

# KÄRCHER

makes a difference

Sustainability Report 2016

# A MATTER OF CLEANLINESS

**BE THE  
DIFFERENCE**

[www.kaercher.com/CSR](http://www.kaercher.com/CSR)



## **Sustainability Report**

Kärcher hereby submits its second sustainability report. The report covers fiscal years 2013-2015. The data for the reporting period are always collected at the end of the previous year. The report refers to the Kärcher Group with its worldwide production and logistics sites. The data do not take the sales companies into consideration (exception: employees). The next sustainability report is planned for 2018. For more information about the company and about sustainability at Kärcher, please visit [www.kaercher.com](http://www.kaercher.com).

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# DEAR READERS,

**Hartmut Jenner Chief Executive Officer and Chairman of the Management Board**

Do you know an honourable merchant? This term has, unfortunately, fallen into disuse. However, its guiding principle is still valid today because the respectability of a medieval merchant comprised virtues that never go out of fashion; virtues such as a love of peace and tolerance, integrity and reliability, and quality and responsibility.

Today, these keywords would be subsumed under the category of corporate social responsibility. For Kärcher as a family business, this has naturally always been a matter of course. The result of our sustainability-oriented strategy has been that, in 2015, Kärcher experienced the highest turnover in the company's 80-year history, with 2.22 billion euros in revenues and approximately 13 million machines sold.

» Trust, reliability and respect are the hallmarks of our relationships with our clients. It is natural for us to focus on their needs and desires. «

**Hartmut Jenner**



One of the most important reasons for this success is our treatment of the more than 11,500 women and men who are employed at Kärcher. Our corporate culture is characterised by a mutual spirit of trust. The dedication of our qualified and motivated employees, who ensure our high level of innovation and market our products successfully, is what has made us the world leader in cleaning technology.

Kärcher has long been synonymous with efficient, high-quality cleaning machines for the private, industrial and commercial sectors. We will continue to live up to this claim in future by means of far above-average investments in research and development. A central component of our actions has long been the efficient use of resources and energy, both in production and in the usage of the products.

The coming years will see our activities expanding even more significantly: by 2020, we intend to reduce specifically turnover-related CO<sub>2</sub> emissions by twenty per cent and the energy requirements of the entire product range by another ten per cent. These are two of the objectives of our sustainability strategy for the coming years with which we will also make our contribution to implementing the international community's Paris Agreement on climate change. We made this known publicly with our signature in December of 2015.

With our sustained growth, we are creating the conditions that allow us to honour our social commitment in our daily work, whether that relates to cultural projects or social institutions. Accordingly, in 2015, Kärcher once again cleaned several significant monuments for restoration purposes as part of its cultural sponsorship programme, including the Chapel of St. Charles and St. Hubert of Aachen Cathedral in cooperation with the German Commission for UNESCO. Moreover, in addition to continuing our long-standing cooperation with the International Bach Academy in Stuttgart, we have re-equipped numerous SOS Children's Villages throughout the world with our cleaning machines and built green filter systems in developing and emerging countries in cooperation with the Global Nature Fund.

These are just a few examples of our commitment. In this sustainability report, we provide you with insights into where we stand in terms of sustainability – and where we want to be in 2020. We would be delighted if you would accompany us on this journey!

A handwritten signature in black ink, appearing to read 'H. Jenner', written over a white background.

**Hartmut Jenner**

Chief Executive Officer and Chairman of the Management Board,  
Alfred Kärcher GmbH & Co. KG, Winnenden, July 2016

# BE THE DIFFERENCE

Turnover (in billion euros)		Number of units (in 1,000 units)		Employees	
2012	1.92	2012	10,830	2012	9,676
2013	2.05	2013	12,484	2013	10,644
2014	2.12	2014	12,722	2014	11,138
2015	2.22	2015	12,871	2015	11,333

All figures refer to the status as of 31 December of each year.



Alfred Kärcher KG is founded in Bad Cannstatt, Stuttgart

1935

**ENTHUSIASM. INNOVATION. SUCCESS.**

Since its beginnings as a value-oriented family business more than 80 years ago, Kärcher has developed into a global brand that places three strong attributes in the hands of its clients: top performance, innovation and quality. Here is a brief tour of our corporate history.

1939

Relocation to Winnenden, our own waste water treatment system on the factory premises

1940

Alfred-Kärcher-Hilfe foundation is established for employees in need

1943

The production of toys as Christmas presents for employees' children

1950

The first European hot water high-pressure cleaner is invented



1962

Start of international business focus



**Leading supplier**

The Kärcher Group is the leading global provider of technology for the cleaning of transport equipment, buildings and surfaces, as well as for the purification and pumping of liquids. Our machines combine functionality, user-friendliness and sophisticated design.

Our range of products includes machines for private households (Retail Channels Division) and cleaning machines and systems for commercial, industrial and municipal operators (Professional Channels Division), as well as accessories, cleaning and maintenance products and spare parts. We have a global presence with 40,000 trading partners and 50,000 service centres.

We have a total of 3,000 products in our portfolio: high and ultra high-pressure cleaners, vacuum cleaners and steam cleaners, pumps for home and garden, sweepers and scrubber driers, gantry car washes, cleaning agents, dry ice blasters, drinking water and waste water treatment systems and water dispensers. We act as a one-stop shop for our customers, offering machines, accessories and cleaning agents, consulting, service and digital services.

As the market leader, Kärcher is one of the driving forces behind technological development: 552 of our patents were active at the end of 2015. One of our current focuses is on digital service products; one example of this is Kärcher Fleet, our fleet management system for sweepers and scrubber driers that we prepared for series production in 2015.

A high level of innovation is the most important growth factor for the company. In fiscal year 2015, the family company generated 2.22 billion euros and sold 12.87 million machines, the highest turnover in the company's history. Compared with the end of 2012, the turnover increased by nearly 16 per cent, and the number of units sold increased by almost 19 per cent. The proportion of foreign business was 85 per cent in 2015.

The first major cleaning project: statue of Christ in Rio de Janeiro



Certification of environmental management at the Winnenden factory in accordance with ISO 14001 – the first company in the industry to achieve this



Establishment of the “water purification” business sector

Elbe flood: flood aid through donations and employee deployment

Support for the Global Nature Fund’s protection programme “Living Lakes”

Tsunami in South East Asia: donation of water treatment systems



1980 1985

1996 2001 2002

2004

The first heavy metal-free plastic covers for high-pressure cleaners

Focus on the cleaning technology business sector



Sustainability anchored in the corporate vision



Initial start-up of a photovoltaic plant in Winnenden

**Branding with an emotional touch**

Our brand is our most valuable asset. It must be maintained and refined. The introduction of the claim that “Kärcher makes a difference” in 2010 was an important step in this direction. What aspects characterise this difference? We strive for excellence, take responsibility and act sustainably; we feel connected to people. We solve the cleaning problems of our clients, who, in turn, can make a difference themselves. With the new, emotional appeal of our corporate design, introduced in 2015, we are emphasising this brand strategy more clearly than ever before; this is also reflected in the modernisation of the company logo.

