



*Sustainability
at CEWE COLOR*

Progress Report 2010





PROGRESS REPORT 2010

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DEAR READER,

At CEWE COLOR, our focus is on sustainability. We published our first sustainability report last September and today – eight months later – the progress report is already available. Why this commitment? Because it is a key theme to which we are passionately dedicated, and because the first report generated strengths and ambition. We want to be even better, to think one step ahead, to initiate more and to present our progress more tangibly. When it comes to sustainability, we know that changes in company processes become clear and measurable if a member of the Board of Management is specifically responsible for and ensures commitment to this issue. At our company, Board member Andreas F. L. Heydemann, together with experts from the Sustainability Coordination Group, has taken on responsibility for this task.

Young “experts” – namely some of our employees’ children – also have their say in this sustainability report. As sustainability is particularly concerned with future generations, we have also spoken with them. We were thrilled with the logic they used to get to the heart of abstract notions. For example, 15-year-old Tilman gave the following answer to the question of what he understood by the term sustainability: “Sustainability means that something will still exist later on.”

This is exactly what we are working on at CEWE COLOR – we carefully weigh up what is happening today with what resources and for whose benefit, and calculate the effects this will have on tomorrow. We have a huge responsibility to our environment, our employees, our customers, our suppliers and our shareholders. How can integrity, honesty and responsibility guide the daily operations of a business-focused company? How can profitability and sustainability

work hand in hand? And we haven’t just started asking ourselves these questions today. We are celebrating 50 years in business this year – proof that CEWE COLOR “still exists later on”.

From an economic perspective, sustainability also always means investing in the future viability of the company. In the nineties, we had to acknowledge that new technologies were encroaching on our original business and squeezing it out of the market. Digital cameras initially captured the markets slowly, and then in leaps and bounds. We were one of the first to see the great potential of digital photography and to develop a large number of innovations for digital photo processing. The CEWE PHOTOBOOK followed in 2005, the benefits of which are described by 15-year-old Sebastian on page 21. Today, you can even order photos directly from your mobile phone, and we are currently developing mobile innovations such as the CEWE PHONE ALBUM app to enhance this service.

2010 was a very successful business year. Growth of 9 per cent generated a record turnover of EUR 447 million. Throughout Europe, our customers bought 2.5 billion photos, 4.3 million CEWE PHOTOBOOKS and numerous photo gift items. As already reported, CEWE COLOR doubled its after-tax earnings from EUR 6.7 million to EUR 13.7 million and earnings per share from EUR 1.00 to EUR 2.02.

This sustainable economic success also means that we can give something back to society. In the section “Community Responsibility” starting on page 50, you can read about our commitment in the social, cultural and sporting realms.

In 2010, 90 young people were receiving professional training with us. The number of employees participating in our employee share ownership plan is growing. Employee satisfaction is important to us. Our employees know that each individual makes a great contribution to the company's success.

I hope that the contributions from our employees' children will make it clear how sustainability-related issues are being well received at our company. Maxi, Corina, Pia, Tilman, Felix, Sebastian, Niklas and Maximilian: I would like to take this opportunity to thank you again for your excellent collaboration.

Oldenburg, May 2011

Rolf Hollander

PS: If you have questions regarding this report or would like to send praise or criticism, please e-mail us at: nachhaltigkeit@cewecolor.de



Dr Rolf Hollander, Chairman of the Board of CEWE COLOR Holding AG and of the Neumüller CEWE COLOR Foundation.



Maxi, 15, daughter of a CEWE COLOR employee working at Reception.

I've just completed my working experience
at CEWE in Oldenburg. Of course, I was familiar
with the CEWE PHOTOBOOKS,
but I didn't know the **PEOPLE**
who produce them,
and I also didn't know how nice they are to one another.
That surprised me – and I liked it.

SUSTAINABILITY AT CEWE COLOR

Employees' children in conversation with Board member Andreas F. L. Heydemann

For the purpose of this sustainability report, Mr Andreas F. L. Heydemann, Commercial Director of CEWE COLOR Holding AG, met with Pia, Sebastian, Niklas and Tilman (all children of employees) in Oldenburg for a discussion.

① Moin is a greeting used in parts of Northern Germany. It means "hello" and can be used at any time of day or night.

Mr Heydemann: Moin, Moin! First of all, thanks very much for collaborating with such interest in our new sustainability report this year. Today, we want to talk about the topic of sustainability, and you can ask me questions if you like. First though, I'd like to ask you if you are familiar with the word "sustainability" and what you actually think it means.

Tilman: Sustainability means that something will still exist later on.

Niklas: If a company is sustainable, then it protects the environment.

Mr Heydemann: Tilman's answer gets to the heart of the matter. Something that will still exist later on. The principle of sustainability means that, in all your actions, you are already keeping an eye on the effects on the future. It has a lot to do with responsibility. For example, our responsibility to you is to use resources sparingly. Resources are things such as water, wood and energy. CEWE COLOR needs all of these to manufacture photo products, and we use them particularly carefully.

Pia: Do you also use environmentally friendly paper here?

Mr Heydemann: Yes, we use FSC® paper. This means that forestry companies which manage their forests in an exemplary way can use

the FSC® logo on their paper. An organisation that operates globally, the Forest Stewardship Council, which is where the name FSC® comes from, inspects companies that do not fell more trees than they replant. The companies receive a certificate for this. Furthermore, the forestry companies undertake to provide decent working conditions and to pay their employees appropriately.

Do you actually know how much paper each person in the world consumes on average in a year? 56 kilograms.

Sebastian: But I don't consume photos or photo books at all. I keep them.

Mr Heydemann: Yes, that's right. But if, for example, you order a CEWE PHOTOBOOK, then we send it to you in a strong cardboard envelope so that it arrives safely. You probably then put this envelope into the paper recycling bin so that it is recycled. The 56 kilograms refers to all of the paper, including the paper that you keep at home.

Niklas: Does CEWE COLOR also do something for climate protection?

Mr Heydemann: We ship everything that our customers order from us via goods vehicles and delivery vans. Since April 2010, CEWE COLOR has therefore been using Deutsche Post DHL's carbon-neutral shipping service (GoGreen) for home deliveries in Germany. We cannot do without transportation, but DHL, and we, are paying for climate protection projects to be supported which offset carbon dioxide emissions that occur during transportation. That means

climate protection projects worldwide receive EUR 0.85 for every 1,000 letters and EUR 0.02 for each package sent.

Tilman: Can CEWE not do more?

Mr Heydemann: Yes, we are doing more. For example, no orders are delivered to retail stores on Saturdays. The fewer vehicles on the road, the better it is for the environment. In the future, we also do not want to collect from or deliver to over 1,000 customers several times a day, and we are also looking into carbon-neutral shipping in other countries, like we have in Germany.

Pia: Who is looking after all these issues at CEWE?

Mr Heydemann: I'm actually responsible, but a team does the work. We have set up a Sustainability Coordination Group and, together with experts from individual departments, we are drawing up specifications here in Oldenburg, which will then need to be complied with at all plants. You probably know that CEWE COLOR works in a total of 24 European countries.

Sebastian: What happens here in Oldenburg to protect the environment?

Mr Heydemann: We have set up a new internal project that we've called C3RP. With this project, we are focusing on how we can better save energy. For example, we are optimising the lighting in the corridors and reducing the energy consumption of computers and servers by using better air conditioning. We are planning an energy-



Andreas F. L. Heydemann, Commercial Director of CEWE COLOR Holding AG, in conversation with Tilman, Niklas, Sebastian and Pia.

saving day where as many employees as possible will cycle to work instead of driving. Furthermore, with the support of our energy provider EWE, we have already purchased four natural gas vehicles here in Oldenburg. We want to further reduce the CO₂ emissions of our passenger cars.

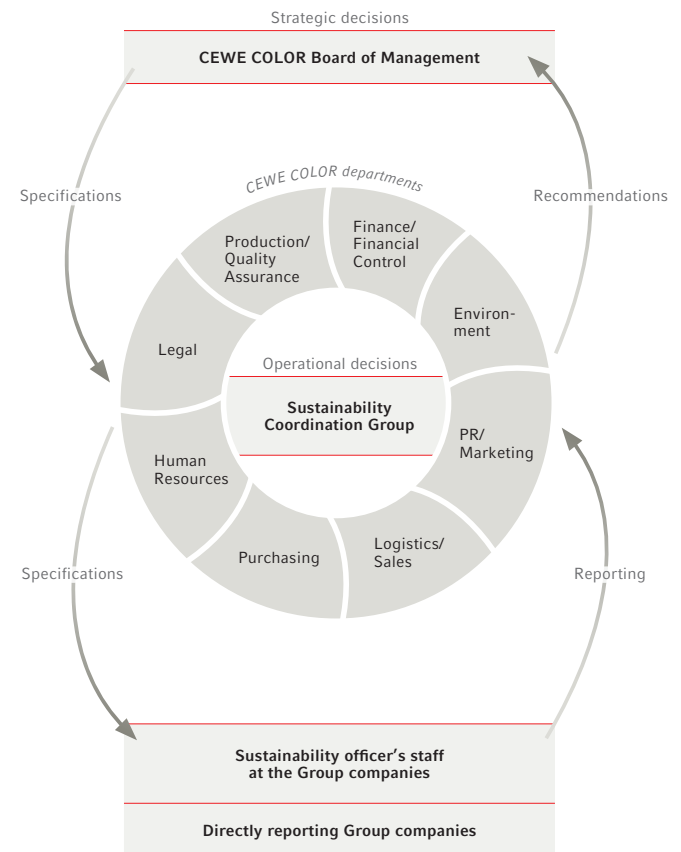
Thank you for your questions!

MANAGING SUSTAINABLY

Sustainability objectives need to be defined, implemented and examined. To this end, CEWE COLOR has established a comprehensive sustainability management programme in recent years. The Sustainability department has been represented at Board level since 2008. The Board member responsible for the programme is Andreas F. L. Heydemann. He is head of the Sustainability Coordination Group, which, together with experts from various departments, is drawing up objectives and working on their implementation at all sites.

Many sustainability-related issues are already firmly established in the company and are implemented systematically in internal structures and processes. At CEWE COLOR, sustainability is therefore a living cycle, which on the one hand seeks to meet the objectives and on the other hand is continually growing as new issues and current developments come into play.

Sustainability management at the CEWE COLOR Group



REPORTING SYSTEM

Objective of the report

This report aims to transparently present the objectives that CEWE COLOR is pursuing in order to overcome economic, environmental, social and community challenges, and the measures it is using to do so.

Procedure

This is the progress report of the first sustainability report, which was published in September 2010. The report was prepared in conjunction with the Sustainability Coordination Group and was approved by the Board.

Publication

The report is published on our company homepage at www.cewecolor.de.

Fundamentals

As a first step, data collection is based on the current sustainability guidelines developed by the Global Reporting Initiative (GRI). CEWE COLOR complies with the GRI G3 guidelines in this regard. These focus on qualitative and quantitative information on the performance indicators for sustainability: ethical, economic, environmental, social and community.

Data

The data was collected over the course of the 2010 business year, which extended from 1 January to 31 December. The information in the report concerns all affiliated companies, i.e. all companies in which CEWE COLOR Holding AG held a majority shareholding at the time the sustainability report was prepared. The financial data is presented in euro.

Editorial notes

This sustainability progress report is published in German and English. The deadline for the receipt of copy was 1 May 2011.

