

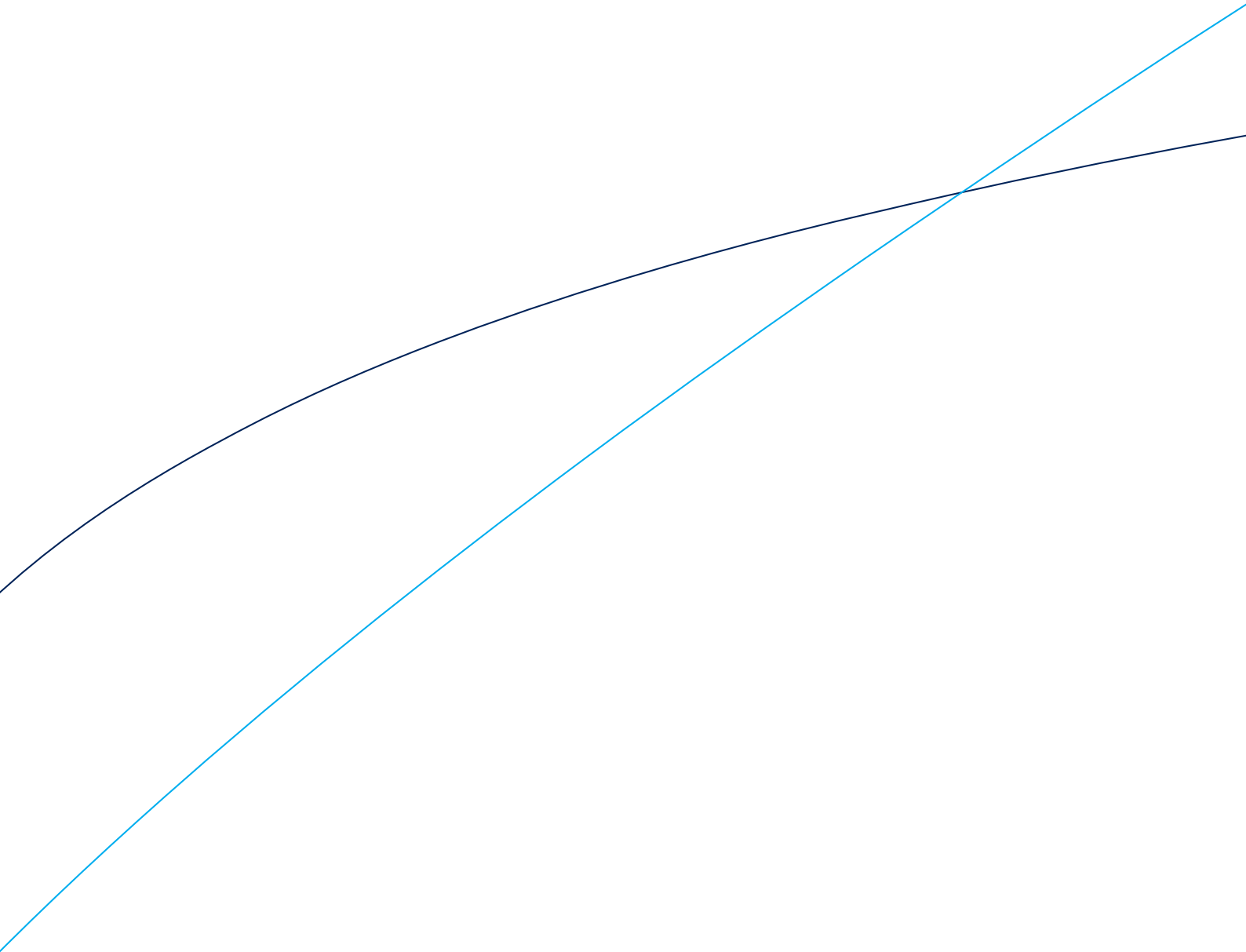


# BRITA<sup>®</sup> Management Handbook

Reference standards DIN EN ISO 9001, DIN EN ISO 14001, DIN EN ISO 50001, OHSAS 18001  
October 2016

**“ We will change the way people  
drink water sustainably. ”**

Vision BRITA Group



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## 1.1 Declaration of intent

The Management System comes into force upon signature by the Senior Executive Board.



### **Markus Hankammer**

Chief Executive Officer BRITA Group and  
Chairman of the Senior Executive Board BRITA GmbH

### **Jörg Heise**

Chief Operating Officer BRITA Group and  
Member of the Senior Executive Board BRITA GmbH

### **Stefan Jonitz**

Chief Financial Officer BRITA Group and  
Member of the Senior Executive Board BRITA GmbH

The contents of this handbook are binding for all  
employees of the BRITA Group.

## 1.2 Scope of application

### **Broad product ranges with innovative solutions for optimizing drinking water**

The BRITA Group is a medium-sized, family-owned company geared towards the global market and the customer. For 50 years now, business activities have focussed on optimizing and individualizing drinking water, whereby the water qualities and client needs as our starting point differ widely from one market to the next. The long-standing BRITA brand is a synonym for filter water jugs in many countries and holds a leading position in the global water filter market.

BRITA technology has long since ceased to be confined to private households, found only in kitchens and dining rooms there. Mobile products for use during sports, on the go or in the office, pipe-connected water dispensers for hygiene-sensitive locations such as hospitals and schools; not to forget trail-blazing drinking water solutions for companies and the hospitality industry as well as for the coffee, vending or steamer sectors, or even BRITA filters in large or small electrical appliances – today, BRITA is all of this. Not least the numerous internationally registered patents that we hold bear impressive testimony to the fact that, thanks to our permanent commitment to research and development, we are one of the top names in technology.

We also intend to remain the leading global brand in the drinking water optimization sector, creating sustained added value for our customers, consumers, employees, business partners (commercial & industrial partners and suppliers alike), distributors, and for the BRITA enterprise itself.

### **The company Headquarters: At the heart of Europe**

BRITA is based in Taunusstein which is just a few minutes away from the German town of Wiesbaden. Taunusstein is located on the western edge of the Rhine/Main metropolitan region, one of the strongest and most innovative business hubs in Germany and Europe.

The international airport hub at Frankfurt/Main, the ICE superfast Frankfurt-Cologne-Amsterdam rail link and key national motorways such as the A3 and the A5 are all in the immediate vicinity of the company head office, transports links that are absolutely crucial given BRITA's international focus.

Moreover, the company's exposed location ensures the availability of highly qualified employees and potential young trainees and also allows BRITA to enter into valuable cooperation agreements in the field of research and development.