Building on our advertising slogan, we issue our sustainability communications under the motto “Be the difference”. We aim to strengthen the perception of the brand in terms of sustainability in order to become the benchmark for our industry by 2020.

**Global structure**

The group is managed as a classic parent company with Alfred Kärcher GmbH & Co. KG (Winnenden, Baden-Württemberg) forming the top management. Johannes Kärcher, Susanne Zimmermann von Siefert and their families, as second-generation shareholders, bear the responsibility for the family. The group includes 100 companies in 60 countries. Production facilities are located in Germany, Italy, Romania, Brazil, Mexico, China and the USA, with logistics sites in Germany, China and the USA.

**Attractive employer**

At the end of 2015, the group employed 11,333 employees worldwide, 17 per cent more than at the end of 2012. Kärcher is one of the most popular employers in its sector: cooperative partnership, individual freedom and personal responsibility, responsible behaviour and a high level of compatibility between career and family characterise the corporate culture. The worldwide average for length of employment is nine years.



Research project with Fraunhofer IPA on energy efficiency in production



Signing of the Copenhagen Communiqué on climate protection



ADFC award for being a bicycle-friendly company



Signing of the Cancún Communiqué on climate protection

2008

2009

2010

2011

Publication of "Kärcher Code of Conduct - Principles of Social Responsibility"



Earthquakes in Haiti and Chile: donation of water treatment systems

### Longstanding tradition

Kärcher has been shaping its innovative character for decades. The engineer and passionate inventor Alfred Kärcher (1901-1959) founded the company in Bad Cannstatt, Stuttgart, in 1935 in order to implement his ideas in the field of heating technology and bring them to market.

In 1939, the family-owned company relocated to Winnenden, where it still has its headquarters. Its entry into cleaning technology took place in 1950 with the development of the first European hot water high-pressure cleaner. This design for water heating proved to be so future-oriented that it still forms the basis of all burners today. However, the founder did not live to see the international success of his invention because of his early death in 1959.

The establishment of the first foreign subsidiary in France in 1962 marked the start of global expansion. From 1974, Kärcher concentrated on high-pressure cleaning; since then, the world-famous Kärcher yellow has come to be identified

with our machines. In 1980, the company expanded its product range for cleaning requirements, and, in 1984, the company entered the consumer market with the first portable high-pressure cleaner. Since 2013, all products for professional operators have been distinguished by their anthracite colour.

### Running a tight ship

The leadership of the group is incumbent on the five-member management board of Alfred Kärcher GmbH & Co. KG: Hartmut Jenner (Chairman), Markus Asch (Deputy Chairman), Dieter Grajer, Thomas Elsner and Christian May. According to the statutes, the board is the controlling body, and Johannes Kärcher holds the presidency.

Beginning of cooperation with the registered charity SOS Children's Villages e.V.



Launch of energy-saving and award-winning T 12/1 eco!efficiency dry vacuum cleaner

Attractive employer project



2011 2012 2013 2014 2015



Signing of the UN Global Compact

Founding participant of the VDMA "Blue Competence" sustainability initiative

Start of the "Clean Water for the World" initiative with the Global Nature Fund

German CSR Award in the "Cultural Commitment" category

Definition of 14 strategic sustainability targets for 2020

Awarded the "ARBEIT PLUS" seal for socially sustainable corporate policy and pioneering employment models and the "audit beruf-undfamilie" (career and family audit) certificate for family-oriented corporate policy



**Established sustainability organisation**

The group's sustainability management is controlled by a department of the same name. It is also responsible for environmental protection, energy efficiency and social standards in the supply chain.

Environmental officers have been appointed at all 20 production and four logistics sites; they are the contact persons for sustainability management at their respective sites. They coordinate group-wide measures in the "CSR steering committee".

Since 1996, we have had our production and logistics sites certified to the international standard for environmental management systems (ISO 14001). For group-wide eco-controlling, Kärcher works with the "EcoWebDesk" data entry and analysis program.

# KÄRCHER AND ITS STAKEHOLDERS: IN ALIGNMENT

» Sustainability must be incorporated into the company's DNA. «



**Markus Asch**  
Deputy Chairman of the  
Management Board

## Memberships

Alfred Kärcher GmbH & Co. KG supports more than 60 associations and initiatives through its membership. Particular emphasis is placed on contributing to the Verband Deutscher Maschinen- und Anlagenbau (VDMA [German Engineering Federation]) and the Fachverband Reinigungssysteme [Cleaning Systems Association]. Kärcher is a founding participant of the VDMA "Blue Competence" sustainability initiative. Kärcher's Deputy Chairman of the Management Board, Markus Asch, is also the spokesperson for the initiative. Since the signing of the UN Global Compact in 2011, Kärcher has also been active in the German Global Compact network.

## Research projects

The group is also involved in joint research projects with other companies. For example, from 2013 to 2015, Kärcher was consortium leader of the "Environmentally Friendly Municipal Vehicles" project which is part of the federal government's "Electric Mobility Showcase" funding programme. The aim of the project was the development of electrically powered municipal cleaning vehicles.

Markus Asch, Deputy Chairman of the Management Board and Managing Director Professional Channels at Kärcher is convinced: *"Clever solutions are always economical from the client's perspective as well."* He expressed this at the "Blue Competence" conference, "Sustainability is a Business Model", which was hosted by Kärcher in December of 2015.

## Stakeholders' opinions sought

For Kärcher's customers, product safety and occupational health and safety are of the utmost importance when it comes to the use of cleaning machines. This was shown in the first stakeholder survey, which was carried out in 2013. In addition to customers, employees, representatives of environmental and business associations and mayors of our communities, i.e. our key stakeholders, commented on our commitment to sustainability. *"One positive result of the survey is that the majority of stakeholders evaluated our sustainability performance positively. In the consumer products market segment, they even regard Kärcher as a leader compared with our direct competition,"* explains Christian May, Managing Director Retail Channels. When asked about their expectations of the cleaning technology sector, most stakeholders mentioned aspects of environmental protection (resource and energy efficiency, etc.) and product responsibility (durability, customer service, etc.), followed by social and economic sustainability aspects.

## Materiality analysis generated

For us, the first stakeholder survey was an indispensable basis for the conduct of a "materiality analysis". Like a coordinate system, it determines the relevance of the essential sustainability requirements both from our perspective and that of the stakeholders. This has shown that both sides are very similar with respect to the main points: we and our stakeholders both consider the aspects of resource and energy efficiency, product quality and safety, compliance, supply chain (social and environmental standards) and the involvement of employees to be highly relevant for our future sustainability management.



