

2018
**SUSTAINABILITY
REPORT**

Contents

Company Policy

- We look back at 2018
- About Wetrok
- Environmental and social responsibility
- ISO certification

What we have accomplished in 2018

- Cleaning products
- Machines
- Consumables
- Lifecycle management
- Consumption of resources at the Klotten site
- Disposal/recycling
- Responsibility towards staff members
- Transport/logistics
- Cooperation with partners

Transparency confirmation

1.

COMPANY POLICY

We look back at 2018

About Wetrok

Environmental and social responsibility

ISO certification

We look back at 2018

For almost two years, Wetrok has not only been certified in accordance with ISO 9001:2015 (quality management system), but also ISO 14001:2015 (environmental management system). Today, you are reading the second Wetrok sustainability report. In this short time, we have been able to increase our ecological performance in multiple areas. This improvement was confirmed to us by auditors during the surveillance audit in autumn 2018, which we passed without any system deviations. On the product side in 2018, the Mepol HM protective treatment for floors was reformulated with a longer-lasting coating polymer, the ergonomic and energy-efficient Wetrok Portavac backpack-type vacuum cleaner was launched and floor cleaning pads (poly pads), which are now made of recycled PET plastic, were added to the Wetrok range.

Regarding special waste disposal, lead battery waste has been reduced via the successive introduction of cleaning machines and accessories with energy-efficient lithium batteries. Despite these successful examples, we are conscious of the fact that ecological performance and its implementation are an ongoing focal point for us and will remain so in the future. In this Sustainability Report we inform you about where we stand today, and in which areas we would like to improve in the future. Sustainability is a fixed component of the Wetrok company policy. It is even more important to us, however, to consider this aspect in every decision that we make in our daily work.

Gerhard Sandmeier,
Head of Supply Chain

About Wetrok

Wetrok offers everything from a single source: chemical cleaning products, highly specialised machines, consumables and application training. Wetrok AG is considered a pioneer in professional cleaning technology: for over 70 years, it has created innovations for professional cleaning processes. "Hygiene for life" – as stated by our motto. The products and cleaning systems are developed by our in-house research department at the company headquarters in Zurich-Kloten. Wetrok operates 11 sales outlets in Switzerland. Represented by subsidiaries and long-standing partners, Wetrok is now active in more than 35 countries across the world. More than 100,000 customers worldwide rely on holistic cleaning solutions by Wetrok.

Environmental and social responsibility

As an employer of around 250 employees around the world, Wetrok is aware of the associated social and environmental responsibility. In particular, in our role as a developer of chemical cleaning products, we feel that Wetrok has a special responsibility to act as a role model by using artificial and natural resources in moderation, and to pass this attitude on to our customers and the participants of our training sessions. Sustainable business operations across the entire value chain are not a strategic matter for Wetrok, but a matter of social responsibility. Even in the earliest stages of developing new products, we always consider the entire lifecycle management. For the sake of sustainable quality of life and well-being, Wetrok's staff members benefit from various health promoting activities and above average fringe benefits.

ISO certification

Wetrok will still be offering the same quality tomorrow as they do today. And all of this without polluting the environment. It is for this that they have created a quality and environmental management system. Since 2017, Wetrok has not only been certified in accordance with ISO 9001:2015 (quality management system), but also ISO 14001:2015 (environmental management system).

Both ISO standards are world leading quality management certifications.

In September 2018, both ISO certifications were successfully renewed following a surveillance audit. We are particularly proud of the fact that no system deviations were found by the SQS auditor during the inspection.

The advantages of an environmental management system in accordance with ISO 14001:2015: We at Wetrok set targets regarding environmental policy for ourselves (reduction of waste, reduced resource consumption) and it is reviewed on a regular basis, if these targets are achieved. Wetrok's customers are therefore working with a company that assumes responsibility for environmental protection and that contributes to a sustainable value chain.

The environmental principle is also practised and taught on Wetrok cleaning training courses, which are delivered at the in-house Wetrok Academy or optionally at the customer's own site. The Wetrok training programme has also been EduQua-certified for years and therefore bears the prestigious Swiss seal of quality in further education. In 2018, we successfully passed another audit to maintain the EduQua label. The next recertification is scheduled for September 2020.



Schweizerisches Qualitätszertifikat für Weiterbildungsinstitutionen
Certificat suisse de qualité pour les institutions de formation continue
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2.

WHAT WE HAVE ACCOMPLISHED IN 2018

Cleaning and care products: Machines

Consumables

Lifecycle management

Consumption of resources at the Klotten site (headquarters): Disposal/recycling

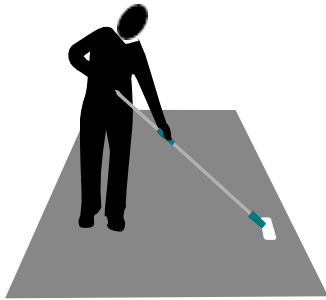
Responsibility towards staff members

**Cooperation with partners in
transport/logistics**

Cleaning and care products

Wetrok Mepol HM

Wetrok offers its customers silk-matt protective treatments for treating hard and elastic floor coverings (PVC, linoleum, natural and artificial stone, etc.). With coating agents based on polymers, waxes, solvents and surfactants, floors are provided with a polishable, water-resistant protective and care film to aid the value retention of customer property. The direct integration of a “silk-matt sheen” in the molecular structure of the polymer enhances the application and durability of the Mepol HM floor coating product, as well as the lifetime of the coating.



