

2,020
**SUSTAINABILITY
REPORT**

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1. COMPANY POLICY

Review of 2020



Review of 2020

2020 was a challenging year for the general public, as well as for the business sphere. While public life virtually stood still in the past year, things kept moving at Wetrok: we were able to address various ecological projects and to gradually improve our environmental performance. No system deviations were identified in the recertification audit conducted in autumn 2020, and we passed with flying colours. Our work to systematically develop our products further was also rewarded with many small successes. For example, we achieved recertification for eco labels such as the Nordic Swan, which is an important acknowledgement of Wetrok's performance. We have been exploring and optimising our individual project segments, as well as carrying out specific projects, and are proud to inform you about our rapid development. Sustainability has been further cemented as an integral part of Wetrok's corporate strategy and been substantiated with measurable results.

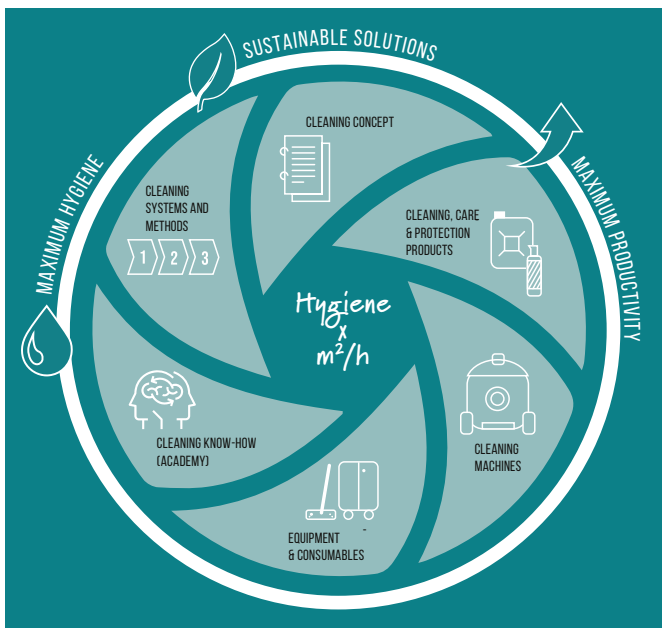
Gerhard Sandmeier
Head of Supply Chain

2.

ABOUT WETROK

Status quo

ISO certification



Wetrok offers everything from a single source: chemical cleaning products, highly specialised machines, consumable supplies and application training. Wetrok AG is considered a pioneer in professional cleaning technology: for over 70 years, we have been creating innovations for professional cleaning processes. This is also reflected in our motto: “Hygiene for life”. The products and cleaning systems are developed by our in-house research department at the company headquarters in Zürich-Kloten. Wetrok operates 11 sales outlets in Switzerland. Wetrok is active internationally in more than 35 countries – represented by subsidiaries and partners of many years. More than 100,000 customers worldwide rely on holistic cleaning solutions by Wetrok.

Status quo

As an employer of around 250 staff members 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

Since 2017, Wetrok has been certified not only 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 2020, Wetrok successfully passed the recertification audit for the two ISO standards. Once again, we were able to demonstrate systematic and sustainable development of our systems across all relevant aspects. Valuable input regarding future development was recorded in writing, and target-oriented projects and measures have been initiated or planned. Thanks to the fact that no system deviations were identified, we were able to focus on specifying new objectives right away.

An environmental management system in accordance with ISO 14001:2015 has a big advantage: we at Wetrok, as well as our partners, are able to set our own targets regarding environmental policy (reduction of waste, reduced resource consumption), and we check on a regular basis whether these targets are being achieved. Wetrok's customers can therefore be confident of working with a company that assumes responsibility for environmental protection and that contributes to a sustainable value chain.



3.

MILESTONES IN ECO-FRIENDLY OPERATIONS IN 2020

Cleaning and care products

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Cleaning and care products

Recertification of the wetco line

The wetco line is an eco-friendly product line that comprises five cleaners. Wetrok developed the line to be able to offer something that customers have been requesting more and more: safe and eco-friendly cleaning that everyone can afford. The wetco line is easily biodegradable and certified with the Nordic Ecolabel (Nordic Swan). It also contributes to sustainable cleaning in another way: the wetco line enables customers to clean their entire building with just three to five cleaning products. The number of products needed is therefore reduced considerably. In November 2020, the wetco line was successfully re-certified with the Nordic Ecolabel. The cleaning product line does not contain any allergens, perfumes or critical preservatives, and it therefore presents no threat to bodies of water or aquatic life. The surfactants used come from sustainable sources and the wetco cleaning product containers are 100% recyclable. Three of the five cleaners can be applied as foam (no aerosols), allowing for a reduction of water consumption by 90% and of chemicals use by 30%.