**Andreas Mayer**  
Head of Sustainability Management at Kärcher

**WE CAN  
SCORE WITH  
SUSTAINABILITY.**



»» *In many cases today, it is no longer just the price but also the sustainability performance of products that is decisive.* ««

**Mr Mayer, what is your role as Head of Sustainability at Kärcher?**

My task is to identify and evaluate relevant issues and developments in terms of their sustainability aspects for the company. Concrete targets and measures are derived from these in consultation with the twelve-member CSR steering committee. Achieving sustainability as a cross-sectional function in the company, across all branches, departments and hierarchical levels, is the most important role of a communicator and networker, which is how I see myself. However, I see all of my colleagues as being the key to the success of Kärcher's sustainability. They are multipliers who carry the issues into their private environment, and they form an important stakeholder group.

**What have been the most important achievements in the area of sustainability to date?**

One that I think is particularly significant is that we have defined long-term concrete objectives and measures in our sustainability strategy for 2020. Also of importance are the internationalisation and global standardisation of our environmental management, our cooperation with the Global Nature Fund and SOS Children's Village as well as our cooperation with the German Commission for UNESCO for the preservation of cultural monuments.

**What sustainability goals do you hope to achieve for the company in the near future?**

In future, we intend to promote sustainability in a more targeted and far-sighted manner within the company. We have actually taken our first steps toward this goal, but we need to further systematise our approaches and methods. In general, we see sustainability management as a continuous process of improvement, and we have not yet arrived at the end of this process.

Moreover, in Germany, we will have introduced an energy management system in accordance with ISO 50001 at all production and logistics sites and in the service and sales companies by the end of 2016. This project is particularly

close to our hearts. The system will be extended to Italy in 2017. Overall, we wish to integrate sustainability into our business processes even more deeply in order to promote innovation and to perceive sustainability as a business model.

**Are Kärcher's clients open to sustainability?**

Yes, for example, our ecoefficiency products, which are distinguished by their special environmental properties, score highly with our B2B clients. Industrial organisations also contribute to its acceptance: the associations of which Kärcher is a member, in particular the German Engineering Federation (VDMA), see sustainability as an important issue. We are also finding that, in public procurement, environmental properties are valued more today than even a few years ago. The buzzword is "Green Public Procurement". In many cases today, it is no longer just the price but also the sustainability performance of products that is decisive. Thus, a higher price can increasingly be offset by excellent environmental properties.

And, four years ago, we saw a worldwide increase in customer inquiries regarding the sustainability aspects relating both to the yellow line of consumer products and to the professional markets.

**Has the importance of sustainability changed at Kärcher over the years?**

The concept of sustainability has been anchored in the company since its foundation and has always been practised by the shareholders. But, of course, the subject has become steadily more important over the years as substantiated by our Strategy 2020, in which sustainability is mentioned as an essential issue for Kärcher. Whereas CSR used to work on a project-by-project basis in previous years, it has now developed a more systematic approach. This means that the projects implemented advance the claim of materiality for Kärcher.

# OUR VISION FOR THE YEAR 2020

*“Kärcher is a benchmark in terms of sustainability in the cleaning market, with the highest levels of customer perception and customer satisfaction.”*  
This summarises our sustainability management goal. In order to realise this vision in practice by 2020, the Kärcher Group has set strategic sustainability goals.

## **Kärcher Code of Conduct**

The Kärcher Code of Conduct, which was first published in 2008 and updated in 2010, identifies nine principles of social responsibility. These principles include respect for human rights, the condemnation of child labour and forced labour and the rejection of corruption. Other issues relate to the freedom of association and fair remuneration for employees as well as work and environmental protection. All suppliers must sign the code.

## **Sustainability programme adopted**

Based on the results of our stakeholder survey and the materiality analysis derived therefrom, management decided to adopt the 2014 sustainability programme, “Sustainability Excellence”, for the subsequent years. It includes 14 overarching objectives for the entire group. We have not formulated objectives for all of the topics classified as important in the stakeholder survey because we were not able to discern a potential for improvement in all of them, but we have, instead, noticed a communication deficit in some areas. Thus, product safety was identified as a major issue; however, this has been so superbly established at Kärcher that we wish to lay greater emphasis on this point in future communications.

Since 2010, we have been working to reduce our production-related energy consumption and thereby the turnover-related carbon dioxide emissions by 20 per cent by the year 2020. The energy efficiency of our products is expected to increase by a further ten per cent over the same period. Equally relevant for climate protection is to further increase the proportion of organic or recycled plastic materials in the production of our machines. With this, we are making our contribution to achieving the objectives of the December 2015 Paris Convention on climate change. By the end of 2016, therefore, the introduction of energy management systems according to ISO 50001 should be completed at the German locations.

## **Comprehensive set of indicators**

In order to know where we stand, we collect indicators from all 24 production and logistics sites and the group’s central divisions every year.

In the meantime, we have achieved some goals. Kärcher has now, for example – keyword supply chain – rated half of its top dealers and forwarding agencies in terms of sustainability. And we have also made further progress in improving the compatibility – keyword employees – of work and family life.

**74%**  
already achieved

**VISION 2020**

We have defined six action areas for our sustainability strategy while simultaneously addressing all the principles of the UN Global Compact, which we signed in 2011.

**1**

**Responsibility for the environment**

- Reduction of CO<sub>2</sub> emissions and fresh water consumption

...

**2**

**Product responsibility**

- Increasing the energy efficiency of the product portfolio
- Use of ecological materials, e.g. for sales packaging, and increasing the proportion of bioplastics and recycled plastics
- Expansion of sustainable product innovations

...

**3**

**Responsibility for the supply chain**

- Ensuring compliance with environmental and social standards in the supply chain, e.g. evaluation and selection of dealers, suppliers and forwarding agencies in terms of sustainability and implementation of sustainability audits of dealers and suppliers

...

**4**

**Responsibility for the company**

- Improvement of global compliance management, e.g. introduction of a global product compliance cockpit and introduction of global software for environmental management
- Development of global sustainability communications, e.g. ascertaining the worldwide sustainability impact

...

**5**

**Corporate social responsibility**

- Internationalisation of social, environmental and cultural sponsoring, e.g. increasing international environmental and social sponsoring inquiries

...

**6**

**Responsibility for employees**

- Improvement of work-life balance
- Expansion of preventive measures in health and safety, e.g. categorisation of jobs according to stress and age-appropriate work, creation of risk assessments and implementation of annual safety training
- Reduction of accidents at work

...

# RESPONSIBILITY FOR NATURE, CULTURE AND SOCIETY

What distinguishes a company that claims to be a good corporate citizen? Is it the support of cultural initiatives? Environmental protection? Donations of money or donations in kind for those in need? We believe that being a good corporate citizen means taking responsibility: we want to make the world liveable for as many people as possible.

