknowledged ethical principles. The corporate culture is strongly defined by the values of fairness. CEWE's Mission Statement highlights that it will further expand its position through performance, honesty and proper business transacting. Customer centricity and the good name of the business group form a vital foundation for this. Within the company, and when dealing with business partners, the bar is set high to guarantee compliance. This equally applies to asserting crucial principles within the supply chain.	Ethics and integrity Anti-corruption Non-discrimination Child labour Forced or compulsory labour Local communities Socioeconomic compliance Environmental compliance	102-16 205-2, 205-3 406-1 408-1 409-1 413-2 419-1 307-1
Data Protection	Data protection is becoming increasingly relevant in a digitalised world. Because of the nature of its business, CEWE comes into contact with a great deal of data. Due to the high sensitivity of this topic, CEWE attaches great importance to the accurate and safe treatment of customer and business partner data so as to counter any attempted data abuse. For this very reason it published the Customer Charter.	Customer privacy	418-1
Sustainable Supply Chain	The supply chain is of central relevance for stakeholders and has major economic impacts for CEWE, too. It is important that suppliers comply with social and ecological standards. Suppliers and their suppliers are to guarantee the protection of human rights within the supply chain. CEWE strictly opposes any form of child labour or compulsory work as well as discrimination. Regional procurement is also relevant from a financial and environmental perspective. It impacts both product safety and transportation-related emissions.	Procurement practices Supplier environmental assessment Supplier social assessment Child labour Forced or compulsory labour	204-1 308-1 414-1 408-1 409-1
Sustainable Products	The safety and high quality of CEWE products are CEWE's priority. They protect customers, secure the company's good name and contribute towards the success of the brand. With this in mind, CEWE takes ecological aspects very seriously and, as an innovation-driven enterprise, strives to provide products to the customer which are exemplary even in terms of sustainability. This strengthens the company's competitive lead and is becoming increasingly relevant for customers. Wherever possible, products are therefore optimised in line with ecological criteria and in future will feature more prominently in product development and innovation processes.	Customer health and safety Energy	416-2 302-5

¹ CEWE identifies the superordinate Management Approach for Sustainability (Disclosure 103) on pages 12, 13, 14 as well as pages 61–62. The management approaches on the material topics are highlighted in the text (e.g. GRI 103 Environmental Management Approach, page 35). If there are related GRI aspects, they were added to the material topic (see as an example "Fair Working Practices", page 21).

Material topic according to the materiality matrix	Why is this a material topic?	Related GRI aspects	GRI Standard ¹
Climate Protection	CO ₂ emissions and other climate-damaging gases are the recognised cause of manmade greenhouse effects. The consequences of the resulting global changes to the climate – like the loss of biodiversity and the rise in extreme weather events – are felt around the world and interfere with the living conditions of generations to come. The reduction of industrial emissions is particularly crucial in that regard. CEWE is aware of this tremendous responsibility. That is why for years now, production and logistics have been designed more and more with the environment in mind, specifically addressing a reduction of emissions to protect the climate.	Economic performance Emissions Energy	201-2 305-1, 305-2, 305-3, 305-4, 305-5 302-1, 302-2, 302-3, 302-4
Materials and Waste	The resource-friendly use of materials is a crucial environmental aspect. The life-cycle assessment which CEWE conducted in 2017 for its best-selling products considers this even the most relevant factor. Additionally, the materials used considerably impact the product quality. The main raw material is paper. The use of paper as a renewable resource shapes the continuity of forests and our climate. CEWE's waste balance rates volumes of waste by types of material. The largest amount of waste is produced by far from printing paper and packaging. Therefore, recycling plays a significant role from an economic, but also from an environmental perspective.	Materials Effluents and waste	301-1, 301-2 306-2, 306-3
Environmental Management Approach	The ongoing enhancement of environmental conservation and the prevention of environmental pollution are the declared goal which have been enshrined in the environmental policy. At the locations, environmental management approaches prove to be efficient tools. They facilitate the improvement and auditability from the outside.	Environmental compliance Water	307-1 303-1
Occupational Health and Safety	Healthy, motivated employees are pivotal for the company's success. Protecting the health and safety of its workforce is a given for CEWE. Therefore, the creation of safe workplaces and an active in-house Health Management Programme are highly relevant for CEWE.	Occupational health and safety	403-1, 403-2
Good Employer	Responsible personnel policies form part of the corporate culture to shape the future together with a motivated team. It secures the attractiveness as an employer and helps to source the best talent there is. This includes aspects such as equal opportunity, family friendliness, inclusion, training and continued professional development of employees and employee engagement in the financial success via an Employee Share Programme.	Employment Diversity and equal opportunity Training and education	401-1 405-1 404-1
Demographic Change	Demographic change is relevant for CEWE in light of the unfolding availability of skilled staff, especially the shortage of skilled personnel working in STEM professions. CEWE is actively committed to its retirees even after they have gone into retirement and therefore has put a company pension scheme into action.	Training and education Economic performance Market presence	404-2 201-1, 201-3 202-2
Social Commitment	Social commitment is less important to stakeholders but is a part of CEWE's self-image in relation to social responsibility and corporate culture. Social commitment therefore holds great significance for CEWE. The company recognises its responsibility as an important player at the locations where it runs operations – for example as an employer, training provider and neighbour in the local communities. For decades, CEWE has showed commitment towards its local surroundings as well as for selected social initiatives anywhere in the world.	Local communities	413-1, 413-2