Extension of the Wetrok Granuline

Wetrok achieved an ecological research breakthrough in 2017: cleaning with granulate instead of liquid cleaning agents. The industry innovation attracted international attention and was awarded the Purus Innovation Award.

In summer 2020, Wetrok completed the Granuline, which originally comprised three cleaners, and became the world's first provider of a full range of granulate cleaners. The dry cleaning product that comes in little granulate sachets has five climate and safety-related advantages over liquid detergents:

- **No over-concentration** (pre-portioned sachets: 1 sachet = 1 use).
- **No leaks** (no need for safety installations).
- **No waste of resources** (30% less chemicals and 90% less water are used).
- **No need to lug around heavy canisters** (small, lightweight sachets).
- **CO₂ emissions during transport are reduced by around 80%**

Only the necessary part, which is not readily available at the destination, is transported: the granulate. The cleaning personnel can simply mix the self-dissolving granulate with water on site, and the cleaning solution is ready to use. Five granulate cleaners for eco-friendly cleaning of entire buildings have been available since 2020:

- **Granufloor (floor maintenance cleaner)**
- **Granusan (sanitary maintenance cleaner)**
- **Granusurf (surface cleaner)**
- **Granusan forte (basic sanitary cleaner) **new****
- **Granubowl (WC cleaner) **new****



Another ecological achievement: in 2020, the Wetrok Granuline was confirmed to be **“highly biodegradable”** in accordance with OECD 302b.

Harmonisation of canisters

Following a long period of preparation, we were finally able to realise our plan to harmonise the cleaning product canisters in 2020. Using identical spout sizes for 5 and 10-litre containers (DIN45) offers various advantages: a standardisation of accessories (discharge tabs, pumps, etc.) means that we and our customers will need fewer different items, allowing for a reduction of resources in production and disposal. All containers are also stackable to facilitate optimised space-efficient transport (fewer trips).



Emissions: Critical products in 1x10 L units of sale come in solvent-resistant containers. Diffusing/evaporation of the product is therefore strongly reduced. Safety and ultimately also the consumption of the products are therefore optimised.

Sturdiness: The new canisters are reinforced along the edges, using vertical struts on the inside, so that the containers are far less likely to collapse. The result is a significant increase in quality that also delivers a considerable increase in safety.

Ergonomics: The new shape of the lid that offers better grip when opening the canister by hand and has improved ergonomics, helping to protect the health of the cleaning personnel.

Consumables

Cradle to Cradle Update on Masslinn

In August 2019, the Masslinn dust cloths received one of the world's strictest ecological and environmental certifications: the *Cradle to Cradle* label (bronze category). This certification requires ongoing optimisation to ensure that the product becomes more and more eco-friendly. This is why we made great efforts in 2020 to build upon the *Cradle to Cradle* approach. Our objective: to enter the silver category. The evaluation process is already underway. The findings: to meet the standards of the silver category, we need to change the adhesive system. We are currently exploring a range of possible solutions.



Adjustment of the Wetrok KeyCar rollers

To meet our customers' requirements even more effectively, we have introduced new rollers for the lockable Wetrok KeyCar cleaning cart. These allow for the same KeyCar to be used indoors as well as outdoors (for example, in loading areas). Our objective was to avoid the need to buy two carts (resource usage), as has often been necessary in the past.



Expansion of the modular system of the Wetrok Smart Car

The Wetrok Smart Car is a modular cleaning cart that allows users to combine different elements as needed. Customers benefit from the option to immediately adjust their cart to any new requirement by simply replacing individual modules. This means that an existing cart can be upgraded and it is not necessary to buy a new one (no resources are used for making a new cart and there is no need to dispose of the old one). The modular system was further expanded in 2020. One new addition is particularly ground-breaking: the cart can be in two places at once, thanks to the new detachable disposal unit. This means that a cleaning team does not need two differently sized carts but can manage with a single cleaning cart. Backwards compatibility (upgrading of existing carts to the newest generation) is also ensured.