For us, as manufacturers of cleaning equipment, that primarily means contributing to a cleaner environment through the economical use of resources such as raw materials, energy and water, as well as through challenging cleaning projects at humanity's cultural heritage sites. Our idea of creating a liveable society also includes helping people who are in need due to natural disasters or personal tragedies. Our current projects are presented in the following pages.

# 01











# HIGH PRESSURE FOR THE PROTECTION OF HISTORIC BUILDINGS

Kärcher carried out restorative cleaning work at Aachen Cathedral in cooperation with the German Commission for UNESCO. The cultural sponsoring project is one of more than 100 which the company has implemented throughout the world in the past 35 years.

## Preserving world heritage together

Kärcher employees in protective clothing, wearing helmets, goggles and hearing protection, working on scaffolding on the outer facade of Aachen Cathedral. They are shrouded in a fine mist. Using hot water high-pressure cleaners, they are removing organic matter, such as algae and fungi, lichens and moss, as well as bird excrement, from the masonry of the Chapel of St. Charles and St. Hubert. *“In order to preserve the facade in the long term, the dirt must be removed in an environmentally friendly manner without damaging the underlying material,”* says Nick Heyden, Kärcher cleaning specialist, who was the technical director for the work on the chapel.

In a second step, the employees used the low-pressure particle blasting method. *“The method and the aluminium silicate spray agent are well suited to removing what can be a thick black crust from the stone surfaces,”* said Nick Heyden. *“This is also the best procedure for cleaning the filigree stonemasonry of the Gothic facade of the cathedral chapel.”* A final step is still required to restore the chapel to how it would have looked shortly after its completion in the 15th century: the blasting agent residues are removed with wet and dry vacuums and disposed of safely.

The historical monument cleaning work at Aachen Cathedral, which Kärcher carried out free of charge, was successfully completed in early July, 2015. *“We are very pleased that we were able to take on a building that is so historically and culturally important,”* says Hartmut Jenner, Chief Executive Officer and Chairman of the Management Board of Kärcher. *“Our expertise allowed us to make a special contribution to the preservation of the World Heritage Site of Aachen Cathedral.”*

## Public-private partnership for the protection of world heritage

The action was carried out as part of a biennial collaborative project with the German Commission for UNESCO that began in 2013. The aim: to preserve cultural monuments in Germany. A total of fourteen applications were received for the model project. The German Commission for UNESCO supported the project with workshops on heritage conservation and art history to get young people enthusiastic about world heritage and to encourage them to shape a sustainable future.

*“Our company has its own approach to promoting world heritage,”* says Hartmut Jenner of Kärcher’s involvement. *“Our cultural sponsoring activities go beyond the provision of financial resources and machines. We are making a very personal contribution by donating the time of experienced employees, and with our dedication to the projects. In this context, youth development and environmental protection are also very close to our hearts.”*

## More than 100 projects on five continents

The cleaning work at Aachen Cathedral is just one example of how Kärcher is involved in preserving historic and listed buildings and monuments for posterity. The work is always carried out in close cooperation with the relevant monument estates, the relevant authorities, restorers and art historians. This ensures that the most appropriate cleaning method is applied to each object.



Girls and boys at a workshop in which they reconstruct the statues of the Chapel of St. Charles and St. Hubert.

Photo left: Kärcher employee cleaning the exterior facade of Aachen Cathedral in an environmentally friendly way without damaging the underlying material.



## EPHEMERAL ART ON DAMS

Kärcher has even created works of art with its cleaning projects. For example, in collaboration with the artist Klaus Dauven, works of art, executed with cold water high-pressure cleaners, have been created on dams around the world. They remain for several years before no difference can be discerned between the cleaned and the increasingly soiled surfaces.

The project at the Eibenstock Dam (photo left) was one of a total of four dam projects.

## ENVIRONMENTALLY FRIENDLY CLEANING OF PRESIDENTIAL HEADS

The efficiency of Kärcher cleaning machines is particularly evident on international restoration projects such as the one carried out on the presidents' heads on Mount Rushmore in the United States. *"The complementary restorative cleaning of historical monuments is at the heart of the business and is a good way to contribute to society,"* explained Frank Schad, Head of Corporate Communication, Cultural Sponsoring and History Management.



## WORLD-RENOWNED CLEANING PROJECTS

The Vigeland Sculpture Park in Oslo (photo left), the colonnade on St Peter's Square in Vatican City, the Colossi of Memnon in Thebes, Egypt, the Space Needle in Seattle, the Statue of Liberty in New York and the Princes Bridge in Melbourne are famous examples of the cleaning projects under Kärcher's cultural sponsoring.



# KÄRCHER AND SOS CHILDREN'S VILLAGE: A STRONG PARTNERSHIP

Kärcher is a family business. Therefore our social commitment puts one thing above all others: family matters. As a cooperation partner of SOS Children's Villages, we are helping to provide happy homes for disadvantaged children and youths around the world.

## OUR COMMITMENT IN FIGURES

759

machines  
donated

11

countries obtained  
donated machines

5

years of  
partnership



Thanks to these nine junior cleaning professionals and their Kärcher equipment, dirt doesn't stand a chance in the SOS Children's Village in Chengdu, China.

Playing, doing homework, shared dinners and small quarrels – all this is commonplace for the 60 boys and girls in the Württemberg SOS Children's Village in Oberberken, Schorndorf. The Children's Village family is just that: a completely normal family, in which, of course, a lot of housework accumulates. Fortunately, the SOS mother does not have to do it all alone, because all family members tackle the cleaning together. Working together, they make their home spic and span using vacuum cleaners and pressure washers donated by Kärcher for that purpose. In this way, there is more time for playing together when the cleaning is finished.

In the spring of 2011, Hartmut Jenner, Chief Executive Officer and Chairman of the Management Board of Kärcher, brought the first machines to the nearby SOS Children's Village in Württemberg; this was the start of a lasting partnership with SOS Children's Villages e.V. As a cooperation partner, Kärcher has since supported facilities from China to Peru with cleaning technology, expertise and, last but not least, with financial contributions.

Our annual financial donation has funded, for example, the 2014 "KINDERArt" project at the SOS Children's Village in Württemberg, through which children can discover their talents in pottery, sawing, painting or breakdancing. In 2015, our donation provided partial funding for a social lunch

table for the SOS Children's Village facility in Fasanenhof, Stuttgart. There, families and other citizens can have an inexpensive hot lunch while seeking the advice of social workers – this could be on questions about parenting, for some words of encouragement or for advice on dealing with the authorities. In cooperation with the association "Children of the Street", we organised a football training session in which two professional coaches and world champion Guido Buchwald trained 28 enthusiastic young players at the SOS Children's Village in Württemberg. A similar football training session was also held in the SOS Children's Village in Luxembourg.