Publication details

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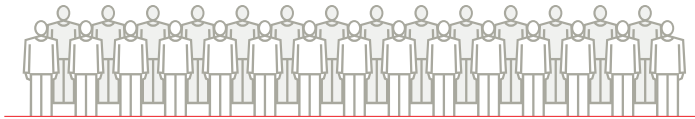
 www.globalreporting.org

 www.viaprinto.de

ORGANISATIONAL STRUCTURE

The CEWE COLOR Group is structured as follows:

Shareholders



CEWE COLOR Holding AG

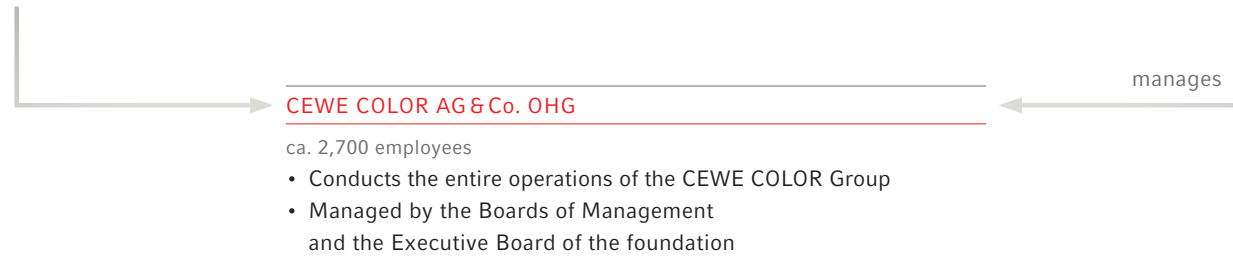
4 Members on the Board of Management, no other employees

- Shareholder of OHG
- Supervisory Board of AG
- Board of Management of AG

Neumüller CEWE COLOR Stiftung

9 Members on the Board of Management/Executive Board, no other employees

- Managing shareholder of OHG
- Board of Trustees at the foundation
- Board of Management of the foundation/Executive Board



Legal structure combines capital market and family

The founder Senator h.c. Heinz Neumüller wanted to make certain, on the one hand, that his entrepreneurial principles were permanently incorporated in the company and, on the other hand, that the existence of the company was sustainably guaranteed. This purpose is served by the Neumüller CEWE COLOR Stiftung (foundation) and the large shareholding of the community of heirs of Senator h.c. Heinz Neumüller

(largest shareholder with 27.4 per cent). It guarantees the continued operation of the Group in the sense of the legacy of Senator h.c. Heinz Neumüller, thus supporting the character of a family business. It stands for a long-term alignment of the corporate policy. For this reason, the community of heirs has the function of managing shareholder to the company.

CEWE COLOR SITES AND OFFICES 2010

- Production sites
- Delivery area
- Sales offices



With twelve high-tech production sites and almost 2,700 employees, CEWE COLOR is present in 24 European countries as a technology and market leader. The company was founded by Senator h.c. Heinz Neumüller in Oldenburg, Germany, in 1961 and floated on the stock exchange by Hubert Rothärmel in 1993. CEWE COLOR Holding AG is listed on the SDAX (stock market index for small and medium-sized companies in Germany). In 2010, approximately 2.5 billion photos,

over 4.3 million CEWE PHOTOBOOKS (+19 per cent compared to the previous year) and photo gift items were delivered to over 45,000 POS shops. Turnover in the 2010 business year amounted to EUR 446.8 million. CEWE COLOR is a first mover in the introduction of new technologies and products in the photo industry.



Corina, 6, daughter of a CEWE COLOR employee in the Human Resources department.

My mum's boss once said

that the employees at CEWE are the

MOST IMPORTANT.

I think she definitely especially means

my **MUM** – without my mum

nobody would get any

money at the end of the month.

CORPORATE RESPONSIBILITY

 www.corporate-governance-code.de

Buzz words such as Corporate Social Responsibility, Good Business and Corporate Ethics are seldom used at CEWE COLOR. What use are such trendy terms when the company has been acting responsibly for the past 50 years, not just since yesterday? At Europe's leading photofinisher, the question of what resources are used for whose benefit is weighed up carefully. What responsibility does CEWE COLOR have to the environment, its employees, customers, suppliers and shareholders? How can integrity, honesty and respon-

sibility guide the daily operations of a business-focused company? How can profitability and sustainability work hand in hand? In order to provide answers to these questions, CEWE COLOR has drawn up a mission statement and developed a code of conduct for employees. Moreover, the company is committed to the principles of good and responsible corporate management and governance, which are based on the German Government Commission's Corporate Governance Code.



50 |  **cewe**
JAHRE | I N N O V A T I O N

Mission statement

The CEWE COLOR Group is the leading photofinisher and technology leader in industrial photofinishing, and aims to maintain and expand this top position in Europe. This aim is to be achieved only through performance, honesty and the proper execution of business activities. Customer focus, product quality, maximum innovation and the good reputation of the corporate Group are at the heart of all employee activity. As a company, CEWE COLOR conducts its activities responsibly, strategically and cost-effectively, and considers it important to be able to impress customers with skilled staff and high-quality products. The most important capital for CEWE COLOR is its employees. Each employee makes a fundamental contribution to the company's success. Partnership and respect for the individual constitute the corporate culture of CEWE COLOR. The cooperative management approach is based on mutual trust, respect for each and every individual and the delegation of responsibility. The employees of the CEWE COLOR Group have a great deal of scope for action and, within the range of their responsibilities, they participate both in decision-making processes and in the economic success of the company. At CEWE COLOR, well-informed, motivated employees are a guarantee of quality, efficiency, capacity for innovation and growth.

Business partners and the competition

Relationships with CEWE COLOR's business partners are characterised by trust and fairness, and are based on honesty and reliability. CEWE COLOR is a reliable partner and expects applicable laws and regulations to be observed in all aspects of business.

At the end of 2009, CEWE COLOR adopted the code of conduct set out by the German Association for Materials Management, Purchasing and Logistics (Bundesverband Materialwirtschaft, Einkauf und Logistik e.V., BME). This code of conduct is supported by many renowned German companies in a wide variety of industries.

 www.bme.de

Community and social responsibility

The shareholders of the CEWE COLOR Group also understand ownership to be an obligation towards society. They believe the company's position in the market economy is legitimised by its contribution to society. Employees always behave responsibly both internally and externally, and are guided by ethical principles, particularly honesty, integrity, loyalty, fairness, tolerance and open-mindedness. CEWE COLOR feels a particular obligation to protect its employees and the environment, and fulfils this obligation through sustainability. In addition to the company's social responsibility, this also includes compliance with the highest ethical standards: made clear by the fact that products manufactured using child labour are strictly rejected.

Code of conduct

The company has developed a code of conduct with its employees based on how the CEWE COLOR Group sees itself. The central themes of the code of conduct were addressed at information events and in personal letters. In summary, its objective is that employees comply with the following principles:

- Integrity and ethical behaviour determine daily actions
- Business relationships are appropriate and free from unfair practices
- Employees of the CEWE COLOR Group do not accept any gifts or other additional benefits from business partners
- Business information and trade secrets are confidential
- Abuse of one's own position for personal advantage or for the advantage of third parties is not permitted

 www.corporate-governance-code.de

Corporate Governance Code

The Board of Management and the Supervisory Board of the CEWE COLOR Group are committed to the principles of good, responsible corporate management and governance (Corporate Governance). In this regard, the company complies with the German Government Commission's Corporate Governance Code. In order to do adequate justice to the significance of the issue, Andreas F. L. Heydemann, Commercial Director of CEWE COLOR AG & Co. OHG and member of the Board of Management of CEWE COLOR Holding AG, was appointed Corporate Governance Officer on 31 December 2008. He is also responsible for fostering and developing the compliance structure, and reports directly to the Board of Management and the Supervisory Board.

Declaration of compliance

CEWE COLOR published a declaration of compliance in 2011 in accordance with section 161 of the German Stock Corporation Act (Aktien-gesetz, AktG) on the German Corporate Governance Code. The company complies with the recommendations of the Code as amended on 26 May 2010, with the exception of the following deviations:

■ Setting up specialised committees

(deviation from clause 5.3.1)

The current practice, namely that the entire Supervisory Board always deals with all the issues on hand, is to be maintained. This also applies with respect to the setting up of an Audit Committee and a Nomination Committee.

■ Setting up of an Audit Committee

(deviation from clause 5.3.2)

The entire Supervisory Board functions as an Audit Committee. Due to exceptional competence in matters relating to accounting and risk management, general responsibility for these areas in the Supervisory Board lies with solicitor Mr Otto Korte and in the event of his absence with solicitor Dr Christian Jacobs.

■ Setting up of a Nomination Committee

(deviation from clause 5.3.3)

A Nomination Committee has not been set up in view of the size of the Supervisory Board. The Supervisory Board is made up exclusively of representatives of the shareholders.

■ Members of the Supervisory Board with more than three Supervisory Board mandates in companies not belonging to the Group

(deviation from clause 5.4.5)

Each member of the Supervisory Board ensures that sufficient time is available to him for performing his duties. For this reason, CEWE COLOR feels that it is not essential to limit the number of mandates to three. Statutory regulations concerning a maximum of ten mandates are observed.

■ Consolidated financial statements available within 90 days, interim reports available within 45 days of the period under review

(deviation from clause 7.1.2)

Statutory regulations and the regulations of the Frankfurt Stock Exchange – specifying that consolidated financial statements must be publicly available within four months of the end of a business year and that interim reports must be publicly available within two months of the end of the period under review – are observed.

Ombudsman/whistle-blowing

Illegal practices are incompatible with the basic values and business principles of CEWE COLOR. Within the scope of the compliance system, appropriate standards of conduct have been drawn up to prevent white-collar crime.

In this context, an external ombudsman was appointed. Employees, but also business partners and third parties, may contact this ombudsman if they want to confidentially report any indications of suspected cases of corruption, fraud, embezzlement or any other serious irregularities. Suspected cases can of course also be submitted anonymously. Since his appointment, no irregularities have been reported to the ombudsman.

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Sebastian, 15, son of a CEWE COLOR employee working at Reception.

My mother's bosses
are really **CLEVER.** They realised that

you can make something complicated easy.

In the past, it was a case of taking your photos, handing in the film and waiting. Then sticking the photos awkwardly into an album.

And today? Load your mobile phone photos onto your laptop,
download the CEWE PHOTOBOOK software, select the format and the

CEWE PHOTOBOOK assistant does the rest. **EASY!**

PRONOUNCED BUSINESS ACUMEN

From an economic perspective, sustainability means investing in the future viability of the company. CEWE COLOR takes this important task seriously and continues to expand its competitive advantage

through digital printing expertise, successful marketing, efficient industrial production and logistics, extensive distribution via the Internet and 45,000 retail partners.

Sustainable innovation

In the photo industry, digital technology has almost replaced analogue. CEWE COLOR recognised this development back in the nineties – significantly ahead of its competitors – and acted on it. First of all, as far back as 1997, the company installed an order station for digital photos in a specialist photo shop and followed this up in 1998 with the introduction of an order platform for digital photos on the Internet. With the Internet, the company opened up new sales channels and thereby strengthened its contacts with retail stores that had been built up over decades. The invention of the Digi Photo Maker terminal opened up further sales opportunities to retail partners in the stores. From that point on, many partners could read data from their customers’ memory cards and later provide the finished prints for collection in the retail store.