Expertise

EduQua label re-certification

The Wetrok Academy offers more than 15 specific cleaning courses. These are held in the training rooms at Wetrok's head office or at our customers' premises. The Wetrok training programme has been certified according to ISO SQS EduQua for years, and therefore bears the prestigious Swiss seal of quality in further education. In September 2020, we successfully passed the re-certification audit to maintain the EduQua label.



Launch of e-learning project

Wetrok had been looking into the matter of e-learning, even before the pandemic. In 2020, our first few sets of learning content were implemented on an e-learning platform. Acceptance testing carried out in the context of classroom-based courses, showed that the target group is interested in integrated e-learning sequences. We are now working on processing further learning content for our e-learning scheme. This additional form of teaching (that will not replace classroom teaching entirely) will enable us to significantly reduce the number of kilometres travelled by the participants of our courses in the future. Mistakes that frequently occur in daily cleaning routines and that can have a big impact on costs and the environment (such as overdosage), can be addressed in multiple ways through blended learning, and the teaching effect can be reinforced through online assessments carried out after a classroom-based course.



New edition/upgrade of the method instruction book

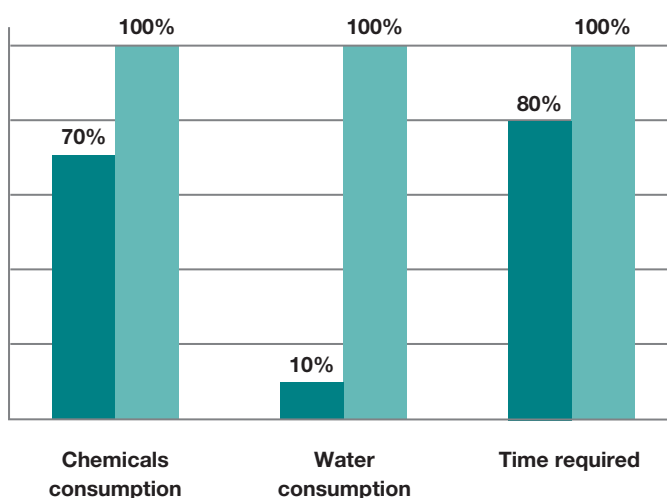
Wetrok has developed more than 30 original cleaning methods. We have compiled instructions for these in a book. The cleaning methods were fundamentally revised, improved and republished in autumn 2020 – both as a book and online (free PDF available for download from the website). Wetrok is thereby sharing the full spectrum of its cleaning expertise free of charge. The reason for this is that the Wetrok experts have realised that eco-friendly cleaning does not start with cleaning products, but with correct execution of the cleaning method. We want to provide Wetrok's customers with straight-forward, easy-to-follow instructions for each cleaning method, and enable them to look up how to clean something and which tools, machines and cleaning agents to use. Another aim of our instructions is to ensure that cleaning is as resource-friendly, safe and ergonomic as possible, and that care is taken to ensure the correct dosage (as little as possible, as much as necessary). To promote this objective, we are presenting two modern, resource-friendly methods more prominently within their respective chapter of the method manual:

- **Damp wiping with foam**
- **Wet mopping in a single work step using a pre-wetted mop (WetBox system)**

Both methods allow for considerable reductions of chemical and water consumption, compared to traditional methods (water and bucket method).



Example foam cleaning method:



- Wetrok foam cleaning
- Conventional bucket method

Machines

Implementation of 20 Ah lithium iron phosphate batteries in the Discomatic Mambo

Another step towards product harmonisation was realised in the area of machinery. A lithium iron phosphate battery with a lower capacity (20 Ah) was introduced for the Discomatic Mambo, to fulfil our customers' requests for a lower battery life. The smaller battery means that less waste is produced at the end of its service life (= less lithium must be disposed of).



Decision to phase out the Sprinter

The Sprinter ride-on scrubber-dryer has been getting on in years and is being replaced with new, sustainable technology. The implementation of a high-quality successor model has been initiated for 2021. The Sprinter has performed very well over many years. Its technology is now outdated. The last machines will be produced in March 2021, and we are looking forward to a new era of scrub drying.

Higher quality motor for the Duomatic line

Thanks to ongoing improvement work, we have been able to further increase the quality of our Duomatic scrubber-dryers. We have successfully realised an even higher readiness ratio of the machine. Consequently, it needs servicing less frequently, which reduces travel and material consumption.