*"We are family!" is one of the mottos of SOS Children's Villages, and this is also true of Kärcher in the best sense of the word.* Hartmut Jenner gets to the heart of the commonality between Kärcher and SOS Children's Villages. Kärcher, too, is a family and in two respects. Firstly, there is the Kärcher family, who are wholeheartedly committed to their company and take their responsibility for the employees very seriously. Secondly, we also have the concept of the "Kärcher Family", which conveys the particularly close and trusting relationship between the shareholders, management and staff of our company.

# CLEAN WATER THROUGH THE POWER OF PLANTS

As an international company, we at Kärcher have faced our global responsibility for the environment for many decades. The protection of water resources occupies a large portion of this. This is why the company installed its own waste water treatment plant on the factory premises in Winnenden back in 1939. At the Bühlertal factory, a water recycling system cleans 75,000 m<sup>3</sup> of reclaimed water from product tests every year. But Kärcher are committed to more than just protecting the environment within their own company; in cooperation with the Global Nature Fund (GNF), Kärcher founded the “Clean Water for the World” initiative in 2012.

In the context of the initiative, we financially support the organisation in the construction of green filter plants for ecological water treatment, particularly in developing and emerging countries. *“With the Global Nature Fund, we have found a partner that fits very well with our family and our core business of water and cleaning,”* explains Frank Schad, Head of Corporate Communication, Cultural Sponsoring and History Management. However, the company’s clients also contribute to the success of the initiative: for each Kärcher high-pressure cleaner of the particularly resource-efficient special “ecologic” model sold, Kärcher funds the purification of 1,000 litres of water.

### Sustainability through green technology

The long channels of green filter systems do not look like typical waste water treatment plants; they are more reminiscent of large planting beds. But green filters effectively prevent unfiltered waste water from reaching the ground-water. Floating plants with large root balls such as water hyacinth, whose roots filter harmful substances and pathogens out of the water, are particularly well-suited for this. As a result, green filter systems are economical and virtually maintenance-free. Chemical additives are also unnecessary. This makes them a feasible and practical solution for water treatment in emerging markets.

In order to ensure the sustainable implementation of green technology, the Global Nature Fund and Kärcher work closely with local communities, who are responsible for the construction of the channels and have committed to operating the system for at least eight years.

### Award-winning pilot project: Colombia

The first green filter plant was commissioned in late 2013 in San Miguel de Sema (Colombia). The 4,000-resident community is located in the Colombian Andes near Laguna de Fúquene, a freshwater lake from which 200,000 people take their drinking water. The ecological balance of the lake was at risk due to its shallow depth and the waste water from the surrounding communities and the livestock industry.

A total of three green filter systems, of which the Miguel de Sema system was realised first, as a pilot project, were installed in the immediate vicinity of the lake with the twin aims of improving sanitary and hygienic conditions in the villages located close to Laguna de Fúquene and reducing the lake’s pollution levels. It received the Colombian “Planeta Azul” environmental award in 2015. Since April 2015, the inhabitants of the city of Susa have benefitted from sustainable waste water treatment by water hyacinths. The third system at Fúquene was completed in May of 2016.



- 1 Representatives of the public authorities, students and researchers find out about green technology in the system in Susa.
- 2 Ecological, plant-based “purification plant” in Susa (Colombia).
- 3 In San Andres Ixtlán (Mexico), the canna plants are cultivated on-site and introduced into the basin. Approximately 24,000 plants were grown for this purpose.
- 4 The plants, which later act as a green filter to purify the waste water in the basin, are cultivated locally.
- 5 The idyllic Laguna de Fúquene in Colombia is being protected from unfiltered waste water by the nearby green filter systems in the towns of San Miguel de Sema, Susa and Fúquene.





2



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We were able to hand over another green filter at the end of 2015 in the municipality of Cuítiva on Laguna de Tota. Because of the great interest shown by the Colombian population, a fifth system is already in planning.

#### Green filter systems catch on

Beyond the borders of Colombia, we also contribute to protecting the environment in Mexico. In June of 2015, we began construction on the largest green filter system yet in the municipality of San Andres Ixtlán (south of Lake Chapala), in cooperation with the organisation “Corazón de la Tierra”. However, the concept of plant-based waste water treatment is also catching on outside of the South American continent: in South Africa, we built a system with a new tank design. Because the water is extremely polluted, it flows through several tanks with different successions of plants for thorough purification. And, in San Pablo City in the Philippines, we have completed a project in which the plants were deployed directly into the lake on rafts. A second system is already being constructed. Another green filter project is planned in Nicaragua.

#### CORPORATE VOLUNTEERING: COMMITTED COMPANY - COMMITTED EMPLOYEES

A part of the Kärcher corporate culture is the voluntary participation of our employees in service projects. We are currently encouraging and supporting the efforts of our employees in the following projects:

- In cooperation with the local NABU group in Winnenden, Kärcher employees have created a habitat for an endangered species of yellow-bellied toad and taken on the annual maintenance of the biotope.
- The habitats of the mountain gorillas in Eastern Africa are threatened due to the mining of rare ores such as coltan. Since 2011, our employees have therefore participated in the mobile phone collection activities of the Wilhelma Zoological and Botanical Garden in Stuttgart. With the used phones that are collected, they help to reduce the demand for coltan.
- In May 2014, Kärcher supported the commitment of ten trainees in South Africa. During their stay, the young colleagues spent ten days working for the Wildlands Conservation Trust and helping in various conservation and social projects.



# SOLIDARITY WITH PEOPLE IN CRISIS

When there is a flood, earthquake or other disaster, we arrive on-site quickly to help with labour and equipment, throughout the world. Our employees remove dirt and mud with our powerful cleaning machines. In many cases, we donate vital equipment such as water treatment systems and mobile supply systems to charities.



## 2013 - FLOOD CATASTROPHE IN GERMANY

Our colleagues did not hesitate to set off for the affected areas right after the flood of the century. For 27 days, 46 Kärcher employees worked with high-pressure cleaners and vacuum cleaners on 40,000 square metres of floor areas in 56 properties in Bavaria, Saxony and Saxony-Anhalt. Kärcher also donated special vacuums and high-pressure cleaners to fire departments and aid organisations.



## 2013 - TYPHOON IN THE PHILIPPINES

Likewise, when Typhoon Haiyan raged in the Philippines in 2013, there was an urgent need to supply the affected people with drinking water. Faced with this emergency situation, Kärcher acted immediately and donated two water treatment systems worth 100,000 euros to the German Federal Agency for Technical Relief (THW). The two systems supplied more than 19,000 people with up to 120,000 litres of clean drinking water daily.



## 2014 - FLOODS IN THE BALKANS

Severe storms wreaked havoc in the Balkans in 2014. Kärcher Austria and the subsidiary in Sweden supported the clean-up operations through equipment donations to the Red Cross. Repairing the damage was sped up with the help of professional hot and cold water high-pressure cleaners and wet and dry vacuum cleaners and submersible pumps.