However, CEWE COLOR did not rest on its laurels. Driven by the strong expansion in the digital camera segment, the company developed a growing number of individualised, high-quality, added-value products. Customers’ digital images found their way onto photo calendars, photo canvases, greeting cards and photo gift items such as printed mugs, mousepads and lunchboxes.

The next innovation followed in 2005: with the introduction of the “MY CEWE PHOTOBOOK” brand, the company reached new target groups and established price stability in a growth market. Strategic brand development and consistent brand management are leading to the success of this new form of individualised photo book. In October 2010, the ten millionth copy of the most popular European photo book was presented to its owner amid celebrations.

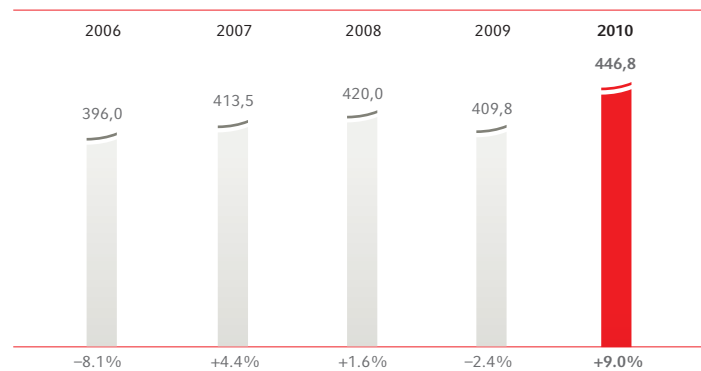
The successfully accomplished technology change attracted attention: the German business magazine *WirtschaftsWoche* and management consultants A. T. Kearney selected CEWE COLOR as the Best Innovator 2010 in the medium-sized business category for its “outstanding example of innovation in a business model”. The consulting company Deloitte awarded CEWE COLOR the prize for groundbreaking innovation 2010 in Northern Germany. CEWE PHOTOBOOK was a 2010 finalist in the “Best New Brand” category of the prestigious brand award organised by the German marketing journal *absatzwirtschaft* and the German Marketing Association.

Sales targets for 2010			
Figures in billions of units	Target	Actual	Change
Digital photos	2,0	2,1	+ 6,5%
Photos developed from film	0,35	0,37	+ 5,1%
Total photos	2,35	2,50	+ 6,2%
CEWE PHOTOBOOKS (in millions of units)	4,2	4,3	+ 3,3%

Today, CEWE COLOR is the leading photofinisher in Europe. All sales targets were exceeded in 2010. Growth of 9 per cent resulted in a record turnover of almost EUR 447 million. Throughout Europe, customers purchased 2.5 billion photos and numerous photo gift items. Compared with the previous year, sales figures for the CEWE PHOTOBOOK in 2010 were up 700,000 units (2009: 3.6 million units, 2010: 4.3 million units). As announced, CEWE COLOR more than doubled its after-tax earnings from EUR 6.7 million to EUR 13.7 million and earnings per share from EUR 1.00 to EUR 2.02. Against the background of this positive performance, the Board announced an increased dividend proposal of EUR 1.25 (2009: EUR 1.05).

+ *The management has set itself the target of expanding its successful position. It aims to increase the value of CEWE COLOR for employees, customers and shareholders. In the 2011 business year, the objective is to increase turnover to up to EUR 460 million and annual net profit to 39 per cent.*

Turnover in EUR million



Change compared to previous year

Risk management

CEWE COLOR Holding AG has set up an internal control and risk management system in compliance with legal requirements. This will enable the company to proactively identify and assess potential risks on an ongoing basis and, if necessary, counteract any potential risks by means of appropriate measures. It allows the identification of risks that could have an adverse effect on business activities as well as on net assets and the financial and earnings position.

The main areas of risk for CEWE COLOR include operational risks, financial risks, strategic risks, commercial and logistical risks, and legal risks. Risk areas relating to sustainability, such as the environment, product safety and staff, are also taken into account. Control and risk management is an integral part of the company's business and planning processes. It is incorporated into the CEWE COLOR Group's information and communications system, and is a key component of the management system. Control and risk management is based on a systematic process involving the identification, assessment and control of risk – across the entire Group.

Responsibility for control and risk management has been entrusted to the Board of Management, the heads of the regional sites in Germany and abroad, and the corporate departments. Overall responsibility for the control and risk management system lies with the Board of Management. Partial risks are allocated to those members of the Board of Management who have responsibility for that area of risk.

The risk management system examines the individual areas of risk by means of an annual, Group-wide risk inventory. The annual risk report is prepared on the basis of this risk inventory. The risk assessments are examined on a quarterly basis throughout the year. The results are then reported to the Supervisory Board.

New risks are reported to the Risk Officer, recorded in the risk management system and allocated to a relevant member of the Board of Management. For example, the risk area of product safety was incorporated into the risk management system in 2009. If required, the assessment of individual risks results in the establishment of appropriate measures and, if necessary, the setting up of relevant provisions.

Furthermore, all companies in the Group undergo a periodic “external review” in the area of finance and accounting. The other functional areas undergo “internal reviews”, with additional input from external experts in certain cases. In the context of the control and risk management system, the CEWE COLOR Group also monitors the intrinsic value of its investments in subsidiary companies. The Group’s interests are subject to periodic impairment tests.

Quality management

At CEWE COLOR, the quality management process in the area of photo production begins as soon as an order is received. Digital image data is already optimised when it is sent to the print computer. This allows the optimisation of image quality before the photos are even printed. The quality management process covers the manufacture of products at the production sites and the digital workflow through to the final check.

Industrial production and high standards of quality go hand in hand at CEWE COLOR. Standardised processes have been developed for CEWE PHOTOBOOKS to ensure a high level of quality. At CEWE COLOR, quality management from the point of view of the overall process begins with the selection of the procedures and materials to be used. All materials are examined on a regular basis, while the control loop and exchange process between the supplier’s quality control system and CEWE COLOR are enhanced continuously. The company has 50 years of solid experience in the methodologies used

for processing photographs. The photographic paper, chemicals, printing paper and colorants that the company uses are improved constantly in close collaboration with suppliers. For industrial digital printing based on electrophotographic processes, the company uses systems that combine high performance with high colour quality. For inkjet printing, CEWE COLOR uses twelve-colour systems with pigment-based inks that guarantee the widest colour scheme, better colour gradations and optimum stability.

In recent years, the processing of digital data has become increasingly important. The digital workflow is self-programmed and undergoes continuous improvement processes. The company also uses the best software available for enhancing image quality. CEWE COLOR selected this software from a wide range of products, adjusts the parameters itself and checks these on an ongoing basis.

Colouring processes are one of CEWE COLOR’s core competencies. The company has implemented procedural checks in this regard that ensure uniform colour quality. The majority of these checks were developed in-house and are in line with professional standards.

+ CEWE COLOR handles complaints quickly and in an accommodating manner. Its aim at all times is to keep the complaint rate at the low level achieved in 2010 (0.28 per cent), in spite of the increasing complexity of the products that are manufactured.

The quality process concludes with the final check. Once again, the objective here is to continuously improve product quality. This approach is also reflected in the way the company handles complaints. Tips and suggestions received for improving product quality are passed on to the relevant departments.

Product safety

Product safety is of particular importance to the company. A team of experts is responsible for the systematic management of product safety. This team is comprised of employees from the Purchasing, Production, Product Management, Legal and Quality Assurance departments. The team examines the marketability of all existing products on an ongoing basis.

+ *The goal is to distribute products without any safety defects.*

New products are therefore only launched with the appropriate certification. In addition, current legislation is always followed and is taken into account in all procedures. All consumer products such as toys, mugs and textile goods undergo special product tests. The test criteria extend beyond the scope of current legal stipulations and follow the latest recommendations of the German Federal Institute for Risk Assessment.

Supplier management

CEWE COLOR places high demands on its suppliers and works in close collaboration with them. CEWE COLOR focuses on core suppliers in order to forge effective, long-term partnerships and avoid fluctuation in terms of quality. In conjunction with selected partners, developments are achieved in terms of production materials as well as machines and facilities which lead to customised solutions in the production process. In addition to price-driven procurement, integrated quality management is of primary importance to the Corporate Purchasing department at CEWE COLOR.

Where possible, CEWE COLOR works with local suppliers. In terms of production and required materials, this means that the company purchases 55 per cent of its materials from Germany, 44 per cent from the European Economic Area and 1 per cent from outside Europe.

To avoid risk, the company adopts a two-supplier approach for production-critical materials.

As part of the supplier management process, CEWE COLOR has been running a project that also has an effect on sustainability. In 2010, all relevant suppliers were informed in writing of the compliance guidelines put in place by CEWE COLOR. These include both the company's own business conduct guidelines and the code of conduct of the German Association for Materials Management, Purchasing and Logistics (BME). These guidelines are intended to ensure compliance with current legal stipulations. The main focus here is the prevention of corruption and cartel arrangements as well as combating child labour and forced labour.

Compliance with ethical principles, human rights, and environmental and health protection is also required. The supplier accepts the guidelines and ensures compliance with their content. Furthermore, the issue of compliance has been incorporated into the terms and conditions of purchase.

MEMBERSHIPS AND PARTNERSHIPS



 www.unglobalcompact.org
www.bsci-eu.org

UN Global Compact

The UN Global Compact is a UN initiative which aims to combat corruption, slave labour and child labour as well as create decent working conditions worldwide. Currently, more than 5,000 companies around the globe as well as employee, human rights, environmental and development organisations are involved in the initiative.

Today, Global Compact Network Germany (www.globalcompact.de) includes more than 120 companies as well as organisations from the fields of civil society, science and politics. It is actively supported by the German government, in particular through funding from the Federal Ministry for Economic Cooperation and Development (BMZ), and has established itself as an important platform for dialogue in the area of corporate social responsibility.

+ CEWE COLOR has been a member of the network since September 2010.



BSCI (Business Social Compliance Initiative)

In March 2003, the Foreign Trade Association formally established the Business Social Compliance Initiative (BSCI, www.bsci-eu.org) with the aim of developing the tools and procedures required for the common European Business Social Compliance Programme (European programme for social standards).

When implementing the objectives defined in the BSCI code of conduct, companies take into account the specific situation at local, regional and national levels with regard to the social, cultural and economic conditions of their respective countries. However, the obligation on the part of the companies to work towards implementing and complying with the social and environmental standards of the BSCI code of conduct remains unchanged.

The BSCI has established a code of conduct which serves as the basis for auditing members' suppliers.

At present, more than 650 companies are members, including a wide range of customers of the CEWE COLOR Group.

+ CEWE COLOR has been a member since October 2010.



German Association for Materials Management, Purchasing and Logistics (BME)

Founded in 1954, the German Association for Materials Management, Purchasing and Logistics (BME) provides services to 8,000 individual and company members, including medium-sized companies as well as Germany's top 200 companies. The BME association provides a network to promote the exchange of knowledge for business and science, on the procurement side and on the supplier side. The association is open to all industries (manufacturing, retail, public sector, banking/insurance, etc.) and all types of companies. Across Germany, 41 regional branches organise 400 information events each year (technical presentations, supplier days, company visits) in the fields of purchasing and logistics.

+ CEWE COLOR signed up to the BME code of conduct at the end of 2009.