¹ CEWE identifies the superordinate Management Approach for Sustainability (Disclosure 103) on pages 12, 13, 14 as well as pages 61–62. The management approaches on the material topics are highlighted in the text (e.g. GRI 103 Environmental Management Approach, page 35). If there are related GRI aspects, they were added to the material topic (see as an example "Fair Working Practices", page 21).

GRI CONTENT INDEX

The 2019 report has been prepared in accordance with the GRI Standards: core option. The details correspond with the German translation of the GRI Standards of July 18, 2018, which are available for download at: <https://www.globalreporting.org/standards/gri-standards-translations/gri-standards-german-translations-download-center/>

The disclosures refer to the consolidated entity specified in the reporting; discrepancies and omissions are pointed out in the text or here in the GRI Content Index.

BDO AG Wirtschaftsprüfungsgesellschaft conducted an external audit **Disclosure 102-56**: The audited disclosures are shown in the table, the comment on the sustainability report is printed on **pages 66-67**.

GRI Standard	Description	Pages	BDO
UNIVERSAL STANDARDS			
GRI 101	Basic information 2016		
GRI 102	General introduction 2016		
1. Organisational profile			
Disclosure 102-1	Name of the organisation	12, 60	✓
Disclosure 102-2	Activities, brands, products and services	4, 25	✓
Disclosure 102-3	Location of headquarters	5, Legal information	✓
Disclosure 102-4	Location of operations	4, 5	✓
Disclosure 102-5	Ownership and legal form	12	✓
Disclosure 102-6	Markets served	4, 5, 25	✓
Disclosure 102-7	Scale of the organisation	4, 25, 39	✓
Disclosure 102-8	Information on employees and other workers	4, 45	✓
Disclosure 102-9	Supply chain	32, 33	✓
Disclosure 102-10	Significant changes to the organisation and its supply chain	60	✓
Disclosure 102-11	Precautionary principle or approach	18, 19, 22, 30, 31, 32, 35, 53	✓
Disclosure 102-12	External initiatives	18, 19, 37	✓
Disclosure 102-13	Membership of association	18, 19, 22, 58	✓

GRI Standard	Description	Pages	BDO
2. Strategy			
Disclosure 102-14	Statement from senior decision-maker	2, 3	✓
3. Ethics and integrity			
Disclosure 102-16	Values, principles, standards, and norms of behaviour	21, 22, 23, 32	✓
4. Governance			
Disclosure 102-18	Governance structure	12, 13, 22	✓
5. Stakeholder engagement			
Disclosure 102-40	List of stakeholder groups	15	✓
Disclosure 102-41	Collective bargaining agreements	45	✓
Disclosure 102-42	Identifying and selecting stakeholders	14, 15	✓
Disclosure 102-43	Approach to stakeholder engagement	14, 15, 16	✓
Disclosure 102-44	Key topics and concerns raised	14, 15, 17, 61, 62	✓
6. Reporting practice			
Disclosure 102-45	Entities included in the consolidated financial statements	60	✓
Disclosure 102-46	Defining report content and topic boundaries	16, 17, 61, 62	✓
Disclosure 102-47	List of material topics	17, 61, 62	✓
Disclosure 102-48	Restatements of information	14, 15, 16, 17, 40, 60, 61, 62	✓

CEWE identifies the superordinate Management Approach for Sustainability (Disclosure 103) on pages 12, 13, 14 as well as pages 61-62.

The management approaches on the material topics are highlighted in the text (e.g. GRI 103 Environmental Management Approach page 35).