## 2014 - SEVERE WEATHER IN GEORGIA

Heavy rainfall caused a violent landslide in June 2014. As a result, the Georgian capital of Tbilisi was inundated by mudslides. More than 300 people, the zoo and an animal shelter were affected. In order to best assist those affected, Kärcher donated hot and cold water high-pressure cleaners worth 10,000 euros to the city administration for clean-up operations.



## 2015 - EARTHQUAKE IN NEPAL

Violent earthquakes shook wide regions of Nepal in the spring of 2015. The capital of Kathmandu was hit particularly hard. Kärcher donated two water treatment systems, which ensured a water supply for 30,000 residents, to the aid workers of the THW. *"I was deeply impressed by Kärcher's determination to provide substantial and committed support to THW aid workers during our mission in Nepal,"* extolled Claudia Schur, director of the THW Foundation.

# RESPONSIBILITY FOR THE SUPPLY CHAIN AND PRODUCTS

Consumers are critical these days. They now ask more questions before purchasing than they used to. They want to know: where was the product produced, by whom and under what conditions? What materials is it made of? And can it be recycled afterwards? How efficiently does the machine operate? Kärcher takes these consumer interests seriously, responds to questions and has the right answers. This is because Kärcher is not only the market leader in cleaning technology but also a benchmark in terms of sustainability.

# 02







# FOCUS ON THE SUPPLY CHAIN

Every year, Kärcher sells more than twelve million cleaning machines, which are manufactured at 20 locations in seven countries. In order to produce and sell those machines during the last three years, we have procured goods and services from approximately 20,000 suppliers throughout the world.

**20** plants in **7** countries

## SUPPLIER AUDITS

Our annual supplier audits are carried out by the Purchasing and Quality Management departments. All audits include the issue of quality as well as social, environmental and work safety standards. Our suppliers are obligated to adhere to our compliance rules; new suppliers must sign our code of conduct.

### Purchasing from A to Z

"We procure computers for offices and consulting services for legal issues, as well as advertising ideas and company vehicles," explains Dieter Grajer, Managing Director Operations. "First and foremost, however, are raw materials such as steel, aluminium and plastic, product parts or fully assembled components for our machines, to which we pay special attention because we have the entire life cycle of a product in view." The suppliers come from all continents of the world where Kärcher also has production sites: Europe, the Americas, Asia and, in particular, China.

### Lifecycle Management for products

Anyone wanting to be a Kärcher supplier has to meet strict criteria. We continually conduct our own quality, environmental and process audits and company visits, especially with suppliers of production material. So far, we have managed to identify potential suppliers and their performance through various software solutions. Since 2013, Kärcher has made great efforts to harmonise purchasing within the group. The changeover to a unified system platform will take place in 2016. The Supplier Lifecycle Management SAP (SAP SLC) covers all steps of the relationship with the suppliers: from registration to proof of qualification and classification to the development of suppliers and management of master data. In this way, the processes are more transparent, costs are reduced and relationships with suppliers are more sustainable.

### High global standards

"Companies that apply for supplier status are not only required to sign the Kärcher Code of Conduct and the Kärcher Environmental Standard but also to answer a whole series of questions," says Heiko Braitmaier, Executive Vice President Sourcing & Procurement Management. "We have formulated these questions across departments so that, for example, there are no simple yes/no answers when we ask for the minimum wage in the country of an applicant. In that case, we would like to know exactly how much it is and check the wages paid by the applicant elsewhere in the questionnaire." As a market leader, Kärcher feels obliged to demand the same high social standards for the employees and workers in supplier factories that apply to its employees in Germany. Fair wages are just as important as the workers' rights to free speech and assembly and their freedom of association. We are guided by the ten principles of the UN Global Compact (see page 40).

### Raising the bar

In future, there will be no way to avoid this test system due to the new unified platform. The new people in charge of the local and global SLC processes can see the status of a supplier at any time and at any location with system support – a quantum leap which serves to ensure sustainable quality assurance.

# PLASTIC – QUALITY AND RECYCLING

For several years, Kärcher has been partially replacing the steel in its cleaning machines with high-quality plastic. Polypropylene (PP) is more flexible and offers more design flexibility than steel, but it still has a high chemical resistance and is suitable for continuous outdoor use.

## Compliance with rules

Plastic parts, which are both manufactured in our own production facilities and purchased from outside suppliers, are regularly checked for defective materials. The EU regulations RoHS (Restriction of Hazardous Substances) and REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) are authoritative for this. The RoHS Directive is designed to reduce hazardous substances in electronic waste such as heavy metals in plastics; REACH concerns the risk assessment of chemicals.

## Voluntary commitment

As a pioneer, Kärcher has gone well beyond the prescribed limits for compliance. The company strives to completely avoid potentially hazardous substances of its own volition. "If we, for example as with plastic cables, cannot dispense entirely with plasticisers, we look for alternatives, even if they are expensive," explains Axel Leschtar, Specialist for Environmental Management, regarding Kärcher's approach.

## Recycling plastic waste

In 2013, Kärcher also began to develop a procedure with which the defective parts that inevitably accrue in the production of plastics can be reused in our own production facility. "For two years, we have extensively tested the possibilities of plastic recycling in laboratory tests, with resounding success," declares Plant Manager Carsten Schlenker proudly at the parent plant in Winnenden. "In 2015 alone, we avoided disposing of 78 drums of black standard polypropylene which, instead, were fed back into the Kärcher production process as granules."

## Ecologically sustainable production

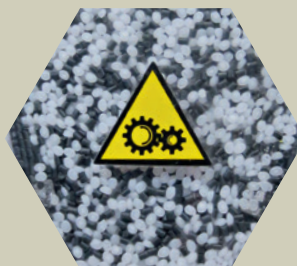
The rejects are milled in our own plastic mill and mixed with new material in optimal proportions for parts production. The high-quality granulate obtained in this manner can easily be processed again in an injection moulding machine, e.g. for the chassis or other machine parts for high-pressure cleaners. "So we not only protect the environment in a sustainable manner but also reduce costs in relation to purchasing," says Carsten Schlenker, summarising the advantages. In the Winnenden plant, the investment costs for mills and mixers were amortised in less than two years.

## PLASTICS RECYCLING IN THE BÜHLERTAL PLANT

The recycled material is obtained by collecting and sorting rejects; it is then fragmented by a recycling company, remelted and then further processed into granules. The high-quality granulate obtained in this manner can easily be processed again in an injection moulding machine. Numerous black plastic casing components will contain up to 40 per cent of this recycled material in future; the incidental rejects will thus be completely reused.



The defective parts are processed into granulate by a service provider.