Niedersächsische Allianz für Nachhaltigkeit (Lower Saxony alliance for sustainability)

In December 2008, the outline agreement for the Niedersachsen Allianz für Nachhaltigkeit (Lower Saxony alliance for sustainability) was signed by the Lower Saxony state government (represented by the Prime Minister, the Minister for Economic Affairs, Labour and Transport, and the Minister for the Environment and Climate Protection), Lower Saxony business associations (UVN), the Lower Saxony Association of Chambers of Commerce, the Chamber of Commerce of Hanover, the Lower Saxony Association of Chambers of Industry and Commerce, the Lower Saxony Association of Chambers of Industry and Commerce for Hanover and Brunswick, and the German Federation of Trade Unions of Lower Saxony-Bremen-Saxony-Anhalt.

The aim of the alliance is to increase capacity for innovation and to ensure economic growth in an environmentally friendly manner based on the principle of sustainability. In addition to applicable legal stipulations, specific agreements and projects aim to provide for the preservation of natural resources and the proactive prevention of burdens facing future generations. In this way, Lower Saxony aims to adopt a purely environment-focused approach with the alliance for sustainability, allowing it to cover as broad a range of sustainability issues as possible.

+ CEWE COLOR has been a member of the alliance since February 2011.

 www.bme.de
www.umwelt.niedersachsen.de

CARBON DISCLOSURE PROJECT



Carbon Disclosure Project (CDP)

The Carbon Disclosure Project (CDP) is an initiative that aims to provide more transparency with regard to companies' CO₂ emissions. Each year, the 551 investors who support the CDP worldwide invite companies across the globe to disclose their CO₂ emissions and strategies for dealing with climate change.

Based on the information provided by the companies, the Carbon Disclosure Project has compiled the largest freely available index of CO₂ emissions for business-related activity in the world. The responses provided by the companies are made available on a website for all interested parties. The investors who have given the project their backing have access to all responses. This enables them to incorporate the various effects of climate change on business, such as price risks for certification, direct weather risks and rising energy costs, when making their investment decisions.

+ CEWE COLOR has participated in the Carbon Disclosure Project on several occasions and in 2010 was the only SDAX-listed company to be included in the Carbon Disclosure Leadership Index.



The mark of
responsible forestry

FSC® (Forest Stewardship Council)

The Forest Stewardship Council was set up in 1993, one year after the UN Conference on Environment and Development in Rio de Janeiro. The council's objective is to implement the requirements for sustainable forest development that were agreed on at the conference in Rio. In terms of the requirements agreed on in Rio, the requirement for equal consideration of social, ecological and economic aspects in relation to the use of natural assets is of particular importance. The FSC® (www.fsc-deutschland.de) is an international, non-profit organisation with headquarters in Bonn, Germany, and national working groups in 43 countries. Its aim is to ensure the preservation of forests. It strives to achieve this by promoting responsible forestry. Strict criteria for the management of forests serve to prevent uncontrolled deforestation, violation of human rights and pollution of the environment.

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

+ The operations of the CEWE COLOR Group in Germany were awarded certification in 2010.



Deutsche Post DHL

GoGreen is a carbon-neutral shipping service for customers of Deutsche Post DHL. With the GoGreen shipping service, all transport-related emissions are calculated in advance and then offset by means of external climate protection projects. Business customers have the option to ship all or just some of their national and international consignments using the GoGreen service. Business customers who use the GoGreen service receive a GoGreen label for their consignments as well as an annual certificate specifying the total volume of CO₂ that was offset for them during the year.

The carbon-offset certificates, generated by the external climate protection projects, are managed by a separate carbon management team. The carbon management procedure, all GoGreen processes and the method for calculating emissions are verified on an annual basis by external auditor SGS.

+ CEWE COLOR has been sending all German mail-order consignments through the Deutsche Post GoGreen service since April 2010.



ertemis

The European Research and Transfer Network for Environmental Management Information Systems is a research network working in the field of operational environmental information systems. The network brings together core competencies from the disciplines of information systems, business studies, environmental management, ecology, economics and computer science, and is committed to addressing new challenges in the area of environmental management in conjunction with its professional partners.

The participating colleges provide the network with the very latest in scientific expertise. Other companies are invited to share their practical knowledge of procedures and methodologies for environmental management, the effects on business of closed-loop recycling as well as new environmental technologies. Partners provide their industry-based knowledge of business processes and products. The network therefore includes companies with extensive expertise in the area of organisational and process consulting.

The ertemis network enables the bidirectional transfer of knowledge between science and industry through the pooling of a wide range of skills.

+ CEWE COLOR has been an active partner in the network since the inception of the project.

 www.gogreen.de
www.ertemis.eu



Tilman, 15, son of a CEWE COLOR Sales employee.

When I want something, I want it **NOW.**

Just like CEWE customers, my mother says.

That's why you see so many delivery vans travelling all around the country.

All those trips are not good for the environment.

Which is why you can't pick anything up from CEWE's outlets on Saturdays any more.

Maybe customers will have to wait a little longer – but it's better for the

ENVIRONMENT.

I think it's a good thing.

ENVIRONMENTAL PROTECTION EVERY DAY

Over the last few decades, the areas in which CEWE COLOR actively contributes to environmental protection have changed significantly. The shift in technology from film to digital photography has paved the way for many new innovations and customisations. New processes have been added to many established processes that had been optimised over the years. CEWE COLOR has created an effective

environmental policy which deals with the issue in a very thorough manner. The company from Oldenburg in Germany is well aware that every action has a corresponding reaction on the environment. This is why talking about environmental protection often achieves very little – whereas actively doing something secures great results.

Environmental policy

Occupational health and safety and environmental protection are commitments that CEWE COLOR takes very seriously with regard to its employees and society. As a result, the commitments that CEWE COLOR has set for itself include both compliance with applicable legal regulations and additional customer requirements. CEWE COLOR also places particular importance on individual customer requirements and is committed to meeting these. In terms of planning and investment, CEWE COLOR uses the best technologies available. This applies not just from an economic perspective, but also from the point of view of occupational health and safety and environmental protection. All newly installed systems and procedures must comply with applicable national and international standards and laws, and must be below the specified threshold values with regard to the health of employees and the environment.

+ *Continuous improvement of occupational health and safety and environmental protection as well as the prevention of environmental pollution are CEWE COLOR's declared objectives. During the last ten years, CEWE COLOR has not breached any of its requirements with regard to the environment. This is also the company's policy for 2011 and beyond.*

CEWE COLOR's four-point plan

CEWE COLOR's occupational health and safety and environmental protection policies are geared towards the generally accepted environmental impacts in the areas of wastewater, waste and energy consumption:

- Save energy
 - Protect water
 - Conserve resources
 - Ensure occupational health and safety
-

Saving energy

Climate protection is very important for CEWE COLOR. Significant steps have been made in recent years both in reducing CO₂ emissions and in improving the company's energy balance. CEWE COLOR also intends to actively promote climate protection in the future and has set up an internal project in this regard (C3RP project; CEWE COLOR Carbon Reduction Programme). In conjunction with external energy consultants, all energy-consuming processes are being examined.

CEWE COLOR has already participated in the Carbon Disclosure Project on many occasions (see page 28). The project was set up in London in 2000. The declared objective of this non-profit organisation is to create more transparency with regard to harmful greenhouse gas emissions. The 200 largest stock corporations in Germany are taking part in the project and regularly disclose their carbon dioxide emissions. Owing to the high quality and transparency of the figures disclosed, CEWE COLOR was the only SDAX-listed company to be included in the Carbon Disclosure Leadership Index in 2010.

■ Measuring and managing

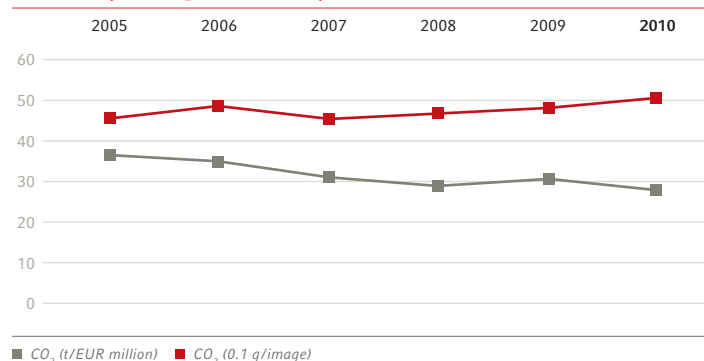
CO₂ emissions are calculated and presented in accordance with the Corporate Accounting and Reporting Standard of the Greenhouse Gas Protocol Initiative of 2004. All production sites operated by the CEWE COLOR Group are taken into account. All direct CO₂ emissions from stationary and mobile sources (Scope 1) are recorded and reported, as are the indirect emissions resulting from the generation

of purchased electricity (Scope 2). Other indirect emissions relating to corporate activities, but not generated as a result of corporate activities, are labelled Scope 3 emissions. For example, these include logistics processes for purchasing goods and delivering products, logistic processes for waste disposal, emissions generated by employees driving to work and on business trips.

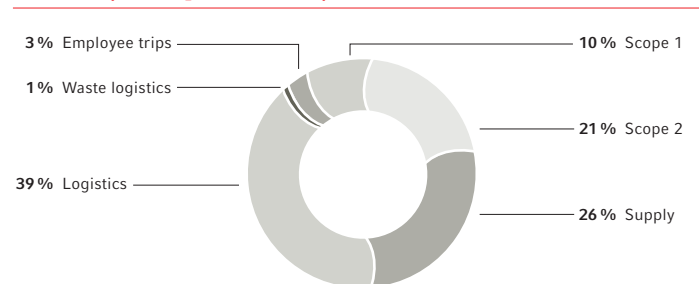
In the last business year, CEWE COLOR's CO₂ emissions, both direct emissions and those resulting from energy consumption, amounted to 12,550 tonnes in total (Scopes 1 and 2). Expressed as a relative quantity, CO₂ emissions amount to 28 tonnes per EUR 1 million in turnover and approximately 5 grams per image. In contrast, CO₂ emissions relating to corporate activities, but not generated as a result of corporate activities (Scope 3), are twice as high for goods delivery and supply logistics. For this reason, energy conservation management not only deals with internal business processes, it also looks extensively at the optimisation of supply and distribution logistics.

 www.ghgprotocol.org

Carbon footprint, CO₂ emissions, Scopes 1 and 2



Carbon footprint, CO₂ emissions, Scopes 1, 2 and 3 (2010 distribution)



■ Scope 1

CEWE COLOR includes emissions produced by the company’s own combustion units, such as gas boilers for hot water and heating, oil heaters and company vehicles, as Scope 1 emissions. Scope 1 CO₂ emissions were reduced from 5,000 tonnes to 3,930 tonnes in the period from 2005 to 2010. This reduction is also due to the fact that CEWE COLOR cut the number of its production sites. The particularly cold months of March and December in 2010 led to increased gas consumption for the twelve sites in comparison to the previous year (up from 784,000 m³ in 2009 to 900,000 m³ in 2010). To allow for further cold winters, CEWE COLOR has provided for a heat-recovery air conditioning system in its internal C3RP project (see page 32).

+ *The company’s aim is to achieve a 5 per cent reduction in gas consumption in both 2011 and 2012.*

In terms of company vehicles, the goal is to achieve a consistent value of around 2,200 tonnes of CO₂ per annum. A programme has been drawn up for 2011 with incentives for switching to more efficient company vehicles. A pilot project was also launched in 2010 in conjunction with EWE which saw the addition of four natural gas-powered vehicles to CEWE COLOR’s fleet of vehicles.