If there are related GRI aspects, they were added to the material topic (see as an example "Fair Working Practices", page 21).

GRI Standard	Description	Pages	BDO
Disclosure 102-49	Changes in reporting	16, 60, 61, 62	✓
Disclosure 102-50	Reporting period	60	✓
Disclosure 102-51	Date of most recent report	60	✓
Disclosure 102-52	Reporting cycle	60	✓
Disclosure 102-53	Contact point for questions regarding the report	60, Legal information	✓
Disclosure 102-54	Claims of reporting in accordance with the GRI Standards	14, 60	✓
Disclosure 102-55	GRI Content Index	14, 63, 64, 65, 66	✓
Disclosure 102-56	External assurance	14, 60	✓

TOPIC-SPECIFIC STANDARDS – ECONOMY

GRI 201	Economic performance 2016		
GRI 103	Management Approach 2016 (incl. Disclosure 103-1, Disclosure 103-2, Disclosure 103-3)	25, 28	✓
Disclosure 201-1	Direct economic value generated and distributed ¹	25	✓
Disclosure 201-2	Financial implications and other risks and opportunities due to climate change	36, 39	✓
Disclosure 201-3	Defined benefit plan obligations and other retirement plans ²	49	✓
GRI 202	Market Presence 2016		
GRI 103	Management Approach 2016 (incl. Disclosure 103-1, Disclosure 103-2, Disclosure 103-3)	25, 28	✓
Disclosure 202-2	Proportion of senior management hired from the local community	– ³	✓
GRI 204	Procurement Practices 2016		
GRI 103	Management Approach 2016 (incl. Disclosure 103-1, Disclosure 103-2, Disclosure 103-3)	22, 32, 33	✓
Disclosure 204-1	Proportion of spending on local suppliers ⁴	32	✓

GRI 205	Anti-corruption 2016		
GRI 103	Management Approach 2016 (incl. Disclosure 103-1, Disclosure 103-2, Disclosure 103-3)	21	✓
Disclosure 205-2	Communication and training about anti-corruption policies and procedures	21	✓
Disclosure 205-3	Confirmed incidents of corruption and actions taken	21	✓

TOPIC-SPECIFIC STANDARDS – ECOLOGY

GRI 301	Materials 2016		
GRI 103	Management Approach 2016 (incl. Disclosure 103-1, Disclosure 103-2, Disclosure 103-3)	39, 40	✓
Disclosure 301-1	Materials used by weight or volume	39, 40	✓
Disclosure 301-2	Recycled input materials used	39, 40	✓
GRI 302	Energy 2016		
GRI 103	Management Approach 2016 (incl. Disclosure 103-1, Disclosure 103-2, Disclosure 103-3)	35, 36, 37, 38	✓
Disclosure 302-1	Energy consumption within the organisation	37	✓
Disclosure 302-2	Energy consumption outside of the organisation	37	✓
Disclosure 302-3	Energy intensity	37	✓
Disclosure 302-4	Reduction of energy consumption	37, 38	✓
Disclosure 302-5	Reductions in energy requirements of products and services	35, 37, 38	✓
GRI 303	Water 2016		
GRI 103	Management Approach 2016 (incl. Disclosure 103-1, Disclosure 103-2, Disclosure 103-3)	43	✓
Disclosure 303-1	Water withdrawal by source	43	✓

¹ Disclosures regarding the distribution of economic value are specified in the Annual Report 2019. [See P&L, page 98](#)

² Detailed pension scheme information is specified in the Annual Report 2019. [See Consolidated Accounts, Notes D. Notes to the Balance Sheet, page 126 et seqq.](#)

³ This figure is currently not recorded.

⁴ The proportion of spending on local suppliers is not identified.