## 2.0 The BRITA® Group

### **“Hidden Champion” focussing on the international market**

Founded by	Heinz Hankammer in 1966
Headquarters	Taunusstein (near Wiesbaden), Germany
Corporate structure	Owner-managed family company Limited liability company (GmbH) under German law
Chairman of the Supervisory Board	Moss Kadey
Senior Executive Board	Markus Hankammer, Jörg Heise, Stefan Jonitz
Executive Board	Markus Hankammer, CEO Chief Executive Officer BRITA Group and Chairman of the Senior Executive Board BRITA GmbH  Jörg Heise, COO Chief Operating Officer BRITA Group and Member of the Senior Executive Board BRITA GmbH  Stefan Jonitz, CFO Chief Financial Officer BRITA Group and Member of the Senior Executive Board BRITA GmbH  Markus Kirschner, Senior Vice President Europe  Dr. Hilmar Walde, CTO Chief Technology Officer BRITA Group  Dr. Rüdiger Kraege, Senior Vice President Asia

## 2.0 The BRITA® Group

### BRITA subsidiaries

- BRITA GmbH, Germany (Headquarters)
- BRITA Water Filter Systems Distributors Pty Ltd., Australia
- BRITA China Co. Ltd., China
- BRITA China Manufacturing Co. Ltd., China
- BRITA Hong Kong Ltd., Hong Kong
- BRITA S.A.R.L., France
- BRITA Water Filter Systems Ltd., UK
- BRITA Italia s.r.l. Unipersonale, Italy
- BRITA Japan KK, Japan
- BRITA Korea, Korea
- BRITA Polska S.p.z.o.o., Poland
- BRITA Turkey Su Çözümleri Ltd. Sirketi, Turkey
- BRITA OOO, Russia
- BRITA AG, Switzerland
- BRITA Iberia S.L., Spain
- BRITA Taiwan Co. Ltd., Taiwan
- MAVEA LLC, USA
- MAVEA Canada Inc., Canada
- BRITA Ionox Deutschland GmbH, Germany
- BRITA Yource GmbH, Germany
- Asset s.r.l., Italy
- Vivreau Ltd., UK
- Vivreau USA LP, USA
- Vivreau Canada Inc., Canada

### Production sites

- Germany
- UK
- Switzerland
- Italy
- China (Operation start in 2017)

### Number of employees worldwide

1,480 (2015)

### Number of employees in Germany

785 (2015)

### 2.1 Milestones: The history of BRITA®'s innovations

- 1966** **The starting signal:** Heinz Hankammer establishes BRITA in Germany. The first product is a filter for demineralizing water.
- 1970** **Premiere:** The first water filter jug for household use.
- 1980** **Business-to-Business:** The first professional water filter for commercial use is launched on the market. Beginning of the company's international sales activities.
- 1987** **Benchmark:** BRITA becomes synonymous with water filter jugs in Germany.
- 1992** **Award:** BRITA receives an award for being a "woman-friendly place of employment". Introduction of the first recycling programme for filter cartridges.
- 1995** **Sparkling drinks market:** BRITA distributes "Soda-Club" water carbonators on the German market.
- 1997** **US award:** Heinz Hankammer is the first German to receive the "International Entrepreneur of the year" award from the American Housewares Club of New England.
- 1998** **Pole position:** BRITA becomes the standard for water filter jugs in South Africa.
- 1999** **The next generation:** Heinz Hankammer becomes Chairman of the newly established Supervisory Board and Markus Hankammer sole CEO of the BRITA Group.
- 2001** **World premiere I and II:** Launch of the world's very first kettle with integrated water filter in the UK; launch of "BRITA On Tap" (a filter system attached to the tap) in France and later on in other countries.
- 2004** **Integrated Solution:** Launch of the new business concept entitled "BRITA Integrated Solutions" (expanding the area of application of the BRITA filter cartridge to other household appliances).
- 2004** **Very British:** A production facility opens in the UK town of Bicester near Oxford. BRITA is awarded a place in the Sunday Times "Top 100 Best Small & Medium Companies to Work For" list in the UK.
- 2005** **Innovative strength:** Launch of MAXTRA – the new generation of cartridges – and the water filter jugs Elemaris, Marella and Liquelli (for the Japanese market).
- 2006** **Anniversary:** BRITA GmbH celebrates its 40<sup>th</sup> anniversary. Launch of the new INTENZA filter cartridge for BRITA Integrated Solutions applications. Launch of a new filter cartridge that is directly integrated into kitchen sink (in cooperation with Pegler; initially on the UK market).



### 2.1 Milestones: The history of BRITA®'s innovations

- 2007 IT works:** SAP is introduced at BRITA GmbH.
- 2008 Relaunch:** The PURITY product line is relaunched and expanded within the company's "Professional" business unit and the new PURITY C line of filters is launched.
- 2009 Certified quality:** Successful certification in accordance with quality management standard DIN EN ISO 9001 for BRITA GmbH.
- 2010 Moving in:** BRITA celebrates the official opening of its new company Headquarters located on the BRITA Campus in Taunusstein. BRITA On Line transforms the kitchen sink into a direct source of BRITA optimized water. BRITA UK achieve Carbon Neutral Certification for the premises and business travel. Following the acquisition of the enviva pipe-connected water dispensers BRITA enters a new market segment.
- 2011 Protecting staff and the environment:** BRITA GmbH is awarded ISO 14001 Environmental Management and OHSAS 18001 Occupational Health and Safety certification. Acquisition of the water dispenser specialist Ionox.
- 2012 Footprint:** BRITA publishes 2012 Sustainability Report with the product carbon footprint for a BRITA water filter jug. Market launch of the BRITA Tap and the Fill&Go water filter bottle. Partnership with the British company Vivreau.
- 2013 Source at home:** Introduction of 4-way dispenser BRITA Neo 4 for filtered, chilled and sparkling water. Heinz Hankammer becomes Honorary Chairman of the Supervisory Board, Moss Kadey takes the chair. BRITA acquires 90% of the shares in the Italian manufacturer of pipe-connected water dispenser systems Asset. New subsidiaries in Taiwan and China.
- 2014 International reach:** New subsidiary in Russia founded. Vivreau North America is a partner of Michele Obama's "Drink Up" campaign. BRITA Neo 4 presents new taps and a new installation system.
- 2015 Green and innovative:** Successful certification as per the ISO 50001 energy management system. The new car policy makes the vehicle pool "greener". Focus on sensory water know-how in the company: An in-company Sensor Technology Lab. Introduction of the BRITA fill&serve Mind water filter carafe and a universal water filter for all professional coffee machines with water tanks, AquaGusto.
- 2016 BRITA – the first 50 years:** BRITA celebrates the 50<sup>th</sup> anniversary of its foundation. The BRITA Group calculates its CO<sub>2</sub> footprint for the first time. The new global BRITA-wide brand campaign launches: "Think your water". Foundation of a new subsidiary in Turkey and a regional office in Hong Kong. Start of trade in pipe-connected water dispensers, initially in Germany, Austria, Switzerland and the UK and now also in France and Italy.