+ *Overall, the Group has set a target of a 10 per cent reduction in CO₂ emissions to be achieved within the next three years, based on the results of 2010.*

■ Scope 2

For Scope 2 emissions, the electrical energy consumed by the laboratories in each country in kilowatts per year is multiplied by the respective emission factors of each country, as defined by the GHG Protocol. The CEWE COLOR Group reduced overall power consumption by 4 per cent to 21.5 GWh/a in 2010 (2009: 22.4 GWh/a). The corresponding reduction in emissions was almost 200 tonnes of CO₂ per annum (2009: 8,805 tonnes; 2010: 8,620 tonnes). Year on year, power consumption at CEWE COLOR has fallen from 31.2 GWh (2006) to 21.5 GWh, and CO₂ emissions have fallen from 10,996 tonnes (2006) to 8,620 tonnes (2010). This is also related to the restructuring process – the number of operations was cut from 22 in 2005 to twelve in 2010. However, it can already be seen that energy expenditure per image is increasing. The consumer trend towards continuously higher-quality products, which are based on more energy-intensive production methods, has led to higher energy expenditure per image.

+ *CEWE COLOR has set itself the goal of cutting power consumption to less than 20 GWh/a within the next five years on the basis of the same number of production sites.*

Carbon footprint, CO₂ emissions, Scope 2 (2010)

Year	No. of plants	Images (million/year)	Electricity (MWh/a)	Electricity per image (Wh)
2005	22	3,433	31,187	9.08
2006	19	2,879	26,524	9.21
2007	20	2,792	24,818	8.89
2008	17	2,615	23,303	8.91
2009	14	2,594	22,423	8.64
2010	13 (12)	2,500	21,508	8.60

■ Scope 3

Logistics processes are shown to have the most significant effect on the environment in terms of emissions. For this reason, they are regarded as one of the most important aspects of CEWE COLOR's environmental management strategy. Since April 2010, CEWE COLOR has been using Deutsche Post DHL's carbon-neutral shipping initiative (GoGreen) for all German mail-order consignments.

This means that all mail-order products shipped in Germany arrive at the customer's door with zero carbon impact. GoGreen offsets the emissions generated by transportation through climate protection projects. Climate protection projects worldwide receive EUR 0.85 for every 1,000 letters and EUR 0.02 for every package sent (see page 29).

+ *The company's objective in the medium term is to also ship international consignments using the GoGreen carbon-neutral initiative. By 2012, the aim is to reduce Scope 3 CO₂ emissions by a further 10 per cent.*

To achieve this, logistics processes will continue to be made more and more environmentally friendly. By the beginning of 2009, the transport requirements of important suppliers had been consolidated with a single logistics provider. Grouping transportation has led to reduced CO₂ emissions and less mileage, as deliveries are made in fewer, more efficiently utilised vehicles. By reducing the amount of goods imported from overseas, 800 tonnes of CO₂ were saved in the supply chain in 2010 compared with 2009 – the equivalent of 7 per cent (2009: 11,750 tonnes; 2010: 10,932 tonnes). Discontinuing Saturday collections has led to sustainable CO₂ savings in terms of point-of-sale logistics. In Germany, it equates to a saving of 10 per cent (1,850 tonnes of CO₂ per year; 2009: 18,187 tonnes; 2010: 16,312 tonnes).

+ *Over the next two years, CEWE COLOR is also planning to withdraw the so-called two-stop system for around 1,500 customers. This will correspond to further CO₂ savings of roughly 520 tonnes per annum.*

■ Green IT

CEWE COLOR's participation in the ertemis project is another example of its commitment to climate protection (see page 29). The ertemis project was established to make IT infrastructure in business more environmentally friendly (Green IT). In collaboration with the German universities of Oldenburg, Osnabrück and Göttingen, a sustainable IT strategy has been drawn up for CEWE COLOR and other selected companies in Lower Saxony.

■ Consequences of climate change

Within the framework of the nordwest2050 research project, CEWE COLOR addresses the consequences of climate change. A working group considers the risks and opportunities associated with climate change as well as strategies for adaptation in collaboration with universities and business partners. The challenge is to pave the way for innovative processes adapted for climate change in the Bremen-Oldenburg metropolitan region. In conjunction with business-partners and the Bremen-Oldenburg metropolitan region, the objective of the nordwest2050 research project is to develop long-term technical and institutional innovations for adapting to climate change.

① Two-stop means that two trips are made to a business partner per night. The first trip is to pick up the photo orders, so that they can be processed quickly in the laboratory. The second trip is made to return the completed orders. Both trips are to be combined into one trip in the future, which will mean changed delivery times in some cases.

Protecting water

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

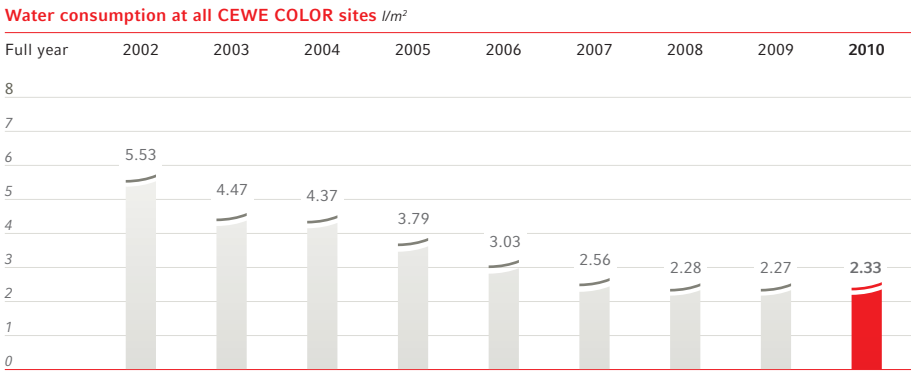
■ Reducing water consumption

Over the last nine years, the company has managed to reduce water consumption by 80 per cent. This is due partly to the decline in analogue photography, as the process of developing film by its nature requires more water per unit of material (m²) than photo paper does. CEWE COLOR has also developed and implemented several effective water-saving changes in its production process:

- Reverse-flow cascade rinsing of paper
- Use of low carry-over paper-developing machines without a leader belt, in many cases using eco-wash technology
- Use of final baths rather than final rinses for colour negatives
- Consumption-based water-dispensing equipment

Absolute water consumption declined by 11 per cent in 2010 compared to the previous year. The decline is also due to the overall reduction in chemical development. For example, data for the Oldenburg site shows that approximately 77 per cent of the water consumed in 2010 was used for chemical development processes, 13 per cent for air humidification and 10 per cent for toilets and washing facilities.

+ *The company is aiming for a further reduction of 10 per cent in water consumption in 2011.*



Specific water consumption based on the quantity of developed photo paper fell in the same period (last nine years) by 58 per cent (from 5.5 to 2.3 l/m²).

■ Improving the quality of wastewater

Even in the future, industrial photofinishing will require water for the development of photographic materials. For CEWE COLOR, the constant improvement of the quality of wastewater produced is of crucial importance. From an environmental perspective, CEWE COLOR's processes are already exemplary and in some cases above the industry standard.

Since 2001, CEWE COLOR has complied with the photo industry's voluntary commitment to halve the release of hard complexing agents into wastewater, as these are highly resistant to biodegradation. CEWE COLOR meets this stringent German requirement at all twelve of its European laboratories. CEWE COLOR now deploys biodegradable alternatives in colour film processing rather than complexing agents like EDTA, PDTA and DTPA. The use of EDTA has been halved in bleach fixing baths. This was achieved by extending the process time and intensifying the effect of the process by using reverse-flow cascade technology.

No final baths containing formaldehyde have been used since 2002. CEWE COLOR's in-house analytical laboratory at its headquarters in Oldenburg constantly monitors all relevant wastewater contaminants. These include silver, pH values, COD (chemical oxygen demand), sulphate and ammonia. All developing bath samples collected from CEWE COLOR's European sites are analysed in the laboratory.

■ Recovering silver

Silver is a by-product of film and photo paper processing. The German Wastewater Ordinance (Abwasserverordnung, AbwV) stipulates a limit of 30 mg/m² of photo material. This is five or six times greater than the value produced by CEWE COLOR. The new European chemical legislation, REACH, (EU Regulation No. 1907/2006) requires CEWE COLOR to pre-register as a producer of silver. CEWE COLOR has been achieving an average silver recovery rate of 95 per cent for several years by systematically

electrolytically desilvering its photographic processing baths and using low-flow rinses and their separate desilvering with ion-exchange systems. Silver recovery is therefore very efficient. In 2009, CEWE COLOR recovered 12.9 tonnes of silver; the figure for 2010 was 10.1 tonnes. The reduced quantity can be explained by the sharp decline in the use of film and the slight decline in the consumption of photo paper.

Conserving resources

Since the company was founded, the environmentally friendly use of materials has been of crucial concern to CEWE COLOR. It selects its materials very carefully, bearing in mind sustainability and environmental considerations. The company aims for the minimum amount of scrap and carefully disposes of any unavoidable waste.

■ Efficient and environmentally friendly material usage

CEWE COLOR has accelerated the use of environmentally friendly materials, in particular in the case of its most popular product, the CEWE PHOTOBOOK. The company achieved the objective that it set itself for 2010 – FSC® certification of all digital print products for the German sites and the Swiss sales organisation.

The entire value added chain, from forest owner to printing works, is certified. Under the terms of the certification, goods receipt, goods issue and production processes are inspected once a year by independent third parties.

+ *The plan is to extend certification to the entire CEWE COLOR Group in 2011.*

■ Recycling methods in photographic processing

In 2010, CEWE COLOR achieved a high recycling rate of 89 per cent at its German sites and 88 per cent throughout the Group as a whole. The recycling rate is derived from the ratio of recycled overflow to the total quantity of processing baths used. The company managed to reduce both the volume of chemicals used and the

volume disposed of as waste. In 2010, CEWE COLOR used 11.4 million litres of processing baths and 318,000 litres of chemicals. Due to the high recycling rate, it only needed to dispose of 578 tonnes of chemicals.

When it comes to photographic processing, CEWE COLOR has achieved the maximum recycling rate at its sites, as a certain fresh rate (of 20 per cent) is unavoidable in the developers.

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

■ Packaging

Corrugated cardboard, most of which is manufactured from recycled materials, accounts for 97 per cent of packaging. The remaining 3 per cent are plastics, which are used primarily to protect CEWE PHOTO-BOOKS and other moisture-sensitive products during transport. The total quantity of packaging increased by 7 per cent compared to the previous year, but the proportion of plastic remained low at 3 per cent.

+ The company's aim is to maintain the proportion of plastic used at less than 5 per cent in 2011 and beyond, despite increasing packaging quantities and higher demands.

① Sensitometry is the umbrella term used in the photo industry for measurement procedures that are deployed to determine certain characteristics, e.g. sensitivity, of photographic materials.

All packaging materials are licensed under a dual system in Germany. CEWE COLOR has lodged its declaration of completeness for all of its German operations with the Oldenburg Chamber of Industry and Commerce.

■ Materials balance and waste

The CEWE COLOR Group generated 4,026 tonnes of waste in the year under review (2010). This corresponds to approximately 26 per cent of the quantity of material used (waste rate).

+ Further reductions in scrap should lead to a fall in the waste rate from the current 26.1 per cent to 20 per cent in the coming five years.

Most of the waste is recycled, and CEWE COLOR therefore assumes a waste recovery rate of more than 95 per cent.