GRI Standard	Description	Pages	BDO
GRI 305	Emissions 2016		
GRI 103	Management Approach 2016 (incl. Disclosure 103-1, Disclosure 103-2, Disclosure 103-3)	36, 37, 38, 39	✓
Disclosure 305-1	Direct (Scope 1) GHG emissions	36, 37	✓
Disclosure 305-2	Energy indirect (Scope 2) GHG emissions	36, 37	✓
Disclosure 305-3	Other indirect (Scope 3) GHG emissions	37, 43	✓
Disclosure 305-4	GHG emissions intensity	37	✓
Disclosure 305-5	Reduction of GHG emissions	36, 37, 38, 39	✓
GRI 306	Effluents and Waste 2016		
GRI 103	Management Approach 2016 (incl. Disclosure 103-1, Disclosure 103-2, Disclosure 103-3)	39, 40, 43	✓
Disclosure 306-2	Waste by type and disposal method	40, 43	✓
Disclosure 306-3	Significant spills	40, 43	✓
GRI 307	Environmental Compliance 2016		
GRI 103	Management Approach 2016 (incl. Disclosure 103-1, Disclosure 103-2, Disclosure 103-3)	35	✓
Disclosure 307-1	Non-compliance with environmental laws and regulations	35	✓
GRI 308	Supplier Environmental Assessment 2016		
GRI 103	Management Approach 2016 (incl. Disclosure 103-1, Disclosure 103-2, Disclosure 103-3)	33	✓
Disclosure 308-1	New suppliers that were screened using environmental criteria	33	✓
TOPIC-SPECIFIC STANDARDS – SOCIAL TOPICS			
GRI 401	Employment 2016		
GRI 103	Management Approach 2016 (incl. Disclosure 103-1, Disclosure 103-2, Disclosure 103-3)	45, 51	✓
Disclosure 401-1	New employee hires and employee turnover	45, 46	✓

GRI Standard	Description	Pages	BDO
GRI 403	Occupational Health and Safety 2016		
GRI 103	Management Approach 2016 (incl. Disclosure 103-1, Disclosure 103-2, Disclosure 103-3)	53, 54	✓
Disclosure 403-1	Employee representation in formal joint management-worker health and safety committees	53	✓
Disclosure 403-2	Type and rate of injury, professional illness, lost days of work, absenteeism and number of work-related deaths	53	✓
GRI 404	Training and Education 2016		
GRI 103	Management Approach 2016 (incl. Disclosure 103-1, Disclosure 103-2, Disclosure 103-3)	50, 51, 52	✓
Disclosure 404-1	Average hours of training per year per employee	53	✓
Disclosure 404-2	Programmes for upgrading employee skills and transition assistance programmes	52, 53	✓
GRI 405	Diversity and Equal Opportunity 2016		
GRI 103	Management Approach 2016 (incl. Disclosure 103-1, Disclosure 103-2, Disclosure 103-3)	22, 45, 47, 48	✓
Disclosure 405-1	Diversity of governance bodies and employees	22, 45, 46, 48, 51	✓
GRI 406	Non-Discrimination 2016		
GRI 103	Management Approach 2016 (incl. Disclosure 103-1, Disclosure 103-2, Disclosure 103-3)	47	✓
Disclosure 406-1	Incidents of discrimination and corrective actions taken	47	✓
GRI 408	Child Labour 2016		
GRI 103	Management Approach 2016 (incl. Disclosure 103-1, Disclosure 103-2, Disclosure 103-3)	33	✓
Disclosure 408-1	Operations and suppliers at significant risk for incidents of child labour	33	✓

GRI Standard	Description	Pages	BDO
GRI 409	Forced or Compulsory Labour 2016		
GRI 103	Management Approach 2016 (incl. Disclosure 103-1, Disclosure 103-2, Disclosure 103-3)	33	✓
Disclosure 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	33	✓
GRI 413	Local Communities 2016		
GRI 103	Management Approach 2016 (incl. Disclosure 103-1, Disclosure 103-2, Disclosure 103-3)	32, 33, 57	✓
Disclosure 413-1	Plants which include local communities, impact assessments and sponsorship programmes	33, 58	✓
Disclosure 413-2	Operations with significant actual and potential negative impacts on local communities	33, 57	✓
GRI 414	Supplier Social Assessment 2016		
GRI 103	Management Approach 2016 (incl. Disclosure 103-1, Disclosure 103-2, Disclosure 103-3)	33	✓
Disclosure 414-1	New suppliers that were screened using social criteria	33	✓
GRI 416	Customer Health and Safety 2016		
GRI 103	Management Approach 2016 (incl. Disclosure 103-1, Disclosure 103-2, Disclosure 103-3)	27	✓
Disclosure 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	27	✓
GRI 418	Customer Privacy 2016		
GRI 103	Management Approach 2016 (incl. Disclosure 103-1, Disclosure 103-2, Disclosure 103-3)	23	✓
Disclosure 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	23	✓
GRI 419	Socioeconomic Compliance 2016		
GRI 103	Management Approach 2016 (incl. Disclosure 103-1, Disclosure 103-2, Disclosure 103-3)	33	✓
Disclosure 419-1	Non-compliance with laws and regulations in the social and economic area	22, 23	✓

INDEPENDENT AUDITOR'S REPORT ON THE SUSTAINABILITY REPORT

Disclosure 102-56

INDEPENDENT PRACTITIONER'S REPORT ON A LIMITED ASSURANCE ENGAGEMENT ON SUSTAINABILITY INFORMATION¹

To the Supervisory Board of CEWE Stiftung & Co. KGaA, Oldenburg

We have performed a limited assurance engagement on the sustainability information marked with „✓“ in the sustainability report of CEWE Stiftung & Co. KGaA, Oldenburg, for the reporting period from January 1, 2019 to December 31, 2019. Our assurance engagement refers solely to the sustainability information marked with „✓“.