Machines

Wetrok Portavac backpack-type vacuum cleaner

The backpack-type vacuum cleaner is suitable for quick and efficient vacuuming of small areas such as stairs or lifts, as well as densely furnished or narrowly laid-out areas such as offices or cinemas. In 2018, the energy-saving Wetrok Portavac dry vacuum cleaner was introduced with a total output of 900 watts. This backpack-type vacuum cleaner is optimally designed for the user, resulting in excellent ergonomic benefits. It helps cleaning personnel achieve optimal dust-free cleaning results when cleaning, while reducing physical strain to a minimum, thanks to its superior comfort. The Portavac replaces the previous Scuba model and fulfils the requirements for the environmentally friendly design of vacuum cleaners in accordance with EU regulation 2013/666. It not only offers enhanced comfort, but also results in a sustainable increase in energy efficiency. The integrated HEPA 13 filter* reliably prevents dust, bacteria and pollen from passing through. The Portavac is even suitable for hygiene-sensitive buildings.

* The HEPA 13 particle filter for hygienic cleanliness (HEPA = High Efficiency Particulate Air filter) has a total retention efficiency of >99.95%. Filter efficiency is classified from class 1 to 17 in Europe: the higher the class, the higher the guaranteed retention efficiency. The European standard for the classification of air filters is EN 1822-1:2009.

Energy labelling of vacuum cleaners

The European Court of Justice declared the Regulation energy labelling of vacuum cleaners (EU Regulation 665/2013) null and void in a ruling effective from Friday, 18 January 2019 (affecting the Monovac, Durovac, Portavac and Karpawel dry vacuum cleaners). In the EU, this means that no energy data sheets are to be circulated and neither energy efficiency classes nor other categories of the energy label are to be mentioned or published, let alone promoted. Otherwise, cease and desist letters and fines may be issued by private companies and the responsible market supervisory authorities, respectively. Currently, manufacturers and retailers may sell their vacuum cleaners in Switzerland either with or without any energy labels. However, any labels affixed need not be removed. Since 21 January 2019, Wetrok has not affixed energy labels to newly manufactured vacuum cleaners or published any energy consumption labelling for its own vacuum cleaners. Vacuum cleaners already in stock can still be sold with the label affixed. We will also be gradually revising the information in our marketing materials and operating manuals accordingly.

Consumables

Wetrok poly pads

Single-brush machines are used for the treatment of floors. Whether it is polishing, sanding or cleaning, a single-brush machine is suitable for both hard floor surfaces and textile floor coverings. For every floor type, there are special pads (floor cleaning pads) in different colours and grades of abrasiveness. They are made of synthetic materials like polyester and/or nylon fibres. The Wetrok pad range was revised in 2018. The new Wetrok pads are now made exclusively of recycled PET plastic and water-based resins.

Lifecycle management

Wetrok is continuing to take various measures to have a positive impact on the environmental performance of its marketed products and services across their entire lifecycle. Wetrok's scrubber-driers, for example, have an above average service life, compared to other machines available. Currently, Wetrok is stringently drawing up standardised processes to optimise the lifecycles of its products. These will be applied and consistently implemented throughout all areas of the company, from the initial idea to development, production and sale, all the way through to disposal. By doing so, Wetrok gives lifecycle optimisation a more holistic significance, which is not least reflected by the attitudes of the Wetrok employees involved.

Consumption of resources at the Kloten site (headquarters)

Electricity

Electricity consumption has been very stable over the past three years, with maximum variations of less than 2%. Electricity consumption is largely independent of the activities performed in machine production, which was moved back to the Kloten site in 2015. An in-depth energy efficiency analysis of electricity consumption is currently pending. The implementation of energy savings in the use of lighting (incl. lighting during daylight and illuminated work stations even when employees are absent) was postponed to 2019. This is estimated to yield potential energy savings of up to 30%. The lighting concept will be planned in summer 2019 in the course of renovating the property at Steinackerstrasse 62, 8302 Kloten.

Heating energy

Gas and oil consumption is not only subject to seasonal variations, but it also depends on the lengths of cold periods in a given year. Consumption of heating energy is largely independent of the activities performed in machine production, which was moved to the Kloten site in 2015. An inspection of the oil/gas heating system was carried out. The system is somewhat outdated, but was declared still viable. From an economic perspective, the dual system provides a reasonable basis for the decision whether to heat with oil or more gas.

Water

Water consumption has been stable over the past three years, with maximum variations of <12%. Water consumption is independent of the activities performed in machine production, which was moved back to the Kloten site in 2015. A detailed water consumption analysis at the Kloten site, which has its own cafeteria, among other facilities, is pending. Water consumption per staff member per working day is less than 75 litres. The Swiss average is a daily consumption of 162 litres. It is therefore assumed that the biggest share of water consumption is due to the natural water usage of staff members and visitors to the staff canteen.