In total, CEWE COLOR generates approximately 20 different types of waste. The ten main types account for 99 per cent of the waste. In addition to industrial waste (recyclable waste), most of the waste is generated from printing and packaging, and consists of paper and cardboard. In 2010, this waste fraction amounted to 1,349 tonnes.

Materials balance at all CEWE COLOR sites (materials and technologies) (2010)

	Material (t)	Product (t)	Waste (t)
Material			
Paper (photo and digital printing)	10,406	9,261	1,145
Other product components ¹	2,811	963	1,848
Packaging materials for products	1,123	1,123	0
Supplies and tools ²	1,033	0	1,033
Total	15,373	11,347	4,026

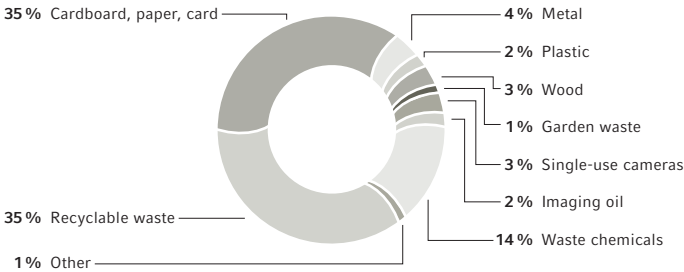
¹ Camera bags, photo gifts (mugs, T-shirts, etc.), packaging for basic materials.

² Chemicals, water for using with chemicals, imaging oil, single-use cameras, metal for film canisters.

Approximately 578 tonnes of waste chemicals were generated from the preparation of photographic baths in 2010. These are first concentrated to reduce the volume. The overflow from the developing baths is reused as a nitrogen oxide reducing agent in the cement industry. Left-over photo paper and other waste fractions with high calorific values are also used as substitute fuel in the cement industry. CEWE COLOR delivers all imaging oil waste generated by digital printing to a distillation plant. Once it has been cleaned, it can be used again, mostly in the paint and printing industry.

CEWE COLOR disposes properly of metals, plastics, wood and other residual waste types such as construction and garden waste. The housings of so-called single-use cameras have been part of a recycling programme for several years now.

Waste balance at all CEWE COLOR sites (2010)



Ensuring occupational health and safety

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

Regular workplace inspections and annual risk analyses and rescue drills guarantee a high standard of safety. Maintaining and promoting the health and productivity of all employees is of vital importance to CEWE COLOR.

+ In order to document its strong commitment to environmental management, CEWE COLOR plans to obtain ISO 14001 environmental management certification for its Oldenburg headquarters by the end of 2011.



Pia, 19, daughter of a CEWE COLOR employee in the Instant Printing department.

My mother owns a part of the company.

Because CEWE employees can **BUY** shares.

I think it's fantastic,

as everyone gets to benefit when things go well.

SOCIAL RESPONSIBILITY – A LIVING CULTURE

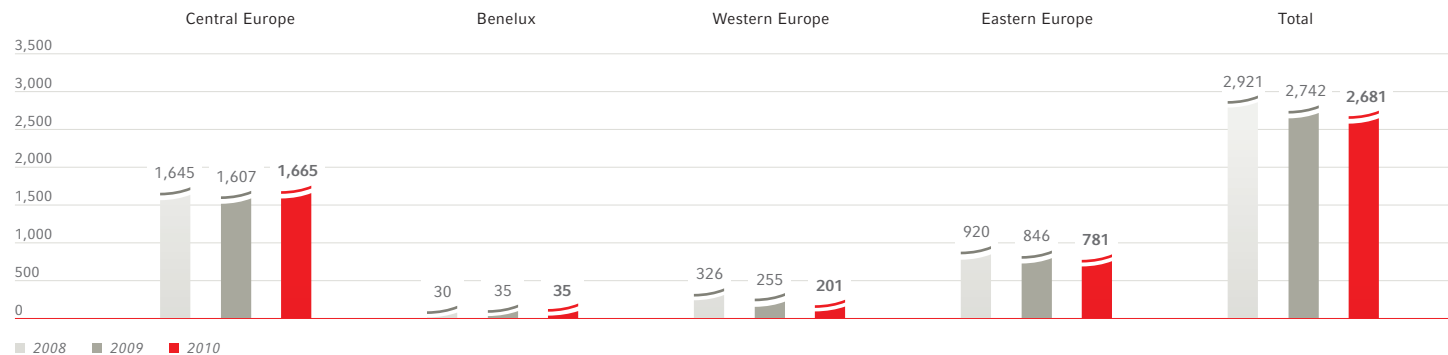
Almost 2,700 employees is not exactly a small family. How can responsibility be actively structured for so many people? A key task that CEWE COLOR has set itself for over the past five decades is the securing of the social future of the company, based on four pillars:

- Responsible entrepreneurship
- Professional human resources management
- Promotion of young talent
- Modern and safe working conditions

Conducting business with energy and farsightedness

The huge challenge of futureproofing the company has also led to difficult management decisions in the past. The technological transition resulted in the closure of a number of sites. The fact that CEWE COLOR is still a major employer with twelve production sites is due largely to the farsightedness and energy of company management. In 2007, management successfully stood up to the greed of US hedge funds, which, despite job cuts, were demanding a special dividend. CEWE COLOR has achieved a high level of job security thanks to extensive investment in the digital future.

No. of employees at all CEWE COLOR sites in Europe (2010)



Number of employees, average age and length of service

In 2010, the CEWE COLOR Group employed an average workforce of 2,681 in Europe (2009: 2,742). The slight decline can be explained by the closure of two sites.

The average age of German employees was 41, while the proportion of under-35s increased by 1 per cent to 34 per cent. The number of employees aged between 36 and 50 increased by 2 per cent to 41 per cent, and the proportion of employees over the age of 51 remained constant at 25 per cent compared to the previous year. The average length of service was 11.9 years. Last year alone, 68 anniversaries were celebrated at the Oldenburg headquarters. Of these, more than half were celebrated by employees who could look back on a period of employment of 25 years or more. Such long-standing service is a key factor in guaranteeing expertise and experience.

Equal opportunities

Everyone has the same opportunities at CEWE COLOR, regardless of gender, ethnicity, nationality, age, sexual orientation or religion; the only thing that counts is a person's ability to do a job. As an international company, CEWE COLOR values and promotes diversity among its employees. Different nationalities also reflect the different markets and customers. At its German sites alone, the company employs staff from 37 countries (roughly 8 per cent of employees). No cases of discrimination were reported to the ombudsman or the Works Council last year.

+ CEWE COLOR's objective is to ensure that there will be no cause for reports of discrimination in coming years too.

Of a total of 2,681 employees, 1,523 (57 per cent; 2009: 54 per cent) work in Germany, while 1,158 (43 per cent; 2009: 1,253) work abroad. Personnel expenses totalled EUR 102.3 million in 2010 (2009: EUR 104.8 million).

At the company's German sites, 77 per cent of employees worked full time and 23 per cent worked part time in 2010. Seventy-nine per cent of part-time workers were women. Women accounted for 55 per cent of the overall workforce last year; the proportion of women working in production is significantly higher. The company aims to increase the number of women working in middle management in particular and plans to do this by implementing additional support initiatives, e.g. a better work-life balance. One example of developments in this area is the establishment of a partnership with AWO Eltern- und Seniorenservice Oldenburg, which offers CEWE COLOR employees free consultations to arrange care for children or elderly relatives. The company also aspires to have at least one woman on the Supervisory Board by 2012.

+ The company has set itself the objective of continually increasing the number of women working in management.

Employee satisfaction

CEWE COLOR has been conducting employee satisfaction surveys since 2005, the results of which have been very positive. Survey responses provide valuable information, which is taken on board when making executive and organisational decisions. Another indicator of employee satisfaction is the low rate of staff turnover (dismissals and resignations). The rate was 4.7 per cent in 2010, representing an increase of 1.1 percentage points compared to the previous year. A process to create a management model has been initiated to improve the situation. All management levels address this issue in various workshops. Employees who do not have any management responsibility are also included.

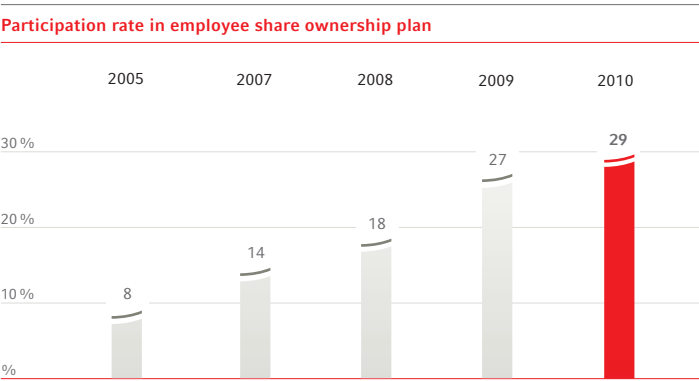
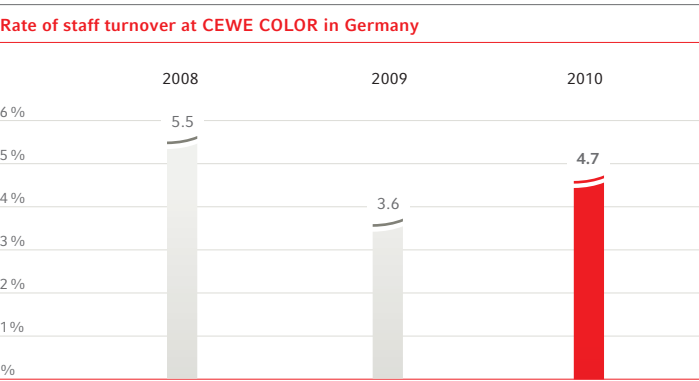
+ The company's aim is to permanently reduce the rate of staff turnover to less than 4 per cent from 2011.

Employee participation

Since 2005, under the terms of an employee share ownership plan, employees have been able to purchase CEWE COLOR shares every year at a special price, supported by a financial contribution from the company that is tax-free and exempt from social security contributions.

The number of employees who availed of this programme rose again in 2010 to 454, representing a participation rate of 29 per cent (2009: 27 per cent, 411 employees). This increase indicates employee confidence in the company's business prospects.

+ The company's aim is to increase employee participation in the employee share ownership plan to 31 per cent in 2011.



Pension scheme

Employee participation in the company pension scheme has increased at the German sites. By the end of 2010, 390 employees had chosen to provide for their retirement by participating in a private, company-financed pension scheme. This is supported by the company with subsidies that are subject to the collective labour agreement system.

+ *Even more employees are to be informed about the benefits of a private pension scheme by providing specific information and arranging a series of talks on the subject.*

Employer brand

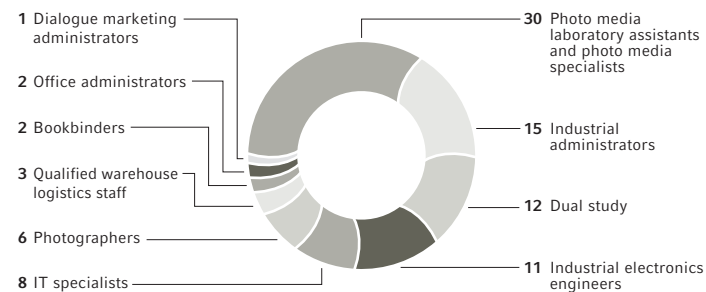
A project to develop the CEWE COLOR employer brand has been established. As part of the project, various employee workshops involving participants from a diverse range of departments took place in 2010. CEWE COLOR's USP was developed based on the attributes that make the company special. The findings will be published in 2011 on the Careers page of CEWE COLOR's website and in promotional brochures, flyers, etc., positioning CEWE COLOR as an attractive employer in the relevant region and making it the first choice for applicants in the future.