### 2.2 Awards: Strong brand – high standards

#### **Deutsche Standards: Brands of the Century 2016**

In 2016 BRITA was inducted into the rank of “Brands of the Century” by publisher Deutsche Standards.

#### **Trusted Brand Award**

In 2013 consumers in Taiwan chose BRITA as the brand they trusted for the sixth time. In the “Trusted Brand” consumer survey conducted by “Reader’s Digest” magazine since 1999, every year readers’ favourite brands are determined in eight Asian countries.

#### **Superbrands**

BRITA took its place on the coveted list of the 500 superbrands in Great Britain in 2006 and 2008. The definition of superbrands is brands that “enjoy the highest reputation in their particular market segments and that offer consumers both emotional and concrete advantages over other brands.

#### **Entrepreneur of the Year – Finalist 2006**

Ernst & Young, one of the world’s leading audit and consultancy firms, regularly recognizes outstanding entrepreneurial achievement with the title “Entrepreneur of the Year”. In 2006 BRITA reached the final – with its sustainable growth and innovations winning over the jury.

#### **Grünes Band 2011 (Green Ribbon)**

In 2011, BRITA was awarded the “Grünes Band” (Green Ribbon) for the consistent anchoring of sustainability within its corporate concept. BRITA convinced the jury with its cartridge recycling (since 1992), the consistent shift to certified green power from hydroelectricity, and its broad range of CR activities.

#### **Footprint Awards 2015 – Sustainable Supplier Award – Winner**

The “Footprint Awards” are bestowed in recognition of the innovative ways that businesses and individuals are making a difference to sustainability in the foodservice industry. The entry highlighted activity undertaken in the UK to achieve zero waste to landfill and BRITA’s ongoing commitment to carbon reduction through its companywide dedicated CR programme.

#### **Vending Industry Awards 2016 – Winner**

The Best Environmental Initiative Award recognizes environmental excellence. The award entry highlighted BRITA’s ongoing commitment to sustainable practises.

#### **National Recycling Star Gold**

In 2013 BRITA was recognized as a gold-tier “National Recycling Star”, since all the criteria for the highest level of recognition were met: The complete avoidance of landfill-bound waste, the introduction of measures for comprehensive recycling and the improvement of waste management with the involvement of employees.

### 2.2 Awards: Strong brand – high standards

#### **red dot design award**

In 2016, international design experts selected a BRITA product for the “red dot design award” for the sixth time. The “red dot design award” is bestowed by a distinguished jury as part of the world’s largest and best-known design competition.

#### **pro-K award**

Likewise in the year 2016, the BRITA fill&serve Mind water filter carafe won the “pro-K award” for quality in plastic. The evaluation process took into account functionality, design and degree of innovation. The 13-member jury had this to say: “A clear formal idiom with ingenious elements. The classic carafe skilfully crafted in plastic”.

#### **Good Design Award**

In the years 2008 and 2011 BRITA products received the Japanese “Good Design Award”. This sought-after design prize, for which were more than 3,000 entries, is awarded by the Japan Industrial Promotion Organization (JIDPO). The accolade stands for the sort of design that “stimulates the sector” and “is life-enriching”.

#### **iF product design award**

In 2014, IndustrieForum Design honoured the BRITA Fill&Go water filter bottle with the “iF design award”. With more than 20,000 entries from over 50 countries submitted every year, the iF awards are amongst the largest and most important international design prizes.

#### **Investors in People – Gold Standard**

BRITA UK was presented with the “Gold Standard Investors in People” in 2012. This standard demonstrates how business success can be boosted by encouraging and enabling the personal advancement of the employees. The “Gold Standard” is achieved by just three percent of participants.

#### **Best Companies**

In 2004, 2005, 2006 and 2008, BRITA Water Filter Systems Ltd. in the UK was included in the prestigious list of the “Sunday Times 100 Best Small Companies to Work For”.

#### **Best Factory Awards**

In 2014, BRITA UK took part in the “Best Factory Awards” and received the “Judges’ Special Award” for its exemplary continual improvement process (CIP), which is practiced at all levels of the company, and for the first-rate manufacturing processes. The Best Factory Awards (BFA) and its accompanying conference bring together the best manufacturing businesses from the country with the aim of exchanging best practices and celebrating their successes.

## 3.0 Vision and strategy: BRITA® 2020 – Conquer New Waters



### Our vision

“We will change the way people drink water sustainably.”

### Our mission

“We offer to everybody the best possible drinking water experience according to their individual expectations.”

## 3.1 BRITA® 2020 – Conquer New Waters: Strategy with differentiated portfolio approach

Our current “BRITA 2020 – Conquer New Waters” corporate strategy is based on BRITA’s vision and mission, as well as the previous strategy BRITA BIG<sup>50</sup>. With “Conquer New Waters” we have set ourselves very clear qualitative and quantitative goals and set out strategic initiatives and responsibilities that give structure and orientation to our joint actions up to 2020. “Conquer New Waters” is the first strategy at BRITA with a differentiated portfolio approach and fosters the evolution of the BRITA Group from a one-product to a multi-product company. The strategy advances the focussed development of our business units, both geographically and in relation to the product portfolio. To this end, BRITA has been divided up into twelve Strategic Business Areas, or SBAs, with specific goals defined for each area in the form of individual strategic guidelines and initiatives as well as financial stipulations leading up to 2020.

### Ability for internationalization as a great plus

BRITA’s ability to expand its international reach is our second essential strategic strength after water and filtration expertise. For over a decade now, BRITA has achieved more than 80 percent of its turnover outside the borders of its home market. With their specific usage habits and requirements, our international markets are also an ever stronger driver for the product and technology innovations of our brand.

### Objectives of Conquer New Waters

Building on BRITA BIG<sup>50</sup>, we want to continue to be commercially successful on the one hand, and on the other to prove our identity as an independent family company. With “Conquer New Waters”, we have defined the goals of our “expedition” up until the year 2020 and set the course to get there. Through professional collaboration among all employees of the BRITA Group, we are exploiting the potential available to us worldwide to expand the technologies we excel in, broaden our product range and tap into new markets.