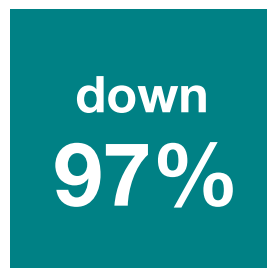


Lifecycle management

Wetrok continues to work on the lifecycle assessment for the entire product range. Our scrubber-dryers and vacuum cleaners, for example, have an above-average service life, compared to other machines available.

New combustion motors for the ride-on vacuum sweepers

Since October 2020, only stage V motors are installed in new machines. This means that particulate mass (emissions) is reduced by over 97% compared to their predecessors.



New chemical-resistant kit for the Duomatic line

A higher quality kit (comprising highly chemical-resistant components) significantly increases the Duomatic machines' service life. A version of the scrubber-dryers that is even more resistant (chemical-resistance) is also available.

Consumption of resources at the Kloten site (head quarters)

Electricity

We have managed to reduce electricity consumption at the Kloten site by an impressive 14%. A number of optimisations were implemented in the context of the refurbishment work carried out in late 2019, which have had a very positive impact on consumption. We had carried out a consumption analysis that highlighted lighting as a decisive factor. Switching to LED lights and using motion detectors enabled us to achieve this result. Compared to the year before, emissions generated through on-site assembly of our scrubber-dryers increased by 2%. Based on the number of machines sold in 2019, overall savings could have been even higher.

Water

Water consumption has been relatively stable or decreased slightly (-2%) over the past few years, varying by up to 10% from year to year. Planning is currently underway for a comprehensive water consumption analysis for the Kloten site, which is home to a cafeteria, among other things. Water consumption per staff member per working day is less than 75 litres. Average daily consumption in Switzerland is 162 litres. It is therefore assumed that the greatest share of water consumption is due to “natural” water consumption by staff members and guests of the staff restaurant.

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. The very mild winter and correspondingly lower amount of heating power needed made the year 2020 look very good on paper. Savings by 25% were realised in this outstanding year, compared to the year before.

The oil/gas heating system has seen better days, but is still deemed viable. From an economic perspective, the dual system offers a meaningful basis for the decision of whether oil should be used for heating or more gas. An evaluation project for a new heating system will be taken up for 2021.

Paper (responsible partners)

The cleaning industry cannot do without printed media, even in this day and age. We are aware of this fact and our responsibility with regard to sustainability. This is why Wetrok has long been placing its printing orders with responsible partners only. In other words: only partners or printing companies that are officially classified as climate neutral or with the status “FSC printed in Switzerland” are even contacted for a quote.

printed in
switzerland

Low-paper processes project launch

Paperless work was chosen as a core project in 2020. Various operative units (such as customer services) were asked to work towards paperless workflows. Some initial success has already been achieved. However, we will only be able to show and measure the success of the project as a whole in our Sustainability Report for 2021.

Reduction of paper consumption in assembly (manufacturing process)

By adjusting the layout of our production order paperwork in our ERP, we have been able to significantly reduce paper consumption in assembly. Through further adjustments to related processes, we were able to take an essential step towards “paperless production management” in 2020. Paper consumption for the handling of machine orders will be reduced by 92.5% for 2021. This corresponds to around 26,000 A4 sheets. In relation to our total annual consumption of around 1,353,000 A4 sheets, this corresponds to a reduction of 2%.

Customer competence centre

Archiving: On 1 October 2020, we implemented an electronic filing system. For trial purposes, we have since been archiving our documents both electronically and in paper form.

From 1 January 2021, this system will switch to electronic filing only. The potential yearly reduction in paper use is around 450,000 A4 sheets (33%) based on the 2020 figures. With regard to the reporting period starting in October 2020, Wetrok has already reduced use of A4 paper by 2% in 2020.

Order confirmations: Thanks to the electronic transmission and filing system that was launched in summer 2020 and tested in autumn 2020, 90% of order confirmations were sent to customers electronically in PDF format. This allowed for a 6% reduction of Wetrok’s annual consumption of A4 paper in 2020.

Online shop: The online shop, which went live on 1 January 2020, was planned and realised as a fully automated online shop from the outset. All orders placed by customers are transmitted via an interface directly to our ERP system, where they are processed. Based on empirical values, another 2% of annual A4 paper consumption was saved here.

