

S4S Circular Challenge, 11. - 12.09.2020

Business Partner:

CEWE Stiftung & Co. KGaA
26133 Oldenburg



Responsible:

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Content

- Hard Facts
 - About our Business
 - Sustainability at CEWE
 - Current Research for Ecological Product Improvement
-

- Circular Challenge



Hard Facts

Timeline



1961
Heinz Neumüller sets up the CEWE COLOR business



1964/1965
Opening of the large photographic laboratory in Oldenburg



1985
Launch of an environmentally-friendly recycling process for bleaching and fixing tanks, later also for developers

1997
CEWE opens the first order station for digital photos in retail stores

2010 - 2012
viaprinto, commercial digital printing, launched; Acquisition of the offset printer SAXOPRINT and launch of the online printing portal CEWE-PRINT.de

2016
The production of our CEWE PHOTO WORLD brand products is now completely climate-neutral.

1964
Transition from black-and-white to colour photography



1971-1975
CEWE moves into the European market

1994
Reaction to the transition from analogue to digital photography: CEWE prints digital photos on photo paper. CEWE invents Photo Index, the first digital mass-market product



2005
Launch of the CEWE PHOTOBOOK as a brand-name product with in-house developed software



2015
New standard in terms of sustainability: CEWE Report complies for the first time with the GRI G4 Reporting Guidelines



Key Indicators CEWE-Group



21

European countries¹



27

Distribution offices



714.9 million euros

Turnover



6.6 million

CEWE PHOTOBOOKS



4,200

Employees



14

Production plants

18,000

CEWE PHOTOSTATIONS



20,000

Retailers supplied



2.4 billion

Photos produced

► CEWE is the leading photo service company in Europe

PRESENT IN EUROPE

● PRODUCTION PLANTS

WITH DISTRIBUTION OFFICES

Oldenburg (Headquarters ) , Bad Kreuznach, Dresden, Freiburg (Eschbach), Frechen, Munich (Germering), Budapest (HU), Koźle (PL), Paris (FR), Prague (CZ), Warwick (UK)

● PRODUCTION PLANTS

Mönchengladbach, Montpellier (Fabrègues (FR)), Rennes (Vern-sur-Seiche (FR))

● DISTRIBUTION OFFICES

Aarhus (Åbyhøj (DK)), Berlin, Bratislava (SK), Bucharest (RO), Gothenburg (SE), Cologne, Ljubljana (SI), Madrid (ES), Mechelen (BE), Münster, Nunspeet (NL), Oslo (NO), Warsaw (PL), Vienna (AT), Zagreb (HR), Zurich (Dübendorf (CH))

□ DELIVERY AREA FOR CEWE PRODUCTS

Austria, Belgium, Croatia, Czech Republic, Denmark, France, Germany, Hungary, Ireland, Italy, Luxembourg, Netherlands, Norway, Poland, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, United Kingdom



Premium Quality with Leading Brands

PHOTOFINISHING



DeinDesign:



RETAIL



wölfje

COMMERCIAL ONLINE PRINTING



Business Segments of CEWE

Revenue
in EUR millions



* including revenue from the "Other" segment in the amount of EUR 5.5 million

Selection of Product Range - Photofinishing

Prints



CEWE PHOTOBOOK



CEWE CALENDAR



CEWE CARDS



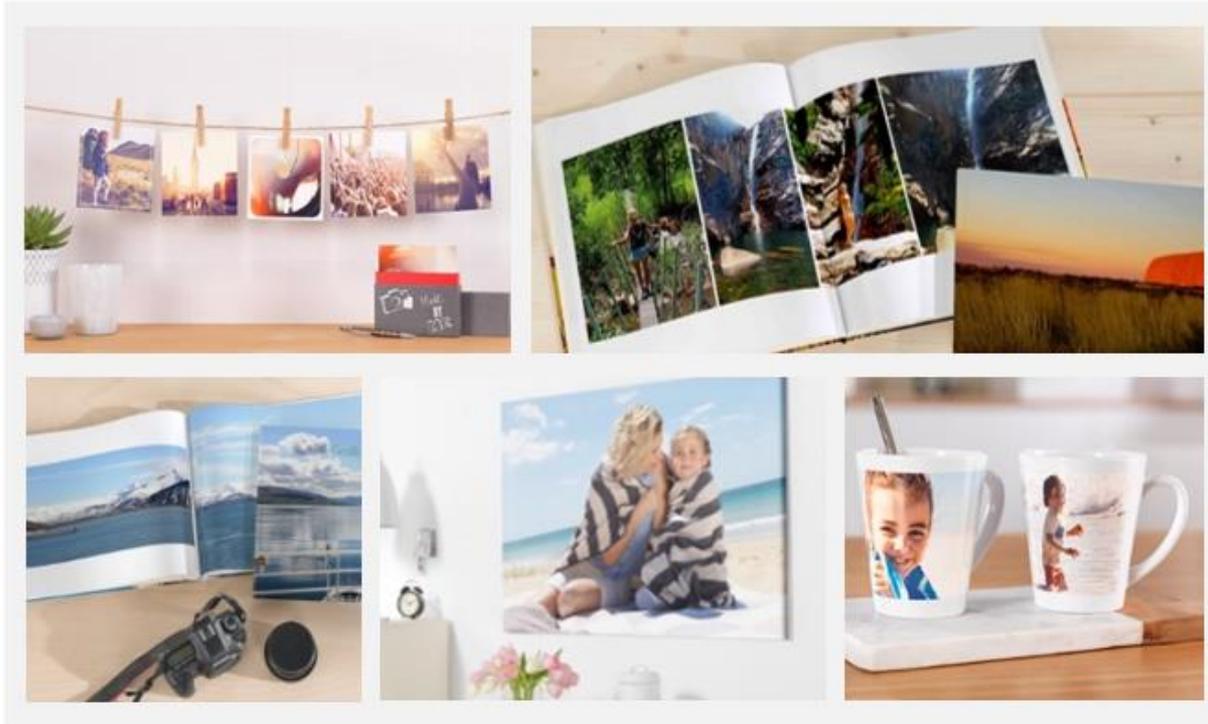
CEWE WALL ART



Photo Gifts



CEWE products: An extensive range of premium products



» **CEWE offers a 100% satisfaction guarantee on all products**

PRODUCT RANGE

- **CEWE PHOTOBOOK:** 8 formats, 6 paper types, hard and soft covers with special effects
- **Prints:** 6 formats, enlargements, square prints, stickers, retro prints, fine-art prints
- **Wall Art:** 9 different materials, from 20x20cm to 100x150cm, hanging fittings can be included
- **Calendars:** 6 formats, 4 paper types, up to A2 format
- **Cards:** 8 formats, envelopes included, pre-made templates or own customized design
- **Phone cases:** 11 different cases, for almost all phone types, new iPhone and Samsung types available
- **Photo gifts:** 35 products, 8 different mug types, for home and office