## 3.0 Vision and strategy: BRITA® 2020 – Conquer New Waters

### The three essential pillars of the strategy

The overriding aim of “Conquer New Waters” is:

**“Based on BRITA BIG<sup>50</sup> we are doubling our business until 2020 by diversification, acceleration and promoting entrepreneurship.”**

#### Diversification

We want to become a company that is technologically more broadly-based with a differentiated product portfolio in even more attractive markets. This diversification is evident in the strategy thanks to clear goals, guidelines and initiatives – tailored to each of our geographic regions and product categories. Through its balanced product portfolio, BRITA wants to reduce the traditional business’s previous dependency on water filter jugs and thus to secure its future. Expansion into new countries and increasing internationalization should mean that the BRITA Group can act as a multipolar organization with interconnected regional bases, thus avoiding too great a dependence on individual regions.

#### Acceleration

We want to pick up speed in order to make prime use of our very good starting position and the huge potential for growth at BRITA. To this end, we need to optimize processes, make decisions quickly yet thoughtfully, implement activities efficiently and share information promptly. The company will achieve acceleration by continually re-tuning itself to external factors such as the market and competition and consistently ensuring a dynamic equilibrium.

#### Entrepreneurship

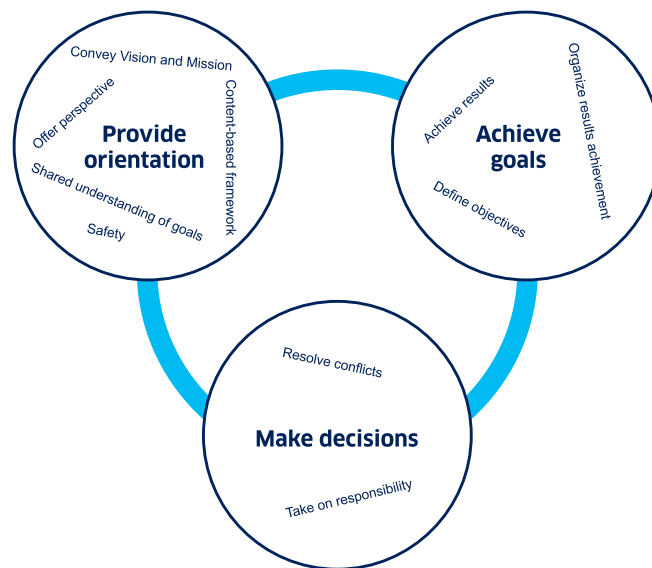
BRITA wants to foster a culture of entrepreneurialism across all levels. It urges its employees to be inquisitive, to dare to step into the unknown, to conscientiously face unavoidable risks, and to be bold in making decisions. When mistakes are made in the process, these should serve to enable us to keep learning and improving. The BRITA Executive Board commits to offering the framework for this and to supporting and putting into practice the entrepreneurial mentality.

## 3.0 Vision and strategy: BRITA® 2020 – Conquer New Waters

### 3.2 Our understanding of leadership

The Executive Board of the BRITA Group developed management guidelines in response to the question “What management is needed for our strategy BRITA 2020 – Conquer New Waters?”. The Board is convinced that the understanding of leadership plays a key role in the implementation of the strategy. In these guidelines, the Executive Board wants to convey methods and principles that are specifically tailored to the BRITA situation and are applicable in day-to-day work. This should make it clear to the employees that there is a shared understanding of leadership at BRITA and what precisely that understanding is. This offers certainty for supervisors in their actions and reliability for employees.

#### Our three most important management goals



#### The three most important qualities of a leader

- Proactivity
- Boldness
- Determination

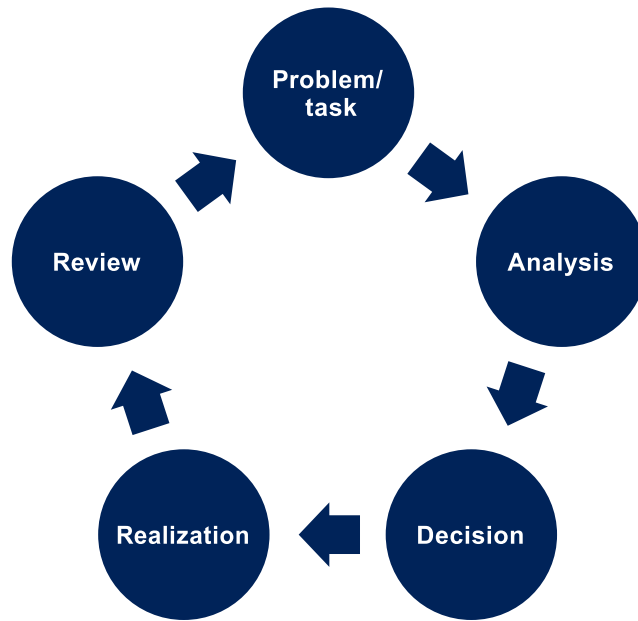
#### Core elements of leadership behavior

- Attitude level (Be an authentic example)
- Action level (Lead, tackle, support & challenge)
- Symbolic level (Act with symbolic character)

## 3.0 Vision and strategy: BRITA® 2020 – Conquer New Waters

### 3.2 Our understanding of leadership

The leadership process at BRITA



## 4.0 Information and communication flow at BRITA®

Crystal clear water is essential to our health and wellbeing – just as crystal clear information is indispensable in lending strength and integrity to corporate communications.

BRITA customers around the world are kept well informed of BRITA and its products: through the internet, social media, email newsletters, retail print media, POS material, and through film & TV trailers – just to name a few examples. And if they still have any questions, they can also contact us on our hotline number.

However, staying in touch with consumers is not the only thing that matters to BRITA, but also ensuring their satisfaction with our products. Our water filter jug can be returned to BRITA within 30 days of purchase – without any "ifs and buts". The customer then receives his money back. What's more, our products have a whole two-year guarantee. Within this period, customers can get replacement parts free of charge.

### 5.1 Who are we – what do we want

#### **Water is our element**

Our core competence is based in the water sector. This means that we are shaping one of the most important markets of the future. BRITA is engaged in the field of treating and optimizing this vital resource and in assisting people to improve the quality of water for individual use. The approach is a holistic one, equally involving the source, the processing, and the consumption of water. On an international scale, approaches may vary, depending on the quality and importance of the water. Within the framework of our company's goals, we take into account the cultural specifics of each country in which we are represented, thus serving the needs of our partners and clients.

#### **Market-oriented**

Only those who are oriented towards market demands are successful. We develop, manufacture, and market products tailored for consumer needs. These needs are often not evident, which is why we keep a close eye on market developments in all relevant segments, register change, and act selectively and flexibly.

#### **Being market leader**

Once we have decided to manufacture and market a product or a service, we want to become market leader in this particular segment, that means become the world's no. 1 with regard to the market share. We only accept not being market leader in single regions or market segments, if such a position serves the company's overall goals.