Management's Responsibility

The legal representatives of the Company are responsible for the preparation of the sustainability report in accordance with the principles stated in the Sustainability Reporting Standards of the Global Reporting Initiative (hereafter: „GRI-Criteria“) in the “Core” option and for the selection of the sustainability information to be assessed.

This responsibility includes the selection and application of appropriate methods of sustainability reporting as well as making assumptions and estimates related to individual disclosures, which are reasonable in the circumstances. Furthermore, the legal representatives are responsible for such internal controls that they have considered necessary to enable the preparation of the sustainability report that is free from material misstatements, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a limited assurance conclusion on the sustainability information marked with „✓“ in the sustainability report based on the assurance engagement we have performed.

We are independent from the entity in accordance with the provisions under German commercial law and professional requirements, and we have fulfilled our other professional responsibilities in accordance with these requirements.

¹ We have performed a limited assurance engagement on the German version of the sustainability report and issued an Independent Practitioner's Report in German language, which is authoritative. The following text is a translation of the original German Independent Practitioner's Report.

Our audit firm applies the national statutory regulations and professional pronouncements, in particular the Professional Code for German Public Auditors and German Chartered Accountants („Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer – BS WP/vBP“) as well as the Standard on Quality Control issued by the Institute of Public Auditors in Germany, Incorporated Association, („Institut der Wirtschaftsprüfer in Deutschland e.V.“; „IDW“) Requirements for quality control in audit firms („IDW Qualitätssicherungsstandard: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis“; „IDW QS 1“).

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. This Standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether the sustainability information marked with „✓“ in the sustainability report of the Company for the reporting period from January 1, 2019 to December 31, 2019 has been prepared, in all material respects, in accordance with the relevant GRI-Criteria. We do not, however, issue a separate conclusion for each marked disclosure. In a limited assurance engagement, the assurance procedures are less in extent than for a reasonable assurance engagement and therefore a substantially lower level of assurance is obtained. The assurance procedures selected depend on the practitioner's professional judgement.

Within the scope of our assurance engagement, which substantially has been conducted in February and March 2020, we performed amongst others the following assurance and other procedures:


- » Obtaining an understanding of the structure of the sustainability organization and of the stakeholder engagement
- » Inquiries of legal representatives and personnel involved in the preparation of the sustainability report regarding the preparation process, the systems of internal controls relating to this process and regarding selected disclosures in the sustainability report
- » Identification of likely risks of material misstatements in the sustainability report
- » Analytical evaluations of selected quantitative disclosures
- » Evaluation of selected internal and external documents
- » Evaluation of the presentation of selected disclosures

Assurance Conclusion

Based on our assurance procedures performed and assurance evidence obtained, nothing has come to our attention that causes us to believe that the sustainability information marked with „✓“ in the sustainability report of CEWE Stiftung & Co. KGaA, Oldenburg, for the period from January 1, 2019 to December 31, 2019, has not been prepared, in all material respects, in accordance with the GRI-Criteria.

Intended Use of the Assurance Report

We issue this report on the basis of the engagement agreed with the Supervisory Board of the Company. The assurance engagement has been performed for purposes of the Supervisory Board of CEWE Stiftung & Co. KGaA, Oldenburg, and the report is solely intended to inform this as to the results of the assurance engagement and must not be used for purposes other than those intended. The report is not intended to provide third parties with support in making (financial) decisions.

Our responsibility lies solely towards the Supervisory Board of CEWE Stiftung & Co. KGaA, Oldenburg, and this is limited in accordance with the Special Terms and Conditions of BDO AG Wirtschaftsprüfungsgesellschaft as of January 1, 2018 and the General Engagement Terms issued by the IDW as of January 1, 2017  www.bdo.de as agreed with the Supervisory Board. We refer to the provisions contained there. We do not assume any responsibility or liability towards third parties.