Recycled plastic (dark colour) is reused as granules in production.



In this way, new product parts are made of the recycled material.



# ENERGY EFFICIENCY SIGNED AND SEALED

Kärcher offers its customers machines with which they can clean while saving energy and conserving resources. They undergo rigorous testing in our laboratories. With the eco!efficiency product line for professional operators, we have developed a particularly environmentally friendly and highly efficient range of products.

### Flipping the switch

Numerous scrubber driers are equipped with the particularly energy-efficient eco!efficiency mode. This machine cleans with a lower blower power, reduced cleaning agent consumption and a lower brush speed; therefore, it can be operated for longer and is quieter and more energy efficient. Up to 50 per cent can be saved on energy and water, with impressive cleaning results at the push of a button.



Kärcher scrubber drier of the eco!efficiency range

### Ahead of its time

The responsible use of valuable resources such as water and energy is a priority at Kärcher. This is why our products were, years ago, already meeting the environmental standards which the European Union is due to enforce in 2017. As of September 2014, vacuum cleaners in the EU may not exceed a power input of 1,600 watts; in 2017, this value will be even further reduced to 900 watts. When they were introduced onto the market in 2013, our eco!efficiency dry vacuum cleaners for the cleaning of buildings already had a power input of only 750 watts and thus consumed 40 per cent less energy while providing 98 per cent of the cleaning power of the basic unit.

### Contributing to climate protection

The vacuum cleaner field test of the "Power Saving Initiative" campaign in November of 2014 confirmed that the Kärcher VC 6 Premium makes a contribution to climate protection. As the machine with the lowest wattage in the test, it achieved the highest rating in five out of nine categories, prevailing over five other brands/models with wattages of up to 1,000 watts.



Kärcher VC 6 Premium Vacuum Cleaner

### **In-house laboratory testing**

In order to reliably ensure the required values for dry vacuum cleaners for the household and professional markets in the long run, Kärcher is one of the few companies in Germany to have established its own ErP laboratory (ErP = Energy-related Product) for dry vacuum cleaners. At the laboratory, not only is the energy use during cleaning measured but dust emissions, the quantity of dust particles that are released into the ambient air from the machine, are also under scrutiny.

### **Noise pollution**

Although we usually only notice an excessively high energy use when reading the electricity bill, we experience unpleasant or loud sounds immediately. Noise emissions are therefore also an important aspect which we include in the development of our products from the very beginning. Therefore, a reduction of 10 dB (A) is already perceived by operators as a 50 per cent reduction in the noise level. Because of this, our dry vacuum cleaners are ideally suited for longer operating periods and noise-sensitive areas such as hotels, nursing homes or hospitals.



In the ErP laboratory for dry vacuum cleaners, energy use and dust intake can be measured during the cleaning of different surfaces.

### **Efficient and environmentally friendly**

The European Association EUnited Cleaning has certified the burners for Kärcher hot water high-pressure cleaners as efficient and environmentally friendly. The high level of effectiveness and the low soot and carbon monoxide emissions were decisive factors for the certification in 2015.



Hot water high-pressure cleaner

# RESPONSIBILITY FOR EMPLOYEES

Even company founder Alfred Kärcher took up the cause of sustainable, people-oriented corporate management. His attitude is still the guiding principle and basis of a corporate policy in which the reconciliation of career and family, the health of employees and their professional development and training play a central role. We treat our employees in an appreciative and caring way. Thanks to its strong commitment, Kärcher has been able to become the global market and technological leader in cleaning technology.

# 03





be the difference

**KARCHER**



# AN EXCELLENT EMPLOYER

An independent institute evaluated the flexible working time models, continuing education and training opportunities, above-average representation of women in management positions and health management as exemplary.





Kärcher is a sought-after employer, and the company continues to grow. Therefore, we were able to create 1,660 new jobs between the end of 2012 and the end of 2015. At the end of 2015, the company had 11,333 employees working at its locations around the world. Since its foundation in 1935, Kärcher has always been a family business that cares about providing the best possible working environment. Kärcher has received awards for this commitment several times.



#### **All round good working conditions**

Making socially sustainable decisions and being successful in the market at the same time is an art which few companies have mastered as well as Kärcher. Regional Bishop Dr. h.c. Frank Otfried expressed this sentiment in July 2013, when Kärcher was awarded the ARBEIT-PLUS seal of the Evangelical Church in Germany. An independent institute evaluated the flexible working time models, continuing education and training opportunities and health management as exemplary.

The auditor determined above-average rates in employment trends and the financial participation of employees in the company's success, as well as measures for reconciling work and family life. Chief Executive Officer and Chairman of the Management Board Hartmut Jenner painted a vivid picture of the unique Kärcher culture when, in his acceptance speech, he lamented the fact that Kärcher was forced by legal provisions to list an employee only as an "expenditure" on the balance sheet, and not as an asset.

#### **Prioritising family support**

*"We are on the right track."* Executive Vice President Corporate Human Resources Rüdiger Bechstein felt validated when the company received the "audit berufundfamilie" certificate in 2014. This certificate is awarded to companies that place a great emphasis on continuing education and family-friendly measures in the workplace. In addition to programmes such as part-time employment models and flexible working hours, Kärcher Germany has subsidised childcare and organised holiday programmes for the children of employees. New formats such as working from a home office and the opportunity to chart a career as a part-time employee have been greatly expanded in recent years.

Ergonomically designed workstations and lifting tools facilitate production work.



Whether they are employed in production, service or administration, our employees find good all round working conditions.

**Combining work and study**

Employees seeking extra-occupational higher qualifications, such as engineering, master craftsman or academic degrees, can be supported along the way to their bachelor's or master's degree with a Kärcher scholarship. This measure on the part of the Human Resources Development Manager placed second in the 2014 Human Resources Excellence Awards, which are awarded by the Human Resources Manager trade journal.

**After a prolonged illness: welcome back!**

Even in times of crisis, Kärcher stands by its employees. We offer comprehensive support for employees returning to work after prolonged sick leave; representatives for occupational integration management have been on duty at Kärcher since 2013. A jury also found this commitment praiseworthy: Kärcher received an award which is intended for health-promoting preventative measures from the Baden-Württemberg Municipal Association for Youth and Social Affairs.

**Average length of employment \***

<b>2013</b>	<b>8.30</b>
<b>2014</b>	<b>8.25</b>
<b>2015</b>	<b>8.62</b>

\* worldwide in years

# 360° HEALTH MANAGEMENT

Alfred Kärcher described his special relationship with his employees in the following words: *“The people in our company are, first and foremost, what makes our success possible.”* This guiding principle still determines our actions because only healthy, happy employees are engaged and motivated at work. Occupational health management is therefore a challenge to which we will vigorously respond. *“Kärcher makes a difference.”* That also applies to preventive health-care programmes, attractive sports activities and exciting campaign days for our employees.