Training

The company retained its high rate of vocational training (5 per cent) in 2010. Last year, 90 young people worked at CEWE COLOR as apprentices in nine different professions that require professional training. A new addition is the provision of training for dialogue marketing administrators. Most apprentices are photo media laboratory assistants and photo media specialists (30), followed by business management assistants (15), IT specialists (8) and electronic engineers (11). Six young adults started their training as photographers and two as bookbinders. In 2010, as in previous years, many CEWE COLOR apprentices achieved excellent exam results and received awards from the Chamber of Industry and Commerce.

+ *The company's objective once again in 2011 and beyond is to be available to the labour market as a company that offers training and to continue to enable young people to gain a foothold in their chosen profession.*

Professions requiring professional training at CEWE COLOR



Employee development and junior management programmes

CEWE COLOR’s success as a business is based on its employees’ commitment and professional skills. The role of modern human resource management is to promote and retain employees. Managing talent and systematically selecting and promoting performance-focused, highly motivated junior executives are other important aspects of the role. Consequently, increased numbers of computer science and business administration graduates are currently being trained in the dual study system to avoid the anticipated skills shortage in this area. CEWE COLOR has a long tradition of working closely with universities and colleges.

In 2010, the Human Resources department developed a new and comprehensive support and development programme which has been in place since the beginning of 2011. Workshops specifically focused on topics such as motivation, coaching skills, communication and negotiation techniques as well as occupational health

and safety management increase management expertise. A larger group of employees can also avail of modules covering project management, rhetoric and presentation skills as well as creativity and decision-making techniques. The company’s restructured junior executive programme has been running for more than two years and includes intensive workshop and training modules. Participants work independently over an extended period in project groups on project assignments and present their results at the end.

In 2010, a total of 1,171 CEWE COLOR employees took part in employee development initiatives (2009: 647). The number of talks increased from 209 in 2009 to 307 in 2010; this equated to 2,603 training days, up from 1,933 in the previous year.

CEWE COLOR also offers its employees free professional development opportunities with its own trainers outside of working hours.

Employee development initiatives at CEWE COLOR			
Year	No. of workshops	No. of training days	No. of participants
2009	209	1,933	647
2010	307	2,603	1,171

In addition to language and computer classes, the range of courses offered is constantly expanding to include topics relating to health and nutrition.

CEWE COLOR also encourages part-time study in disciplines such as innovation management, freedom of information, marketing, etc., by providing financial assistance and leave of absence.

The company places great importance on the issues of training and professional development and achieved the goals that it set itself in 2009 and 2010, namely to further expand and consolidate its efforts in these areas.

+ Its focus in the coming years will be on the following issues: increasing the number of women in management positions, intensifying innovation management and expanding the company suggestion scheme, increasing family-friendliness and part-time working models.

Occupational health and safety and sick leave

Occupational health and safety plays a key role, particularly in the production area. In 2010, work-related accidents increased by 2 to 21. Six of these accidents occurred while travelling to work. The cause of each accident is investigated so that measures can be taken to avoid repeated incidents in the future. Such measures include educating employees about the potential risks associated with machines. The number of employees participating in first aid courses exceeded 50 for the first time in 2010. Oldenburg has a company doctor, an occupational health and safety expert and 102 trained first aiders. In addition to providing advice on burn-out and eye washes, the company also has contingency planning for pandemics.

+ The company's objective is to reduce the number of work-related accidents; in 2011, it is aiming for a figure of less than 20 again.

One of the ways in which the company plans to reduce sick leave is through a positive work-life balance. To achieve this, it implemented flexible working time options and arranged partnerships with gyms and sports clubs, which offer employees incentives to stay healthy and prevent lifestyle diseases.

Another example of measures that have been implemented is the ergonomic design of office workstations. The "Health Day" that was introduced in Oldenburg in 2009 and repeated again in 2010 met with a very positive response and will be continued each year.

+ Management aims to maintain the very low level of sick leave in 2010 (3.5 per cent in Germany; 3.3 per cent abroad) and to reduce it even further in the coming years.



Felix, 7, son of a CEWE COLOR Sales employee.

NI HAO means “hello” in Chinese.

I know this, because in school we looked at a book with stories and pictures

about **CHILDREN** in China.

My dad’s company printed lots of these books for free.

I think that’s great. But my dad still didn’t know what

Ni hao meant. But that’s not surprising –

he just says **MOIN** at any time of the day.

WORKING FOR A SOCIETY WORTH LIVING IN

Socially responsible action and social commitment are important cornerstones of CEWE COLOR's corporate culture and an integral part of its corporate strategy. Public welfare is very important to CEWE COLOR, and therefore the promotion of social, cultural and community projects plays an important role in the company.

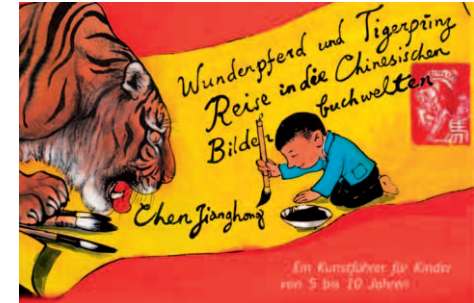
CEWE COLOR supports projects in Oldenburg, where its head-quarters are located, and at its respective sites in Germany and Europe. The company has a preference for projects in which it can use its expertise and experience and promote young talent.

Education, culture, sport, community – commitment at the various sites

For many years now, CEWE COLOR has been providing financial and in-kind support to museums, theatres, universities, schools, crèches, associations, clubs and community organisations at its various sites in Germany and abroad. In 2010, Dr Rolf Hollander received the "Oldenburger Bulle" on behalf of CEWE COLOR for the company's services to Oldenburg. In addition to recognising the economic benefits generated by the company, Dr Rolf Hollander also received the award for the company's social commitment to the city.

CEWE COLOR awards scholarships for doctoral theses, master's degree programmes and research projects at Oldenburg's main university and its university of applied sciences. Computer science, business, law, technology and science are particular favourites. As part of its continuing professional development strategy, the company also cooperates with the Carl von Ossietzky University in Oldenburg, for example on its part-time master's programme in innovation management. For the last 13 years, CEWE COLOR has also organised the corporate planning game "Management Information Game" for pupils attending the Liebfrauenschule in Oldenburg. The game gives pupils an opportunity to learn to think and act in an entrepreneurial way based on realistic business scenarios.

CEWE COLOR was one of the sponsors during Oldenburg's tenure as City of Science in 2009. It also supported KIBUM, the 36th children's and young people's book fair, in November 2010. It is the largest non-commercial children's and young people's book fair in Germany. Among other publications, CEWE COLOR produced the two KIBUM publications *Wunderpferd und Tigerprinz – Reise in die chinesischen Bilderbuchwelten* (Magic horse and tiger prince – journey into the Chinese worlds of story books) and *China girl, China boy – Chinas Kinder im Fokus* (China girl, China boy – focus on China's children). CEWE COLOR has also been supporting the German Maritime Search and Rescue Service (Deutsche Gesellschaft zur Rettung Schiffbrüchiger, DGzRS) for several years. In 2010, together with the Search and Rescue Service, the company organised a major photo competition to attract the public's attention to this very worthy cause. In sport, CEWE COLOR has been a long-term sponsor of the VfB Oldenburg and VfL Oldenburg football clubs. It also sponsors the VfL Oldenburg women's handball team and the Oldenburg EWE Baskets basketball team.



Munich

CEWE COLOR is also involved in Munich with numerous activities that benefit the people of the region. For example, it supports various campaigns that help young people to get started in their careers and provides 25 to 30 work experience placements each year in Munich. It also offers young people an opportunity to gain experience at CEWE COLOR's site in England. The company supports interview training at schools in Germering (where CEWE COLOR is based) and in the rural district of Fürstfeldbruck, and offers teachers the opportunity to gain an insight into everyday corporate life. CEWE COLOR also takes part in "Future Day", a career orientation day, similar to Germany's national "Girls' Day", which enables boys and girls to find out what working life is like.

Freiburg

The Freiburg site supports the Arbeitskreis Anerkannter Blindenwerkstätten (a task force for recognised workshops for the blind) in Hürtgenwald-Horn, several crèches and a nursing home in the area. In 2010, CEWE COLOR employees in Freiburg spontaneously donated to earthquake victims in Haiti. Promoting young talent is also extremely important in Freiburg: each year, 14- and 15-year-old pupils can attend an introduction day where they learn about working at a production site.

Dresden

The Dresden site has been a long-time supporter of Leipzig's Camera and Photo Museum. In addition to supporting the "Parkhaus" youth centre, various sports clubs and the volunteer firefighters in Klotzsche, it provides pupils of the nearby secondary school with free access to the world-famous "photokina" photography trade fair in Cologne. Proceeds from the sale of photos and posters on the open days go to the Children's Hospice Foundation (Kinderhospizstiftung).

Mönchengladbach

CEWE COLOR is active in several areas in Mönchengladbach, for example through its membership of organisations like Aktiv für Mönchengladbach e.V., Clean-up-MG. e.V., MG3.0 Masterplan Mönchengladbach e.V., and the Friends of the University of Applied Sciences in Lower Rhine. Pupils at the neighbouring Franz Meyers secondary school in Mönchengladbach-Giesenkirchen have the opportunity to complete work experience placements, take part in guided tours of the site and have their CVs and application letters professionally assessed. CEWE COLOR Mönchengladbach also sponsors three children through the children's development organisation Plan International.

Commitment throughout Europe

The international sites and European sales offices are also involved in a variety of different ways.

In the UK, the company donates a percentage of the price of every Christmas card that is sold to a children's charity called the Starlight Children's Foundation. Its site in the Czech Republic supports the Krtek Foundation, a children's oncology hospital in Brno and the "Sue Ryder" nursing home in Prague, SOS Children's Villages and the visually impaired Paralympics participant Anna Kulišková. The Czech site supports the following sports clubs: HC Sparta Praha (ice hockey), TJ Chodov Praha (football), TJ Lokomotiva Praha (handball), TJ Tuklaty (women's football) and the Fotolab Praha team (cycle racing). In Hungary, CEWE COLOR arranges an event for children with hearing problems where the children can meet and get to know one another and take part in a joint programme.

The Nordic CEWE COLOR sales office is active in Norway and Denmark. At the Danish site, CEWE COLOR works with the municipalities to offer employees who have become unemployed as a result of illness a new start in the working world through a four-week internship. The organisations Børns Vilkår and Kræftens Bekæmpelse also receive support. Børns Vilkår provides a helpline and counselling for children living in difficult circumstances. Kræftens Bekæmpelse is Denmark's largest organisation for fighting cancer. The Danish branch is also involved with the country's largest animal protection association. The company and its employees support the Hapet project, which helps children in São Paulo, Brazil.


The Benelux subsidiary supports an old people's home, a facility for people with disabilities and, since 2007, a development project for children in Kenya. Donations help in the purchase of teaching materials and the construction of a school.