Hamburg, March 18, 2020

BDO AG Wirtschaftsprüfungsgesellschaft

Ellen Simon-Heckroth	Nils Borcharding
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

CONSOLIDATED NON-FINANCIAL DECLARATION

With this non-financial declaration, CEWE Stiftung & Co. KGaA business group (hereinafter CEWE) complies with the duty to disclose non-financial information for the financial year 2019 in accordance with Secs. 315b and 315c of the German Commercial Code (HGB) in conjunction with Secs. 289c to 289e HGB. The non-financial declaration is consolidated with the non-financial declaration of the parent company in accordance with Sec. 289b HGB. It is incorporated into the Sustainability Report and refers to the GRI Standards (Sec. 289d HGB) as its framework. The Supervisory Board assessed the non-financial declaration for its legality, reliability and appropriateness.

Business model

CEWE is active in three strategic business segments: photofinishing, commercial online printing and retail. The locations and distribution offices are spread to 26 countries across Europe. Buyers and recipients include retail stores, consumers and trade professionals. The mandatory information regarding the business model is detailed in the Annual Report [page 28](#) and in this Sustainability Report in the chapter “Economic viability”, [page 25](#) and as from [page 28](#).

Relevance of sustainability

Sustainability has been enshrined with the Board of Management since 2008 and is being governed by Thomas Mehls since 2016 who oversees Sustainability, Marketing and New Business on the Board of Management. CEWE greatly values sustainable governance across all sectors. Sustainability management forms an integral part of corporate governance. The strategy is rooted in five dimensions: honest and fair conduct, economic viability, environmental and resource conservation, responsibility for employees, social commitment. For a detailed description, see the chapter “Sustainability management at CEWE” on [pages 12-19](#) of this Sustainability Report.

Process to establish material non-financial topics according to the CSR Directive Implementation Act (CSR-RUG)

When assessing aspects that concern the non-financial report, CEWE was guided by the material topics of sustainability in accordance with the 2019 version of the materiality analysis. See Sustainability Report [pages 16-17](#) and [pages 61-62](#). The aspects were reviewed once again in preparation of this report with regard to the materiality requirements under the CSR Directive Implementation Act (CSR-RUG). For example, Data Protection (assigned to Human Rights in the

previous year) has now been allocated to Social Topics which offer a broader scope. The adjustments made to the materiality analysis were incorporated in accordance with aspects under the CSR-RUG. Comments from the auditing process of the previous reporting year were consulted. The sustainability officers held talks with risk management and the Sustainability coordination group. The non-financial declaration was reviewed and released by the Board of Management.

The table on the following page shows the allocation of the material topics from the materiality analysis to the non-financial aspects.

Risk assessment

[Page 31](#) of the Sustainability Report identifies the risks from a non-financial perspective.

The sustainability officers have conducted a risk assessment with the risk officer taking into consideration CEWE's sustainable management approach. Once every three months, CEWE analyses the risks inherent in its business. In line with Secs. 289c (3), nos. 3 and 4 and 315c (2) of the German Commercial Code, no material risks were identified, neither in relation to its own business activities or its business relationships nor for products and services in terms of non-financial aspects under review, which most probably have or would have serious negative impacts on these aspects.

Declaration on the diversity concept in relation to corporate governance and the Supervisory Board

Diversity is important to CEWE, which is why it signed the Diversity Charter in 2017. The mandatory information on diversity within corporate governance and the Supervisory Board, especially the goals, the concept and outcome of the diversity concept, are described in this Sustainability Report on [page 48](#). A breakdown of the diversity within corporate governance and the Supervisory Board in relation to women is described in the Annual Report on [pages 90-93](#) as well as in this Sustainability Report on [pages 22 and 48](#).