#### **Future through willingness to change**

All employees are encouraged to contribute actively to or to participate in innovation. This is vital for preserving BRITA's market leadership and competitiveness. For us, innovation first and foremost means developing and marketing new products and technologies. But there is more, it is also about any incremental changes, large or small, that deliver positive or better results.

#### **To understand anything new as an opportunity**

Ideas for change can come from anywhere and anybody. BRITA will embrace and promote change by providing the proper environment and tools, delegating responsibility and taking reasonable risks. All employees are invited to have the courage to challenge the status quo and accept accountability for their area of work and for the whole. Success is only achieved through innovation and the learnings of every individual and every team from experiences and mistakes made.

#### **Being profitable**

We enhance our company in terms of value and results, we are more profitable than the competition. We reach this ambitious goal by constantly auditing and optimizing the efficiency of all performance processes within the company.



### 5.1 Who are we – what do we want

#### **Continued growth**

We consider growth to be both quantitative and qualitative. Our goal: become bigger and better. We achieve this by implementing our own resources, but also by selectively making use of external resources.

#### **Everyone counts**

We can satisfy our ambitions if we join forces – with every single employee – and do our utmost in striving for our common goals. We are aware that energy, professionalism, initiative, and creativity are valuable human resources which cannot be exhausted infinitely. We feel bound to utilizing water responsibly, and we endeavour to utilize our human resources conscientiously to the same degree. We are responsible for our employees, they are the base of our success. Only by selective cultivation of skills and by showing our appreciation is it possible to place such high demands on them.

#### **Defining values**

We know that certain values and virtues have contributed as much to the success of our company as have business strategies. These values have left an indelible stamp on BRITA's character, and we consider them to be of fundamental importance: latitude, willingness to accept responsibility for one's own actions, trust, team spirit, respect, and openness. It is therefore a primary mission to revitalize these characteristic strengths of our company. After all, we are aware that our unique characteristics will continue to form our identity in future and will remain critical to our success.

### 5.2 Our policy – our principles

#### **Management is synonymous with setting an example**

We place high demands on our managerial staff: they are highly qualified for their appointed assignments. Managers set an example; they represent and back up their employees and respect our values in their everyday activities and also in decision-making processes. Employees are entitled to be taken seriously and respected by their superiors. Critical discussions are possible at all times. All our managers are responsible for steering numerous processes and must make competent decisions. They are also responsible for communication and the working atmosphere within the team and company.

#### **Clearly defined and attainable objectives produce latitude**

Employees and their superiors jointly develop – within the framework of our company's goals – personal objectives which are unambiguous and understandable and in line with market requirements. Each individual must be aware of the framework in which these objectives must be accomplished. Then he can act on his own initiative to contribute towards processes in compliance with the set objectives and has the opportunity to make independent decisions. Conversely, the superior can trust his employees and delegate responsibility. To us, controlling processes – from start to finish – are an added benefit. In this manner it is possible to further optimize processes and to improve efficiency, thereby increasing our profitability.

#### **We understand each other**

We communicate with one another, discuss issues with each other and inform one another, and that works smoothly because we all – employees and management alike – speak the same open and clear language. To speak to someone using language he understands is not just a sign of respect, it also ensures that information is passed on accurately. The unobstructed and accurate flow of information is a vital factor for our company. For all members of the company it is a personal benefit if information is exchanged in a comprehensible manner and if they can deal candidly with one another.

#### **Globalism is our opportunity and future**

We are present in markets all over the world – America, Europe, Australia, Asia, Africa. Our international sites contribute considerably towards our growth. The number of different cultures and the number of different ways of thinking and acting represented within our company offer us a fundamental opportunity which we take advantage of. Not only do we respect the cultural differences, we are also open for learning something new from our partners and subsidiaries. We are part of a continuous and productive exchange process: a solid basis for international growth.

### 5.2 Our policy – our principles

#### **Actively live our corporate responsibility**

Corporate responsibility is deeply rooted in the BRITA tradition. We want to give a part of our economic success back to society and therefore support projects in the fields of culture, education, sports and development cooperation. We equally care about the protection of our environment and the sustainable use of resources: We believe that in the future a company can only be successful if it does not neglect sustainability. In order to safeguard a positive external perception of our activities we make sure that our words and deeds are consistent.

#### **We offer encouragement and challenges to our employees**

Inquisitiveness and the hunger for knowledge are the driving forces behind every kind of change. The ability to pick up, examine, and implement new ideas quickly is an absolute must when it comes to business success. We encourage our employees not to take processes for granted, but to view them critically and to introduce their own ideas. Each individual can demand at all times the latitude necessary for such autonomous action. One important task of all managerial staff is to nurture the critical and creative potential of employees.

#### **We assess and reward performance**

The company's objectives and the personal goals of each individual are compatible. We offer appropriate remuneration for the achievements of our employees, we nurture talents and promote careers. At BRITA, no position is a dead-end. If employees have the necessary strengths, we will at all times do our utmost to cultivate their talents. In discussions we examine and assess the performance of each individual in great detail. Open and honest communication contributes towards career advancement and also towards dealing with shortcomings.

#### **Lifelong learning**

Each individual employee is entitled to further training, irrespective of the position held. At the same time, it is his duty to seize appropriate opportunities in this respect. The learning process does not only take place at specific workshops and seminars, but also in our everyday dealings with one another. And here it is not as much technical expertise which is acquired, but social skills: the ability to deal with people, to respect others, to work as part of a team. These acquirable skills form the basis of fruitful cooperation.

## 6.0 Corporate Compliance: Integral, ethical and value-oriented behavior

At BRITA, corporate compliance stands for more than just adhering to rules and regulations. It is part of the corporate strategy relating to corporate responsibility and stands for integral, ethical and values-driven behaviour as a basis for responsible entrepreneurship along the whole value-creation chain. To this end, the Compliance department develops and implements preventative and reactive measures as part of risk management, which serve either for damage prevention or early recognition.

Under no circumstances is breaking the rules in BRITA's interests. The Executive Board and all BRITA managers are bound by this principle without exception. Breaking the rules undermines fair competition and damages our trustworthiness and reputation. Integral and responsible behavior by each and every BRITA staff member is a fundamental element of our business culture. When striving to reach our goals, we are concerned not only with actually achieving them but also with how we achieve them. Where there are breaches of laws, codes of conduct and standards, we will act consistently, where necessary taking official steps under employment law.

BRITA follows a values-based Compliance Management System, which builds on employees' individual responsibility. At BRITA compliance is directed centrally and implemented locally in the various areas. At BRITA, compliance simply is the staff. Nevertheless, our managers have a specific role to play, too: Their positions of responsibility mean they are obligated to act as role models for their staff.