Conclusion: By introducing electronic processes and archiving in the customer competence centre, our annual A4 paper consumption was reduced by over 10% in 2020 alone. As a result, we were able to eliminate two printers and abandon paper-based archiving as of 31 December 2020. We expect to use about 750,000 fewer A4 sheets in 2021, which corresponds to a reduction of our annual A4 paper consumption by over 50%.



Low-paper inventory

The introduction of a low-paper inventory system, based on machine data collection, enabled us to reduce A4 paper consumption by another 20,000 sheets or 1.5%.

Electronic invoicing for the export business

In the area of international sales (export), we are going to switch to electronic invoicing. We expect this to allow for a further reduction of A4 sheet consumption by 5,000 sheets (0.3%) in 2021.

Summary

Our measures enabled a total reduction of annual A4 paper consumption of 12% in 2020. We are planning to reduce consumption by over 55% or around 800,000 A4 sheets in 2021.

Disposal/recycling

Disposal of special waste

A permanent objective of Wetrok is to steadily reduce special waste in the area 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 has been able to reduce this amount through better planning, warehouse management and cooperation with our partners. It is also worth considering that this is subject to seasonal trends. A reduction of over 50% compared to the year before was recorded in 2020. Compared to the multi-year average (2014–2020), we were able to achieve a reduction of 23%. We are optimistic that the measures we have implemented are going to lead to a steady decrease.



Lead battery waste is supposed to be reduced through the gradual introduction of Wetrok machines and accessories with more energy efficient lithium batteries. Disposal of batteries that contain lead has increased over the past three years to 12,817 kg/year. Seven years after the introduction of lithium batteries, this trend is relatively plausible and replacement can be observed to a certain degree. To be able to make any confident statements about the extent to which the realignment from lead-based to lithium batteries has a positive impact on the number of lead batteries disposed, we will need to monitor the development over the next few years.

Disposal of rubbish, old wood, cardboard and electronic waste

In addition to chemical and special waste, non-recyclable waste was reduced by 20% compared to the year before.

A significant contribution was made by the harmonisation of packaging for Discomatic scrubber-dryers that was initiated in early 2020. In addition to this, projects for minimising delivered packaging have also been launched (packaging guidelines). We expect that their positive effect will show in 2021.

Transport/logistics

Field service

To the benefit of our customers, Wetrok has a direct sales team of field representatives and service technicians that rely on a comprehensive vehicle fleet. The field workers are allowed to use the vehicles for private purposes, as well. Owing to the fact that 2020 was a very unusual year in this regard (lockdown, working from home, etc.), a comparison with the previous year is not necessarily representative and we are therefore going to refrain from it. It is an omnipresent issue, nevertheless, and we are currently looking into replacing the entire vehicle fleet. Planning provides for the field representatives' and service technicians' fleet to be replaced in 2021. In order to be well-prepared for the future, Wetrok continues to rely on adequate and sustainable vehicle technology.

Logistics (product transport)

Logistics for transporting products to Wetrok's customers are provided by external partners. These partners must have ISO 14001 certification at the very least, and be committed to fully sustainable processes. Transports are pooled as far as possible and scheduled to ensure efficiency, effectiveness and sustainability.

Projects such as striving for carbon neutrality have been initiated. From 1 January 2021, our key logistics partner will switch to carbon-neutral transport/shipping. Wetrok is proud to be cooperating with suitable partners and to be involved in directing developments towards greater sustainability.



Transport of hazardous goods



The figures for 2020 vary greatly from those for previous years, owing to the COVID-19 pandemic. A positive delta was observed regarding disinfectants. Transport of class 3 hazardous goods (flammable liquids) increased by a factor of 7. This reflects activities related to containment of the pandemic. A decrease can be observed in class 9 (pollutant substances). Among other factors, this can be attributed to the fact that 24% fewer lithium ion batteries and fewer machines were transported. The amount of class 9 substances transported decreased by almost 50% overall. This is thanks mostly to the new product portfolio that focuses on more environmentally friendly chemical classification.

In addition, air transport decreased by around two thirds, which in turn contributes to a reduction in CO₂ emissions. Ship containers were preferably used for shipping goods overseas.

We are not aware of any negative events or irregularities (accidents, near-accidents, damage or complaints) regarding hazardous goods and the environment.

Transparency confirmation

There were no disruptions in 2020 and no offences were reported by authorities or individuals. Wetrok maintains active contact to the professional industry bodies, authorities and 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 2020 or earlier, regarding any issues that may be detrimental to the company's reputation.

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