Aspects under CSR-RUG	Material topics under the materiality matrix	Concept incl. objectives, measures, due diligence and outcome	Additional information in the Sustainability Report	Most relevant non-financial performance indicators ¹
Environmental topics	Climate Protection	Climate action and controls regarding implementation CO ₂ credits project	36–39	Scope 1 and Scope 2 CO ₂ e emissions Disclosures 305-1, 305-2 Scope 3 CO ₂ e emissions Disclosure 305-3
	Materials and Waste	Environmental protection as an integral part of production processes and selection of materials FSC® certification	39–41	Total input materials used Disclosure 301-1 Proportion of recycled materials Disclosure 301-2
	Environmental Management Approach	Environmental policy Environmental Management Systems (ISO 14001) Energy Management Systems (ISO 50001)	19, 35–39	Number of locations with Environmental Management System certificate (ISO 14001) Non-compliance with environmental laws and regulations Disclosure 307-1
Employee topics	Occupational Health and Safety	Occupational safety concept Approaches to healthcare	53–55	Number of accidents Disclosure 403-2 Sickness figures as % and in days Disclosure 102-8
	Good Employer	HR strategy Employee interviews	45–49	Total number of employees by employment contract Disclosure 102-8 Share of satisfied employees
	Demographic Change	External auditing (in connection with the Demography Festival)	46, 49	Total number and rate of employee turnover Disclosure 401-1
Social topics	Data Protection ²	CEWE Customer Charter Digital Advisory Board	23, 6 f.	Cases of data theft and data losses Disclosure 418-1
	Social Commitment	Commitment programme with primary focus on people, the environment, photo culture	57–59	Financial resources allocated to commitment
Respecting human rights	Sustainable Supply Chain	BME Code of Conduct Terms and conditions of purchase for suppliers Supplier due diligence (interviews, visits) UN Global Compact ³	13, 22, 32–33	Non-compliance with laws and regulations in the social and economic area Disclosure 419-1 New suppliers that were screened using social criteria Disclosure 414-1
Anti-corruption and bribery	Fair Working Practices	Principles of conduct Mission Statement External ombudsman UN Global Compact ³	21–22	Confirmed incidents of corruption and actions taken Disclosure 205-3 Communication and training about anti-corruption policies and procedures Disclosure 205-2
Product-related topics	Sustainable Products	Ecological and social aspects of the procurement strategy and process for product development and launch Certifications, e.g. FSC® Climate action measures, e.g. climate neutral printing	18, 25, 27, 33, 37, 38	Incidents of non-compliance concerning the health and safety impacts of products and services Disclosure 416-2 Reduction of energy consumption per material used Disclosure 302-5

¹ Where non-financial performance indicators have a GRI indicator equivalent, they have been added here. The most relevant indicators were allocated here which CEWE records for the respective topic. This voluntary reporting goes beyond the requirements of governance-relevant indicators.

² Data Protection (which includes Data Security)

³ CEWE joined UN Global Compact in September 2010, the world's largest initiative in the fight against corruption, slavery and child labour, which also advocates human working conditions. In the annual Communication on Progress, CEWE reports on its progress in implementing the ten principles and corporate-wide activities to promote sustainable development.

INDEPENDENT AUDITOR'S REPORT ON THE NON-FINANCIAL REPORTING STATEMENT

INDEPENDENT PRACTITIONER'S REPORT ON A LIMITED ASSURANCE ENGAGEMENT ON NON-FINANCIAL REPORTING STATEMENT¹

To the Supervisory Board of CEWE Stiftung & Co. KGaA, Oldenburg

We have performed a limited assurance engagement on the non-financial group statement of CEWE Stiftung & Co. KGaA, Oldenburg, according to § 315b HGB („Handelsgesetzbuch“; „German Commercial Code“), which is combined with the non-financial statement of the parent company according to § 289b HGB, including the parts qualified by references, included in the Sustainability Report 2019 for the reporting period from January 1, 2019 to December 31, 2019.

Management's Responsibility

The legal representatives of the Company are responsible for the preparation of the combined non-financial statement in accordance with §§ 315c in conjunction with 289c to 289e HGB.

This responsibility includes the selection and application of appropriate methods to prepare the combined non-financial statement as well as making assumptions and estimates related to individual disclosures, which are reasonable in the circumstances. Furthermore, the legal representatives are responsible for such internal controls that they have considered necessary to enable the preparation of the combined non-financial statement that is free from material misstatements, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a limited assurance conclusion on the combined non-financial statement based on the assurance engagement we have performed.

We are independent from the entity in accordance with the provisions under German commercial law and professional requirements, and we have fulfilled our other professional responsibilities in accordance with these requirements.

Our audit firm applies the national statutory regulations and professional pronouncements, in particular the Professional Code for German Public Auditors and German Chartered Accountants („Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer – BS WP/vBP“) as well as the Standard on Quality Control issued by the Institute of Public Auditors in Germany, Incorporated Association, („Institut der Wirtschaftsprüfer in Deutschland e.V.“; „IDW“) Requirements for quality control in audit firms („IDW Qualitätssicherungsstandard: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis“; „IDW QS 1“).

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. This Standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether the combined non-financial statement of the Company has been prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB. In a limited assurance engagement, the assurance procedures are less in extent than for a reasonable assurance engagement and therefore a substantially lower level of assurance is obtained. The assurance procedures selected depend on the practitioner's professional judgement.