### Code of Conduct

In order to present the theme of compliance in a way that is accessible to and readily comprehensible for all employees, we have developed two central internal documents in which all the important information is prepared in a way that addresses the specific target groups: the Code of Conduct and the awareness brochure "Compliance – let's all come to the table". The brochures are currently available in ten languages. The Code of Conduct is a guideline that is binding for all employees, and which enables us, no matter where we are in the world, to recognize and respond appropriately to any ethical and legal questions that may arise in relation to our work for BRITA.

Nevertheless, compliance is brought to life not through brochures, but through the values-driven actions of our employees. In order to achieve this, we rely on communication and interactive workshops in order to motivate staff and enable them to assume responsibility for themselves when dealing with issues of compliance. We also expect our business partners to conform to the legally permissible and integral behavior set out in our Code of Conduct.

## 6.0 Corporate Compliance: Integral, ethical and value-oriented behavior

### Code of Ethics

The principles set out in our Code of Ethics include our respect for internationally recognized human rights. In addition, we reject any kind of forced, compulsory or child labour and any form of discrimination. Our business partners are obliged to pay the statutory minimum wage at the very least and/or to ensure their employees enjoy a suitable standard of living. National regulations and agreements in relation to working hours and paid holiday must be complied with.

The BRITA Code of Conduct and Code of Ethics are fundamental elements of our corporate culture and our self-image. Only business partners who guarantee compliance can and will work with us on a long-term basis. After all, at BRITA, corporate responsibility also means that we tackle themes of corporate responsibility all the way along the value-creation chain.

## 7.0 Corporate Responsibility: Taking on responsibility

Building on its economic success, BRITA will take on the responsibility of giving part of this back to society. This will also be evident in future in the form of various commitments. Alongside support for cultural, social or sporting initiatives and institutions as well as taking care of our employees, we are returning time and again to a theme that is particularly important to BRITA: The environment and protection of the precious resource that is water – something that accompanies us in our activities each and every day.

BRITA CEO Markus Hankammer himself oversees our corporate responsibility activities. It is thanks to his initiative that social commitment and measures towards environmental protection have been implemented in the past. Between 2013 and 2015 corporate responsibility was directed by a steering committee on a project-by-project basis.

The background to this was the initiation of a project aimed at minimizing BRITA's carbon footprint. This project stimulated the development of the "Balance the Impact" approach, which now forms the framework for CR activities at BRITA. Since 2016 we have been putting a structure in place under the "Balance the Impact" concept, with which CR can be anchored as a theme within the company and driven forward for the long term.

### **"Balance the Impact"**

With its corporate responsibility initiative "Balance the Impact", BRITA has laid the foundation stone for its thoroughly pragmatic participation as a company in environmental and climate protection. With the help of a company-wide carbon management system, the company measures its harmful emissions and can thus identify where environmental measures can be bundled thematically and implemented effectively. The aim of "Balance the Impact" is the continual reduction of BRITA's carbon footprint and offsetting unavoidable emissions through ecological and environmentally worthwhile projects.

To this end, we make use of tools and processes which we have successfully applied in the past – such as the certified environmental and energy management system, for example. The BRITA locations in Taunusstein (Germany), Neudorf (Switzerland) and Bicester (UK) have been certified according to DIN EN ISO 14001 since 2011. Since 2015 the locations of Taunusstein and Bicester have also boasted energy management systems in line with DIN EN ISO 50001.

## 7.0 Corporate Responsibility: Taking on responsibility

Corporate responsibility is an extensive topic, for which a functioning organization is required within the company. The CR organization and a comprehensive CR program are currently still in development at BRITA. Internal processes should ensure that CR becomes a consistently major feature of the company and that projects can be carried out efficiently and with support from all departments.

Our aim is to systematically structure and manage the varied measures that we have implemented on our own initiative thus far and to use these to generate impulses for our growth.

We therefore want to use the next few years to put in place a coherent CR program that takes into account our stakeholders's needs and helps us to progress as a company.

## 7.0 Corporate Responsibility: Taking on responsibility

### 7.1 Responsibility for resources and the environment

Companies that occupy themselves day in day out with the vital natural resource water must necessarily have a strong interest in the sparing use of resources. BRITA does this with the greatest possible care and respect for mankind and nature. For the company, adhering to all relevant legal stipulations and other requirements relating to environmental management are a matter of course.

#### **Systematic resource protection**

Our understanding of environmental protection includes the efficient and sparing use of water, the application of environmentally compatible and energy-saving production processes, the reduction of waste to a necessary minimum and energy consumption that is as efficient as possible. As part of this, we not only adhere to environmental standards when developing and manufacturing our products, but we also continue to observe this responsibility after their sale. We make our employees aware of how they should handle resources responsibly and we also like to convince our customers of the environmental advantages of our products.

An integral element of our business centres on reducing our environmental impact and our energy consumption levels. The company already takes environmental aspects into account in the development of products. Moreover, because we employ integrated environmental management procedures, BRITA has a strong interest in essentially keeping negative environmental impacts to a minimum when designing new products. Not least of all we continually work to develop procedures that allow us to assess environmental performance and the corresponding key figures.

One example is cartridge recycling at BRITA: Both the household and the professional filter cartridges are prepared and processed for recycling by BRITA in the company's own plants. The plastic materials are recycled by certified external partners. This way, the company saves raw materials and emissions and works actively to prevent shortages of raw materials and climate change.



## 7.0 Corporate Responsibility: Taking on responsibility

### 7.1 Responsibility for resources and the environment

#### Learning from others – “Ökoprofit” (Ecoprofit)

“Ökoprofit” (Ecoprofit) is a voluntary consultancy program supported by the City of Wiesbaden, which guides and supports companies in introducing an environmental and energy management system, outside of ISO norms. In addition, “Ökoprofit” offers a cross-industry local network for the effective implementation of company-based environmental protection. All members make use of the experience that comes from other companies and benefit from the various workshops that are carried out as part of the program.

#### Further development of environmental protection

BRITA now operates systematic resource protection primarily at its various production facilities, as it is here that we identify the greatest potential for savings. Beyond adherence to country-specific statutory requirements, in future we will have standard requirements for environmental and resource protection at all production sites and will implement these in a structured fashion. In a phase of strong growth and increasing internationalization however, this means that we cannot implement such things overnight. We therefore seek step-by-step to systemize and harmonize our environmental activities to form one burgeoning, comprehensive corporate responsibility program.