In-Store solution: On-site Printing via Mobile Devices



meine
cewe sofortfotos

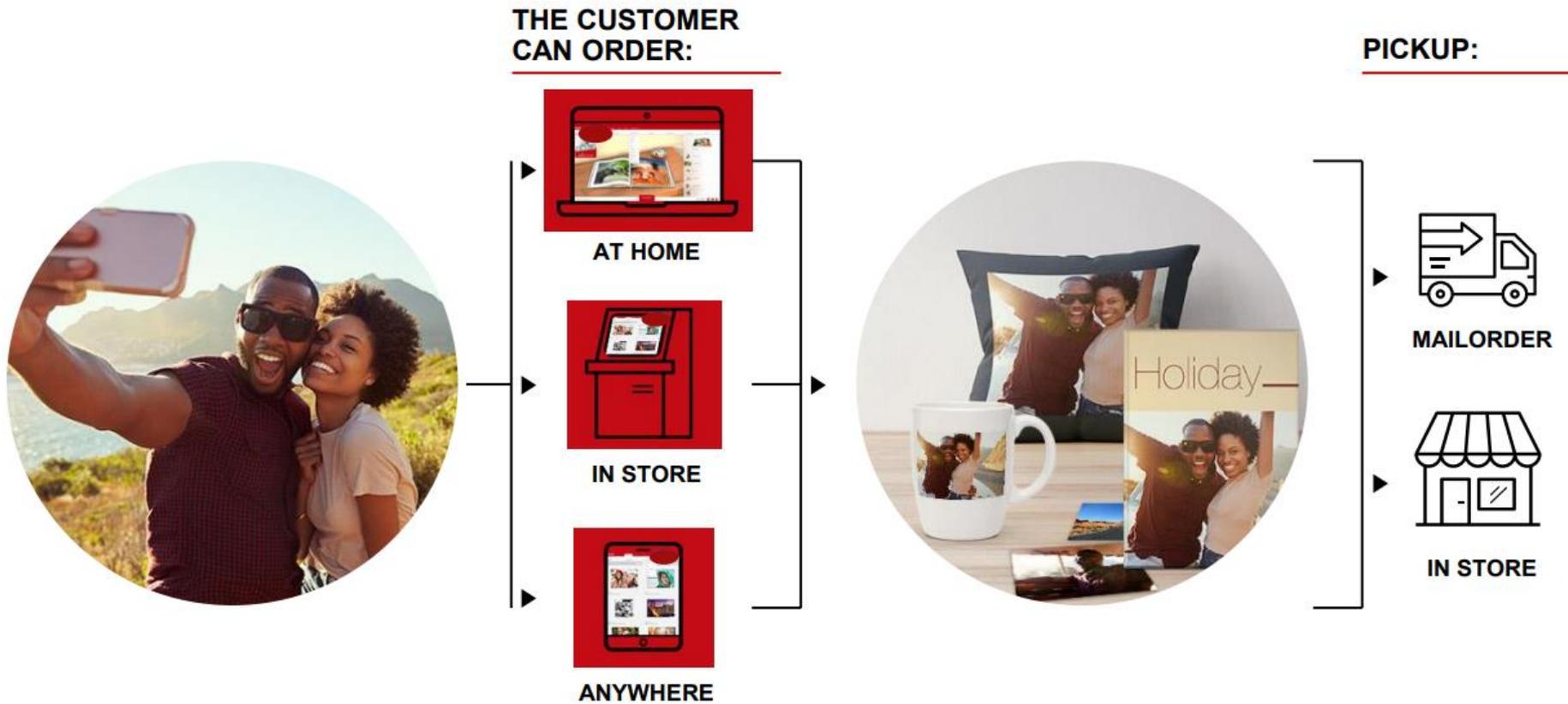


» Instant print orders
placed via mobile devices

Selection of Product Range – Commercial Online-Print

 <p>Flyer</p>	 <p>Folder</p>	 <p>Brochüren</p>	 <p>Roll Ups</p>
 <p>Kalender & Jahresplaner</p>	 <p>Plakate & Poster</p>	 <p>Visitenkarten</p>	 <p>Briefpapier</p>
 <p>Aufkleber</p>	 <p>Durchschreibesätze</p>	 <p>Karten</p>	 <p>Loseblattsammlungen</p>

CEWE's omni-channel solution



Order at CEWE: Anytime & anyplace

The customer can choose from 4 order channels:



IN-STORE

- True self service for customers, simple for store staff to manage
- Integrated iOS- and Android card reader
- Easy, fast and intuitive
- New, attractive creative output products



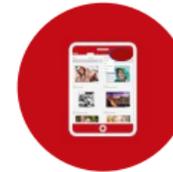
ONLINE

- Easy, convenient in-browser option
- Includes 6 months free project storage
- Photo editing options
- Automatic layout function selecting multiple photos
- Personalisation available with text and clip-art



DESKTOP SOFTWARE

- Fully functional software with extensive editing features
- Ideal for larger photo books
- Save projects offline
- Include QR codes for Videos in photo books
- Full range of products available
- Pre-made templates
- Cover highlights
- Assistant available



APP

- Intuitive, quick and easy
- In-app Photo editing
- Automatic layout function selecting multiple photos
- Options for personalisation with text and clip-art



Supply Chain Management

- Material categories

Volume balance 2019

Material in t	Total	Product	Waste
Paper (photo and printing)	37,264	28,248	9,016
Additional product components	2,138	2,018	120
Consumables and equipment	2,732	1,764	968
Packaging ¹	8,823	5,177	3,646
Total	50,957	37,207	13,750
Share in total volume	100%	73.0%	27.0%

1 Packaging includes in-house and third-party packaging materials such as paper and cardboard, plastics, photo envelopes and copying paper.

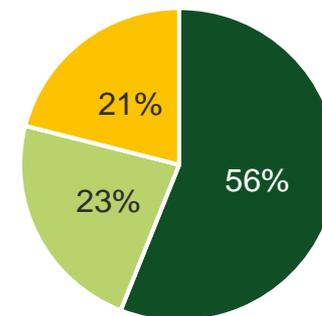
- ‘Critical’ Material
 - Mugs from China
 - Materials for toys like jigsaw
 - Textiles for human-ecological safety

Supply Chain Management

- Takes into account direct suppliers for production materials
 - In case of critical materials also upstream suppliers are checked
- Regular visits and inspections
- Requirements on product safety and quality
- Goal: to find more suppliers in the local area
 - to support the respective regions
 - to reduce CO₂ emissions in the delivery logistics
- production materials coming from the same country in which production takes place are defined as being local