¹ We have performed a limited assurance engagement on the German version of the combined non-financial statement and issued an Independent Practitioner's Report in German language, which is authoritative. The following text is a translation of the original German Independent Practitioner's Report.

Within the scope of our assurance engagement, which substantially has been conducted in February and March 2020, we performed amongst others the following assurance and other procedures:


- » Obtaining an understanding of the structure of the sustainability organization and of the stakeholder engagement
- » Inquiries of legal representatives and personnel involved in the preparation of the combined non-financial statement regarding the preparation process, the systems of internal controls relating to this process and regarding selected disclosures in the combined non-financial statement
- » Identification of likely risks of material misstatements in the combined non-financial statement
- » Analytical evaluations of selected quantitative disclosures
- » Evaluation of selected internal and external documents
- » Evaluation of the presentation of selected disclosures

Assurance Conclusion

Based on our assurance procedures performed and assurance evidence obtained, nothing has come to our attention that causes us to believe that the combined non-financial statement of CEWE Stiftung & Co. KGaA, Oldenburg, for the period from January 1, 2019 to December 31, 2019, has not been prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB.

Intended Use of the Assurance Report

We issue this report on the basis of the engagement agreed with the Supervisory Board of the Company. The assurance engagement has been performed for purposes of the Supervisory Board of CEWE Stiftung & Co. KGaA, Oldenburg, and the report is solely intended to inform this as to the results of the assurance engagement and must not be used for purposes other than those intended. The report is not intended to provide third parties with support in making (financial) decisions.

Our responsibility lies solely towards the Supervisory Board of CEWE Stiftung & Co. KGaA, Oldenburg, and this is limited in accordance with the Special Terms and Conditions of BDO AG Wirtschaftsprüfungsgesellschaft as of January 1, 2018 and the General Engagement Terms issued by the IDW as of January 1, 2017  www.bdo.de as agreed with the Supervisory Board. We refer to the provisions contained there. We do not assume any responsibility or liability towards third parties.

Hamburg, March 18, 2020

BDO AG Wirtschaftsprüfungsgesellschaft

Ellen Simon-Heckroth

Wirtschaftsprüfer

(German Public Auditor)

Nils Borcharding

Wirtschaftsprüfer

(German Public Auditor)

LEGAL INFORMATION

This Sustainability Report is also available in German.
We will be pleased to send you a copy upon request.

Publisher

Thomas Mehls
Director Marketing and New Business Units
Tel.: + 49 (0) 441 / 4044738

Christian Stamerjohanns
Head of Corporate Communications
Tel.: + 49 (0) 441 / 4043850

nachhaltigkeit@cewe.de

CEWE Stiftung & Co. KGaA
Meerweg 30 – 32
D – 26133 Oldenburg
Tel.: + 49 (0) 441 / 404 – 0
Fax: + 49 (0) 441 / 404 – 421

 company.cewe.de/en
info@cewe.de

Overall concept and design

HGB Hamburger Geschäftsberichte GmbH & Co. KG

Translation

media lingua translations GmbH

Printing

viaprinto, CEWE's online printshop

Independent auditor

BDO AG
Wirtschaftsprüfungsgesellschaft
Fuhrentwiete 12
D – 20355 Hamburg

Photos

Cover photo: Boris Jufer; Jan Ulicki;
Teresa Comes; Jurica Galić
CEWE Stiftung & Co. KGaA: U2; 3; 6–9; 10; 13–15; 20;
24; 26–34; 36; 39; 41; 43–44; 46–47; 49–52; 54–56; 58
Cover: Boris Jufer; Jan Ulicki; Dejan Mijovic; Anders
Andersson
p. 10/11 top centre:
Csaba Daróczy Bunny jumping
p. 10/11 bottom centre:
Janusz Nadolski Everyday life
p. 11: Thorsten Becker Jump
p. 42: SAXOPRINT
p. 59: Cihan Karaca

This Sustainability Report is printed on recycled paper that has been awarded the Blue Angel environmental label. Its printing is also climate neutral. The amount of CO₂ emissions (791 kg CO₂) generated by the production was offset with investments into a forest protection programme in the Kasigau Wildlife Corridor in Kenya. In 2017, four CEWE employees from the environmental unit travelled to Kenya to scrutinise the project's content on location and check CO₂ compensation ratings. The project is part of the ClimatePartner portfolio. It meets international standards and is routinely certified by independent agencies.



Printed on paper with Blue Angel certification.



my
cewe photobook

cewe-photoworld.com