### 7.2 Energy policy at BRITA®

#### Energy goals

With its energy policy, BRITA is committing to continuous reduction of its energy requirements and the resulting CO<sub>2</sub> emissions. This happens on the basis of the strategic and operational energy goals. The Executive Board sets out these goals together with the relevant departments and locations on an annual basis. The goals are defined based on the consumption data for the expired period adjusted for variables and an assessment based on economic, environmental and socio-economic criteria. The Executive Board provides all the necessary resources for the achievement of strategic and operational goals.

## 7.0 Corporate Responsibility: Taking on responsibility

### 7.2 Energy policy at BRITA®

#### Continuous improvement of energy efficiency

BRITA strives to continually improve energy efficiency. Compliance with the statutory requirements is considered the bare minimum of what we have to do here. When decisions relating to energy are made, lifecycle observations are produced wherever appropriate.

#### Employee responsibility

The implementation of energy policy in day-to-day activities requires the involvement of all BRITA employees. Each employee is welcome to make suggestions for improvement, which can be taken to the energy team where he/she is unable to implement them independently, thus employees play an active role in the energy program. In addition, all employees are informed continuously about innovations in energy management.

#### Communication

The BRITA employees are regularly informed about the company's energy aspects, energy consumption and energy management programme. Where required, external stakeholders can also be provided with information about energy management. Compliance with the energy policy is monitored and evaluated at regular intervals by the BRITA Executive Board.

### 7.3 Occupational safety and health management

#### Commitment to employees

BRITA is committed to protecting and improving the health and safety of all its employees. It does this by means of a foresighted approach to planning and carrying out precautionary and corrective measures in the realm of health & safety at work. All employee workstations are designed to meet ergonomic requirements and to match the latest state-of-the-art technology. Occupational health & safety constitutes one of the missions of our corporate employee welfare policy where it duly occupies a place of high priority. BRITA is committed to the prevention of injuries and illnesses among its employees and seeks to improve the management and benefits of occupational health & safety.

#### Precautionary measures

In doing so, the company on its own initiative makes absolutely sure that the applicable legal obligations and other requirements in occupational safety management, to which the organization is committed and which relate to the risks of occupational health & safety, are complied with, and even exceeded. Major tasks relating to this are to identify any health & safety hazards (through hazard assessments) so that our facilities can be conceptually designed to protect our employees right from the very outset and to ensure that we operate our facilities in conformity with the law. Moreover, all work areas are subject to regular site inspections. BRITA analyses the reports and all measures deemed necessary are introduced.

## 7.0 Corporate Responsibility: Taking on responsibility

### 7.3 Occupational safety and health management

#### Further development of occupational safety

Furthermore, BRITA provides all of its employees with regular training sessions on health & safety at work and continuously works at making technological improvements. Our employees, for their part, are called upon to inform their seniors of any flaws or shortcomings, and to comply with our health & safety standards at all times. The Health, Safety & Environment (HSE) department gives advice on such issues in accordance with the legal requirements. Occupational safety at the BRITA production sites of Taunusstein (Germany), Bicester (UK) and Neudorf (Switzerland) is certified according to the international management standard OHSAS 18001 (in future ISO 45001). In the future occupational health and safety is set to be managed more centrally and standardized within the framework of the developing CR programme.

#### Health management

We want to take a responsible approach to the health of our employees. For this reason BRITA GmbH implements precautionary measures that exceed the statutory requirements. Hence we offer influenza virus vaccinations, for example, and a general vaccine consultation. In addition, we offer alternating services through our company doctor such as skin cancer screening, heart check-ups, eye pressure tests and prostate examinations. During the working day too, health plays an important role: With height-adjustable desks and chairs we equip our employees with ergonomic workplaces with the aim of easing the stress on the back, knees and neck. Work processes in production, such as carrying or lifting heavy objects, are regularly monitored from a health perspective. In addition, we offer free driving safety and fuel efficiency training for employees with company cars.

#### The BRITA Health Circle

The BRITA Health Circle comprises representatives of the HR department, the Health, Safety & Environment department, the works council and volunteer staff members. The committee regularly discusses possible improvements in occupational health and safety and promotes this topic by means of various activities. As an additional measure to make working life more flexible and to improve individuals' quality of life, the company also offers options for working from home, working part-time, working flexitime and working-life time accounts. With the latter, employees can get accrue reserves from their current income that can be used later on for a longer period of time off work or for premature retirement.

BRITA is aware of its special responsibility for the health of its employees. For only those companies that recognize, promote and systematically make use of their potential will enjoy success in the future.

## 8.0 Tried-and-tested quality: A core part of our brand promise

To be able to spend almost five decades acting responsibly in the sensitive field of drinking water optimization, a company needs to have products of outstanding quality. This outstanding quality is a fundamental core part of our brand promise at BRITA. We only supply our customers with products that have been developed through quality-assured processes and which we have first scrutinized thoroughly ourselves. We perform numerous tests, simulations and measurements to check our prototypes and serial products through and through. In doing so, we go far beyond just fulfilling the (already exacting) legal requirements.

At BRITA, quality takes many forms – starting from our careful choice of raw materials, our constant management and control of all development, production and transport processes, including all of the related hygiene regulations, and going all the way through to development activities, plus the selection and monitoring of suitable suppliers. We only work with business partners that are in a position to meet our high standards at all times.

### 8.1 Customer and consumer satisfaction

In order to ensure the high quality of BRITA products, our filter cartridges, raw materials and end-products are permanently tested and inspected for compliance with set quality requirements at BRITA's production facilities, and are also checked by independent institutions.

If it should be the case that an individual product item does not fulfil these high standards, then it is labelled accordingly, separated from the rest and immediately removed from further processing. A central ERP system allows all steps to be easily retraceable.

Taking the example of filter cartridges: Not only BRITA's filter cartridges but also its entire water filtration systems are checked regularly by the southern branch of the highly renowned German Technical Inspection Authority (TÜV SÜD) and certified as being of impeccable quality. Moreover, BRITA's products meet some of the highest standards in existence, including those of the Water Research Centre (WRC) in the UK, the National Sanitation Foundation (NSF) in the USA and the Swiss Gas & Water Sector Association (SVGW).

## 8.0 Tried-and-tested quality: A core part of our brand promise

### 8.2 Continuous Improvement Process (CIP)

The Continuous Improvement Process (CIP) has a long tradition in Japan. It is based on the Japanese life & work philosophy known as "Kaizen", which roughly means "changing good for the better" – and doing so in many different respects.