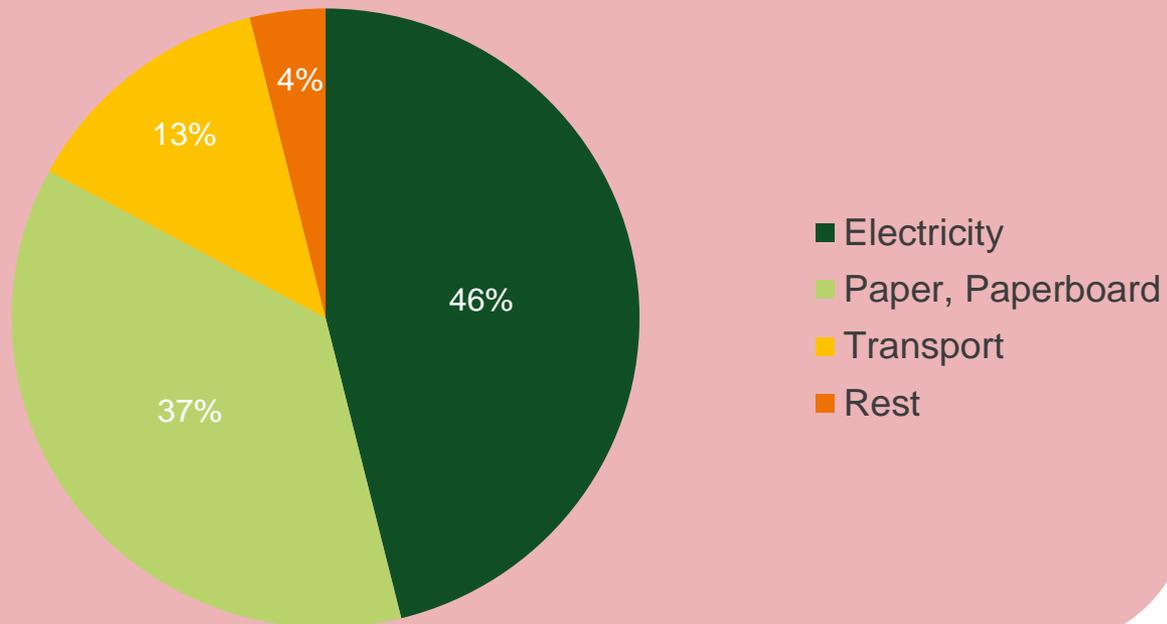
Procurement of production materials

■ locally ■ in EU ■ in non-EU



Supply Chain Management

Sources of Environmental Impact
by the CEWE PHOTOBOOK



Production of a CEWE PHOTOBOOK



▶ Video from 2014, German language



Sustainability at CEWE

Principles of our sustainable actions

- 1 Corporate responsibility
- 2 Future economic viability
- 3 Protection of resources and the environment
- 4 Responsibility for employees
- 5 Social commitment

▶ **CEWE assumes responsibility**

"Dialogues with our employees and stakeholders are firmly anchored in our sustainability strategy."

- Dialogues with stakeholders for a materiality analysis
 - Compliance with regulations, norms and laws (orientation towards the "honourable businessman")
 - Partnerships and memberships in important institutions and associations
- ▶ **CEWE's approach is based on long-term business success**

Strategic / objective aims

- Economic
 - Growth of revenue (due to corona situation, no targets for 2020 have been set so far)
 - Long-term: offer shareholders at least constant but ideally rising dividend
- Social
 - Diversity management: e.g. target value for women in leadership positions (20% in 1st, 35% in 2nd management level)
 - Social activism as part of the corporate culture
- Environmental
 - Preventing environmental pollution and protecting natural resources
 - Preserving nature:
 - Moving climate protection forward
 - Saving energy
 - Protecting water, keeping the air and soil clean
 - Responsible use of materials
 - Reducing waste and optimising recycling processes

Strategic / objective aims

- Environmental (continued)
 - Two- or multi-supplier strategy for production material
 - Reduce waste ratio to less than 30%
 - Keep specific water consumption rate under 3 L/m²
 - Keep share of plastic packaging below 5%

 - Two major long-term climate targets:
 - Reducing absolute Scope 1 and 2 CO₂e emissions by half from 13,401 t/a to less than 6,700 t/a from 2015 to 2025
 - Reducing absolute Scope 3 CO₂e emissions reported in the CDP for 2015 by at least 25% by 2025