In our Sustainability Strategy 2020, we have defined the health of our employees as a value that must be firmly anchored in our corporate culture. We have developed a variety of measures for promoting employee health that are being gradually implemented and regularly evaluated.

Ergonomics is an important aspect for us: we have our workspaces regularly reviewed and optimised. For a new assembly line for scrubber driers in the plants in Winnenden and Changshu, China, we have had ergonomic assembly modules designed. The employees can adjust them to the best possible position for each individual, including a vertical adjustment to suit each person's height. Lifting tools simplify many working steps. Team leaders and shift supervisors receive regular ergonomics training to develop concrete solutions.

Five minutes of bending and stretching is already sufficient to loosen the muscles. The employees at the Winnenden plant tested this during the pilot phase of the “Active Break” programme.





### **We keep moving**

At first glance it seems unusual: our employees at the Obersontheim, Bühlertal and Winnenden plants simultaneously leave their workspaces, form a circle, bend and stretch and stand on tiptoe. They are led by a physiotherapist who shows them exercises that can reduce work-related physical complaints. After three to five minutes, the active break, which we promote, is over, and everyone goes back to their workspaces as usual, feeling somewhat elated.

Many employees spend most of their time at a desk and in front of the computer, particularly at our headquarters in Winnenden. If we use only our minds most of the time, the body will suffer in the long term. And often, the best ideas crop up when the head occasionally takes a little break. With the "Midday Fitness" programme, therefore, we give our employees in Winnenden the opportunity to spend their lunch breaks in a way that supports their health: a circuit training session aimed at stretching, strengthening, mobilisation and relaxation takes place once a week under the guidance of a sports instructor. After that, their heads are once again free to deliver outstanding mental performance.

### **Everything for health**

Our online programme is a flexible way for employees to do something for their own benefit in a web tutorial, there are simple tips for actively strengthening the body or preventing tension with ergonomic recommendations. In regularly conducted events such as health days, all participants can collectively test the effectiveness of the exercises in practice and get a check-up. There are presentations which address, for example, the relationships between exercise and nutrition and the importance of screening for the prevention of cardiovascular disease and cancer.

Health campaigns specifically tailored to the employees take place at all Kärcher locations. For example, free flu vaccinations were given and other health programmes offered in Camas, USA. At the Quistello site in Italy, a programme motivates employees to commute to work by bicycle or on foot rather than by car.

### **Tension, sports and work**

Whether it is through Midday Fitness, health days, addiction prevention programmes, sports courses or small competitions, measures should be taken so as not to neglect body, mind and spirit in the daily work routine. Therefore, success in the field of preventive healthcare is openly communicated, recognised and incentivised at Kärcher, in matters large and small. We encourage our employees, for example, to cycle to work more often. Prizes are awarded to frequent cyclers in order to provide motivation. On the intranet, groups come together for the company sports programmes, for example, volleyball, to let off steam or to train with the running club. We set no limits on physical activity but rather widen the playing field.

### **Investment in health with long-term effect**

As a company with a strong culture of values, we consider it our responsibility to provide attractive working conditions for our employees and not to be satisfied with the minimum requirements. This is because healthy growth and sustainable success for the company can only come about if our employees enjoy working and pay attention to their physical and mental well-being. We provide a healthy and intact work environment at eye level and through interactions carried out in partnership; our self-image as a family business is rooted in this.

#### **PREVENTIVE HEALTHCARE AT A GLANCE**

- Ergonomics in the workplace
- Activity days
- Company sports
- Lectures
- Prevention of drug dependency
- Psychosocial counselling
- First aiders





1



1



1



1



2



3

- 1 In addition to strengthening muscles, doing sports together builds cohesion.
- 2 The back was the subject of the 2014 health event.
- 3 Easy on the back and joints: the new ergonomic assembly line for scrubber driers in Winnenden.

# ONE PROGRAMME FOR SUCCESS

With clear training opportunities, un-bureaucratic seminar registrations and transparent goals with systematised feedback, Kärcher has created a standardised global scheme for the professional development of its employees.

## **Variety of people and activities**

Employees in 60 countries and 100 companies; employees in Production, Sales, R & D, Administration and Service; young professionals and experienced employees – the variety of people and roles in the company is great and will also increase the demands on human resources management. Everyone should receive the same development opportunities appropriate to their position, be evaluated according to the same system and receive appropriate training, because Kärcher sees the qualifications, skills and talents of its staff as essential for sustainable growth.

## **International platform**

In order to give a strategic orientation to human resources management, we have been identifying and defining important processes since 2014, with the aim of standardising and automating them on a global basis. The result is the first international platform (“SAP SuccessFactors”) for the development of the company’s human resources, with a wealth of information as well as transparent and consistent opportunities for career advancement.

## **Learning module**

The new HR platform consists of four modules: Performance Management (performance appraisal and target agreement), Learning (training organisation), Succession & Development (succession planning and continuing development) and Recruiting. The first module, SuccessFactors Learning, was launched in December of 2015. This is where the employees can go to see an overview of all of Kärcher’s internal training opportunities in an online catalogue. They can register for training opportunities or reserve them for a later date. The processing of the seminar registrations is carried out as unbureaucratically as possible: there are only a few steps required for authorisation. All employees can also create a profile in the system and enter their own language skills, experience and requests. SuccessFactors also simplifies the application process for those who would like to work in another country.

## **Good career development opportunities**

The introduction of globally standardised HR processes is one of the objectives of the 2020 sustainability strategy. Work on the biggest international HR project to date began in 2014 with a survey of 60 subsidiaries. From the results, it could be seen that, above all, the processes for training, performance appraisal and target agreement, succession planning and continuing development, and recruitment had to be standardised and optimised. These findings formed the basis of the new HR platform, which offers excellent opportunities for professional development to all employees and will be rolled out gradually throughout the world.





› PERFORMANCE MANAGEMENT

› LEARNING

› SUCCESSION & DEVELOPMENT

› RECRUITING



# FOR SOCIAL AND ECOLOGICAL GLOBALISATION

Since 2011, Kärcher has been a member of the UN Global Compact and is guided by the following ten principles defined therein for all activities:

# 1

Businesses should support and respect the protection of internationally proclaimed human rights.

# 2

Businesses should make sure that they are not complicit in human rights abuses.

# 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

# 4

Businesses should uphold the elimination of all forms of forced and compulsory labour.

# 5

Businesses should uphold the effective abolition of child labour.

# 6

Businesses should uphold the elimination of discrimination in respect of employment and occupation.

# 7

Businesses should support a precautionary approach to environmental challenges.

# 8

Businesses should undertake initiatives to promote greater environmental responsibility.

# 9

Businesses should encourage the development and diffusion of environmentally friendly technologies.

# 10

Businesses should work against all forms of corruption, including extortion and bribery.

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