- CIP encourages each and every individual to be prepared to change: "Ask yourself every day what you can do better tomorrow."
- CIP is based on the "plan-do-check-act" (PDCA) cycle and covers the optimization of products, processes and goals throughout the entire value creation cycle – from product development all the way through to "cost to design".
- CIP aims at avoiding error, along the lines of: "Get it right the first time."
- Many of our customers expect us to have an active CIP in place, as do the ISO standards, which aim at the constant improvement of processes, organization and systems.
- Quality circle in production: A team of experts from all divisions (e.g. production and engineering) collect ideas for generating improvements through creative solutions for the product itself and for the processes involved.
- Internal and external audits: Whether it's through a system, process or product audit, we regularly check our management systems, our organization and structures, and the overall processes, along with their points of intersection. What's more, we are also given confirmation of our high, self-imposed quality standards by external auditors.
- Management assessments: Regular management assessments relating to the optimization of projects, products and processes are performed at BRITA on a variety of levels.

#### Using clearly defined tools to underpin CIP

#### Proactive measures

Our goal: Avoiding errors before they occur. We plan quality into our products and processes, using structured tools and systems to do so. We identify the causes of any possible errors in products and processes and implement due precautions befitting the possible effects and risks involved in each case. These activities not only pertain to the topic of quality, but also to the areas of the environment and occupational safety. CIP is a management mission at BRITA in which every single employee of the company is involved.

## 8.0 Tried-and-tested quality: A core part of our brand promise

### 8.3 BEST – Operational Excellence

There's always room to improve, which is why we take the subject of "operational excellence" very seriously. This term covers operational optimization processes aimed at efficient value creation and continual improvement. This way, we want to do justice to customer needs, comply with quality standards and also work more efficiently.

Operational excellence methods have been applied at BRITA since 2009 and since 2015 have been summarized under a succinct name: BEST. The four letters stand for "BRITA Excellence System". Together with our employees, we are working on consistent avoidance of waste and achieving sustainable improvements. The implementation of BEST is the responsibility of twelve employee teams from the production and logistics unit. There are two coordinators and a joint steering committee. Employee proposals are gathered in an ideas store and gradually implemented in three spheres of action (people, planet, profit).

With BEST, BRITA is in a good position to meet the challenges of the future. Demographic changes and growing customer needs mean we must be able to react flexibly and efficiently to change. Reduced manufacturing costs, increased flexibility in manufacturing and the use of all employee expertise are key to efficient production and help to secure jobs. With BEST, we have created a basis from which we can successfully master these challenges.

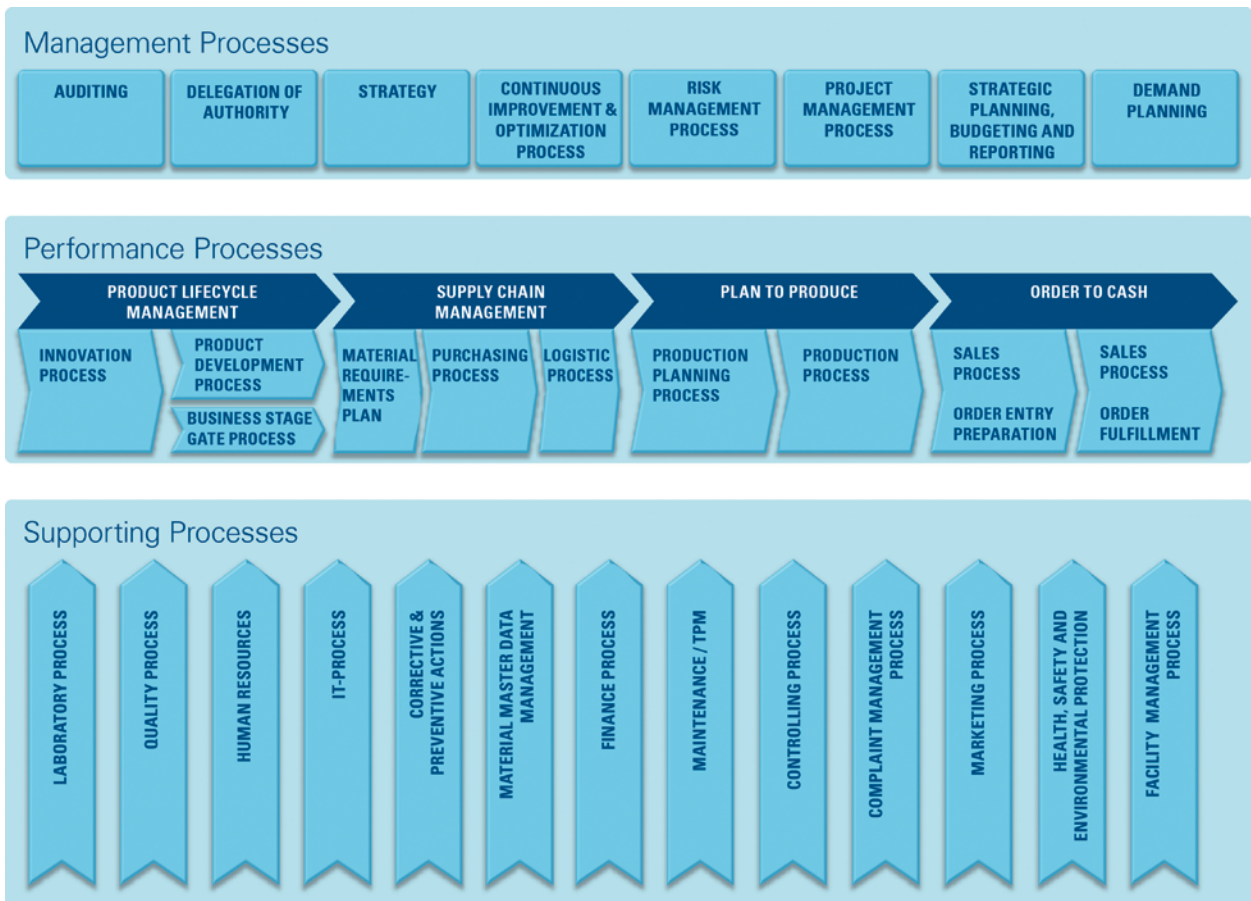
## 9.0 The process-orientated approach: More transparency, better for everybody

Good management requires good thinking: We can achieve our desired goals more efficiently if the job of managing and directing the company's activities and associated employees takes the form of a process. The process-orientated management system contributes greatly towards this. Within the context of applying a foresighted approach to planning, we make a point of using our resources from the entire organization efficiently.

All procedures and processes are documented carefully, with the optional inclusion of work procedures. The depiction of our processes (see illustration) shows the major corporate processes and their correlations.

BRITA's in-house processes, sub-processes, company and work procedures, plus the relevant forms are controlled documents, which BRITA makes available to all employees via the intranet.

Our data from process results and records are regularly analysed and ensure the reproducibility of our products and services.



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