 - Recognised by the Science Based Targets Initiative in 2017

Sustainability Activities



Zertifiziert nach
DIN EN ISO 14001:2015



Das Zeichen für
verantwortungsvolle
Waldwirtschaft



Sustainability Activities

- Environmental
 - Compensation project: Kasigau Wildlife Corridor (ClimatePartner)
 - Climate neutral transport (DPD, UPS, DHL)
 - FSC® certified paper and wood
 - Energy related projects: LED lighting, Green-IT, renewable energy production (photovoltaic)
 - Water related projects: lowering consumption, improve quality, recovery of silver
 - Environmental and Energy Management System
 - Reporting emissions (CDP)
 - Sustainability Report according to GRI standard



Das Zeichen für verantwortungsvolle Waldwirtschaft



Zertifiziert nach
DIN EN ISO 14001:2015



Sustainability Activities

- Social
 - SOS Children’s Villages International
 - German Diversity Charter
 - UN Global Compact signatory
 - Sponsor of the EWE Baskets Oldenburg and other sports clubs
 - Preserving the cultural asset of photography (promoting competitions, exhibitions, etc.)

- Economic
 - BME Compliance Initiative & Code of Conduct (German Association for Supply Chain Management, Procurement and Logistics)





Current Research for Ecological Product Improvement

Ideas for Eco-Innovations

- “Green” CEWE PHOTOBOOK
 - Organic / vegan
 - With environmental certification
 - Using eco-friendly materials, e.g.
 - Recycled paper / cardboard (for content and cover)
 - Dispersion adhesive (instead of animal glue)
 - PLA (for laminating film, adhesives)
 - Deinkable digital print colours
- Other “green” product alternatives
 - Photo prints on recycled paper
 - Sustainable phone cases
 - Organic advent calendar
- Substitution of plastic packaging
 - Packaging film
 - Foam corner protectors

Ideas for Eco-Innovations

- Take-back system, e.g. for CEWE PHOTOBOOK, aluminium di-bond, photo prints
→ Improving recyclability
 - Technology improvement → saving resources, less emissions
 - Minimise spoilage / maculation and cutting waste (also IT problem)
- mainly technical eco-innovations; economical and social less highlighted

Obstacles and Issues with Eco-Innovations

- Digitisation, Artificial Intelligence
 - Protection of data privacy
 - Material, production and distribution efficiency
 - Effective initiation of green products / ideas
 - within the company
 - as a spin-off with subsequent re-integration
 - within the supply chain
- against hurdles like e.g.
- Costs
 - Quality demands
 - Marketing conflicts
 - Organisational structures

CEWE Circular Challenge – CEWE as a Circular Economy company

- How can CEWE become a Circular Economy company?
- What are the demands and changes for the business model?
- How can critical hurdles be overcome; what are the most critical points and changes?

The current business model of CEWE's core is PHOTOGRAPHY.

Photographic products as produced by CEWE are highly emotional products for the consumers.

They have to be fabricated with very high quality and appeal. Currently a lot of plastic is used therefor (material problem).

Photographic development and digital printing is high-tech and mostly mature technology which is not easy to change, replace, adapt (technology obstacles).

As with most industry in E.U., CEWE is a linear economy company, the products are distributed to the customers and cease to be the responsibility of the producer (circularity problem, waste).

- The challenge for you is to tackle the whole business model in order to design it for Circular Economy. Some examples of product issues for Circular Economy are given below to give you an idea or for orientation:

CEWE Circular Challenge – Examples / Product Issues

- Photographic Paper (photos, posters, calendars, books on Silver Halide (AgX) photopaper)
 - AgX photopaper consists of a paper base (fresh fibre) which is laminated with PE (poly ethylene) on both sides and therefore not recyclable in standard waste paper treatment.
 - The emulsion on the upper side can be washed away enzymatically. For the resulting PE/ paper/ PE-waste no second use or circular economy solution has been found.
- CEWE WALL ART products are either posters (on paper) or canvas or prints on a variety of hard board materials like Acrylic Glass, Alu Dibond (sandwich of aluminium/ plastic/ aluminium for stability), Acrylic Glass - Alu Dibond combination (Gallery print), Foamboard.
 - Change material strategy?
- CEWE PHOTOBOOK is CEWE's major product. The majority is a digitally printed book with a plastic laminated hardcover. It is partially treatable in standard recycling operations. The ECO or BIO community would want a real ECO version.
- Mugs, T-Shirts, Mobile Phone Cases are all made from materials with poor eco balance, no design for recycling and the question of the material seems to be the crucial one for circular economy design.
- For all above, another critical question is the **data security in a take-back system**; how should a appropriate take back system be designed?