German campaign – the Philipp Lahm summer camp

CEWE COLOR's involvement in the Philipp Lahm summer camp combines social and education sponsorship with sports promotion. CEWE COLOR used the CEWE PHOTOBOOK brand to support the Philipp Lahm summer camp as official education partner in 2010. The aim of the camps is to help boys and girls aged between ten and 13 to enhance their skills in the areas of nutrition, exercise and personal development. The camps took place during the summer

holidays close to Munich and Hamburg, and 80 participants took part in each camp. CEWE PHOTOBOOK sponsored a total of eight participants. A team of 20 camp counsellors and teachers provided extensive, full-day supervision. Philipp Lahm constantly set new tasks for the young people, which they had to resolve as a group. The camps thus helped them to learn a lot about social responsibility, sustainable action and their own self-confidence.

 www.philipp-lahm-sommerncamp.de

Supporting young, skilled employees

CEWE COLOR promotes the training and development of young photography talent. The company trains 90 young people in nine different professions every year. The role of the Neumüller CEWE COLOR Foundation is to support technically and scientifically minded young talent. CEWE COLOR is involved in an ongoing partnership with the Photo + Medienforum Kiel state vocational school. As Oldenburg's leading photofinisher, the company has made a significant contribution to the job description of "photo media laboratory assistant". Each year, the Heinz Neumüller Prize is awarded to the best graduates in the photo media laboratory assistant, photo media expert and photographer courses. The winners also receive a cheque to help them get started in their chosen career. CEWE COLOR also supports the Department of Media and Photography at the University of Applied Sciences in Cologne and awards one master's and three bachelor's degree scholarships for particularly talented students every semester. Both institutions also receive professional advice and teaching materials.

CEWE COLOR is an active member of various DIN and ISO committees and associations. These include the German Association of the Photographic Industry (Photoindustrieverband, which represents the photo and imaging industry), the German Federal Association of Industrial Photographic Laboratories (Bundesverband der Photogroßlaboratorien, BGL), the German Photographic Society (Deutsche Gesellschaft für Photographie, DGPh) and the German Association of Photography (Deutscher Verband für Fotografie, DVF). CEWE COLOR sees this involvement as a natural part of its corporate responsibility.

+ *CEWE COLOR's aim is to continue to make a noticeable contribution to society. This includes getting involved at the various company sites by supporting regional associations and initiatives as well as promoting cultural, educational, social and sports projects.*

+ *CEWE COLOR's second-biggest responsibility is to continue playing a meaningful role in the development of professional talent in the photo industry.*



Niklas, 15, son of a CEWE COLOR Public Relations employee.

The issue of

SUSTAINABILITY

is complicated but also extremely important.

At CEWE, many people are involved in this

and they are all very committed. I would really

like to do my working experience here next year –

it means that I could find out whether

these **OBJECTIVES**

have also been achieved.

STATUS AND OBJECTIVES IN ACCORDANCE WITH THE GRI G3 GUIDELINES, PART I

Economic and environmental performance indicators

Area of responsibility	Status in 2010	Objective for 2011	GRI performance indicators	Information in report
Finance and Financial Control	After-tax earnings more than doubled from EUR 6.7 to EUR 13.7 million; earnings per share more than doubled from EUR 1.00 to EUR 2.02	To grow turnover to EUR 460 million; to increase annual net profit to 39 per cent	EC 1	p. 23
Human Resources	By 2010, 390 employees had signed up for the company's private pension scheme	To increase participation through additional means of information, e.g. brochures	EC 3	p. 45
Purchasing	Local suppliers where possible, 55 per cent located in Germany; 44 per cent located in the EU	As many local suppliers as possible	EC 6	p. 25
Environment	See materials balance for all CEWE COLOR sites	To maintain the proportion of plastic used below 5 per cent, despite the expected increase in the amount of packaging used	EN 1	p. 38
Environment	See materials balance for all CEWE COLOR sites	Due to the high quality of paper needed for printing and photos, recycled paper is not used, FSC® paper is used instead; 100 per cent recycled cardboard to be used for product packaging	EN 2	p. 38
Environment	Gas consumption: 900,000 m³ in 2010	Objective for 2011 and 2012: 5 per cent reduction	EN 3	p. 34
Environment	Electricity: 21.5 GWh/a	Objective by 2015: less than 20 GWh/a with the same number of sites	EN 4	p. 34
Environment	Green IT initiative started	Green IT initiative to be continued	EN 7	p. 35
Environment	Water consumption: 2.33 l/m²; absolute reduction compared to 2009: 11 per cent	Further reduction of 10 per cent in water consumption	EN 8	p. 36
Environment	Scopes 1 and 2: 12,550 t CO₂ emissions	10 per cent reduction in Scope 1	EN 16	p. 33
Environment/Logistics	Scope 3: 28,872 t CO₂ emissions	To be reduced by 10 per cent by 2012; carbon-neutral mail-order service to be used for international shipments; 520 t CO₂ to be saved by abolishing the two-stop system	EN 17	p. 35
Environment	Establishment of internal C3RP initiative	Purpose of the C3RP project: To draw up and implement emission reduction measures	EN 18	p. 32
Environment	See waste balance for all CEWE COLOR sites	To reduce the current waste rate of 26 per cent to 20 per cent by 2015	EN 22	p. 39
Environment	Establishment of C3RP project	Purpose of the C3RP project: To draw up and implement emission reduction measures	EN 26	p. 32
Environment	Licensing of product packaging using a dual system	Licensing of product packaging using a dual system	EN 27	p. 38
Environment	No sanctions	No sanctions	EN 28	p. 32
Logistics	Quantified within Scope 3	To reduce Scope 3 emissions using initiatives to cut transport routes and frequencies; Oldenburg initiative to encourage employees to cycle to work	EN 29	p. 35

*EC: Economic performance indicators

EN: Environmental performance indicators

STATUS AND OBJECTIVES IN ACCORDANCE WITH THE GRI G3 GUIDELINES, PART II

Performance indicators: work practices and humane labour conditions, human rights, society and product responsibility

Area of responsibility	Status in 2010	Objective for 2011	GRI performance indicators	Information in report
Human Resources	Approx. 2,700 employees in Central Europe, Benelux, Western Europe, Eastern Europe; 77 per cent full time, 23 per cent part time	To retain the same number	LA 1	p. 42
Human Resources	Rate of staff turnover: 4.7 per cent	To permanently reduce the figure to less than 4 per cent	LA 2	p. 44
Human Resources	102 trained first aiders, one occupational health and safety expert in Oldenburg, one company doctor in Oldenburg; training in eye-washes; Health Day	To retain the same number	LA 6	p. 47
Human Resources	21 work-related accidents, of which six occurred while travelling to work; 3.5 per cent sick leave	To reduce the number of work-related accidents to considerably less than 20; to reduce the level of sick leave	LA 7	p. 47
Human Resources	Health Day, various CEWE Wissen (knowledge) training courses, e.g. eye care, healthy eating, avoiding burn-out, consultation with company doctor, e.g. following a return to work, contingency planning for pandemics, sports clubs	To continue these measures	LA 8	p. 47
Human Resources	Rate of vocational training: 5 per cent; 1,171 employees participated in professional development programmes/CEWE Wissen	To maintain this training rate; to further expand the range of workshops	LA 10	pp. 45, 46, 47
Human Resources	55 per cent of employees are women; 8 per cent of employees are non-German	To implement support measures for a work-life balance; to appoint a woman to the Supervisory Board	LA 13	p. 43
Purchasing	All relevant suppliers have been informed about the compliance guidelines that CEWE COLOR has imposed on itself; contractor accepts the specified guidelines and ensures that they are observed; compliance guidelines included in terms and conditions of purchase	New suppliers will also be selected if they comply with these basic regulations and principles	HR 2	p. 25
Human Resources	Neither the ombudsman nor the Works Council received reports	To keep the number of reports at zero	HR 4	p. 43
Purchasing	Joined BSCI and UN Global Compact	To consistently implement the BSCI, UN Global Compact and in-house compliance guidelines	HR 6	p. 26
Purchasing	Joined BSCI and UN Global Compact	To consistently implement the BSCI, UN Global Compact and in-house compliance guidelines	HR 7	pp. 26, 27
Legal	Training in compliance	No cases of corruption	SO 3	p. 18
Legal	No incidents of corruption	To avoid incidences; to implement immediate measures if corruption is suspected	SO 4	p. 19
Quality Assurance	Monthly product safety meeting	To be continued	PR 3	p. 25
Quality Assurance	Complaint rate: 0.28 per cent	To maintain a low level of complaints; to deal with complaints swiftly and fairly	PR 5	p. 24
Quality Assurance	No sanctions	No sanctions	PR 9	p. 25

*LA: Performance indicators for labour practices and decent working conditions
 HR: Performance indicators for human rights
 SO: Performance indicators for society
 PR: Performance indicators for product responsibility



Maximilian, 3, son of a CEWE COLOR Accounting employee.

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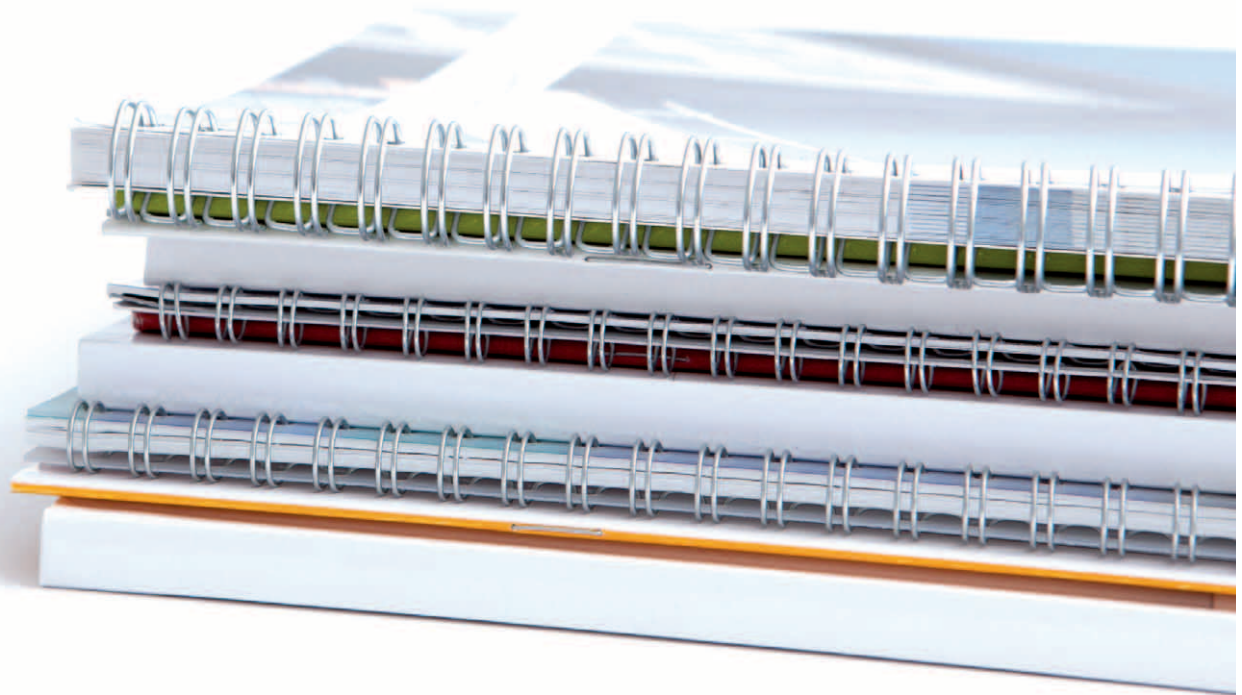
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