Disposal/recycling

Disposal of special waste

One of Wetrok's medium-term goals is to reduce special waste in the areas of cleaning products (chemicals) and heavy metal-based lead batteries. The quantities of cleaning products that are disposed of fluctuate widely and are particularly linked to the disposal of products past their expiry date from the company's own warehouse and the disposal of faulty batches. Wetrok wants to reduce this amount through improved planning and storage management. It is also worth considering that this is subject to seasonal trends.

As an intermediate goal, the chemical disposal costs and hazard potential of waste products could be almost halved through neutralisation and transfer of products to larger containers (200 l barrels). However, this advantage was cancelled out due to changes in the supply conditions by the final disposal company at the end of 2018, resulting in a huge increase in price.

In 2018, the total amount of waste was almost halved from nearly 30 tonnes per year to 15 tonnes per year. In the past, however, there have been seasonal disposal peaks of almost 60 tonnes per year, as in 2015. We continue to take measures to avoid such increases in the future.

Lead battery waste is supposed to be reduced through the gradual introduction of Wetrok machines and accessories with more energy efficient lithium batteries. The amount of lead batteries disposed of in the last three years has steadily decreased. This trend must continue to be observed in order to make a conclusive statement on how much of a positive effect the switch from lead to lithium batteries will have on the disposal of lead batteries.

Responsibility towards staff members

Wetrok knowledge management

Well-qualified staff members are the basis of Wetrok's innovative strength. They are essential for us to be able to keep surprising the market with new solutions. Whether it be the laboratory staff or our sales representatives – each staff member contributes greatly to our company's competitiveness. Wetrok creates supportive conditions to help our staff carry out their activities and duties professionally. This includes contemporary knowledge management that actively promotes and safeguards the necessary skills and expertise of our employees. Furthermore, Wetrok knowledge management increases the versatility and efficiency of the company's employees, to ensure tasks can be performed more effectively and by multiple staff members within each department. In particular, this process is intended to prevent the loss of knowledge when employees leave the company. A skills matrix containing the most important tasks and expertise is stored in an IT tool and used by management staff as an active aid. The goal is for employees to gain the necessary skills and expertise to perform their duties now and in the future. Changes in knowledge are adopted by modifying the skills matrix. Focus is placed on the level of knowledge by reviewing existing knowledge and involving employees. In addition, the state of development and future demand are identified.



Transport/logistics

Field service

Wetrok operates an efficient direct sales organisation with sales representatives and mobile service technicians, and the company therefore relies on a comprehensive vehicle fleet. Sales representatives are allowed to use their cars for private purposes, too. In 2018, the Wetrok fleet covered a distance of 2,137,360 kilometres. The large Wetrok delivery lorry and around half of all sales representatives' vehicles comply with the EURO 6 guidelines. We are currently reviewing ways to reduce CO2 emissions in the existing fleet and for new vehicles. In 2018, three cars were replaced; the new vehicles now also comply with EURO 6 guidelines.

Logistics (product transport)

Logistics for transporting products to Wetrok customers are provided by external partners. These partners are also certified pursuant to ISO 14001, and they are instructed to pool transport units and to plan accordingly, to allow for the highest possible degree of utilisation. The EU emission standard EURO 6 for newly registered vehicles has been legally binding in Switzerland since 2014. All logistics partners hired by Wetrok observe this guideline, and use lorries that at least comply with the EURO 6 standard.

Transport of dangerous goods

Wetrok regularly reviews the product range with regard to legal guidelines and these are considered without exception when developing new products. The transport of hazardous goods should be kept to the necessary minimum, to reduce the likelihood of fires, disasters, etc. In the future, Wetrok would like to considerably reduce hazardous goods transports of class 3 goods (flammable liquids) in particular. The total quantity of class 3 dangerous goods (ADR) was reduced by more than 10% compared with the previous year. Meanwhile, the total quantity of dangerous goods has not decreased. This is because the new entire Wetrok machine generation is being supplied with lithium batteries. In 2018, approx. 50 tonnes of lithium batteries were transported in accordance with ADR.



Cooperation with partners

Wetrok preferably cooperates with chemical manufacturers and logistics partners that also hold ISO certification. Furthermore, there is a comprehensive system for detailed supplier ratings in place that are carefully reviewed on an annual basis (on-site auditing performed by Wetrok). Wetrok has added environmental criteria to its supplier rating system and will give priority to suppliers with eco-labels in case of equal quality.

All guidelines and areas addressed at the headquarters also apply for the 11 sales outlets. For sales outlets that are located further away from the headquarters, a certified partner is instructed to perform professional disposal services.

3. TRANSPARENCY CONFIRMATION

There were 50% fewer work-related accidents at Wetrok in 2018 than in the previous year. There were no disruptions and no offenses were reported by authorities or individuals. Wetrok maintains active contact to the professional industry bodies, the authorities and to insurance companies.

Within the framework of this sustainability report and Wetrok's ISO 14001:2015 certification, the company confirms that there are no outstanding proceedings or pending matters from 2018 or earlier regarding any issues that may be detrimental to the company's reputation.

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