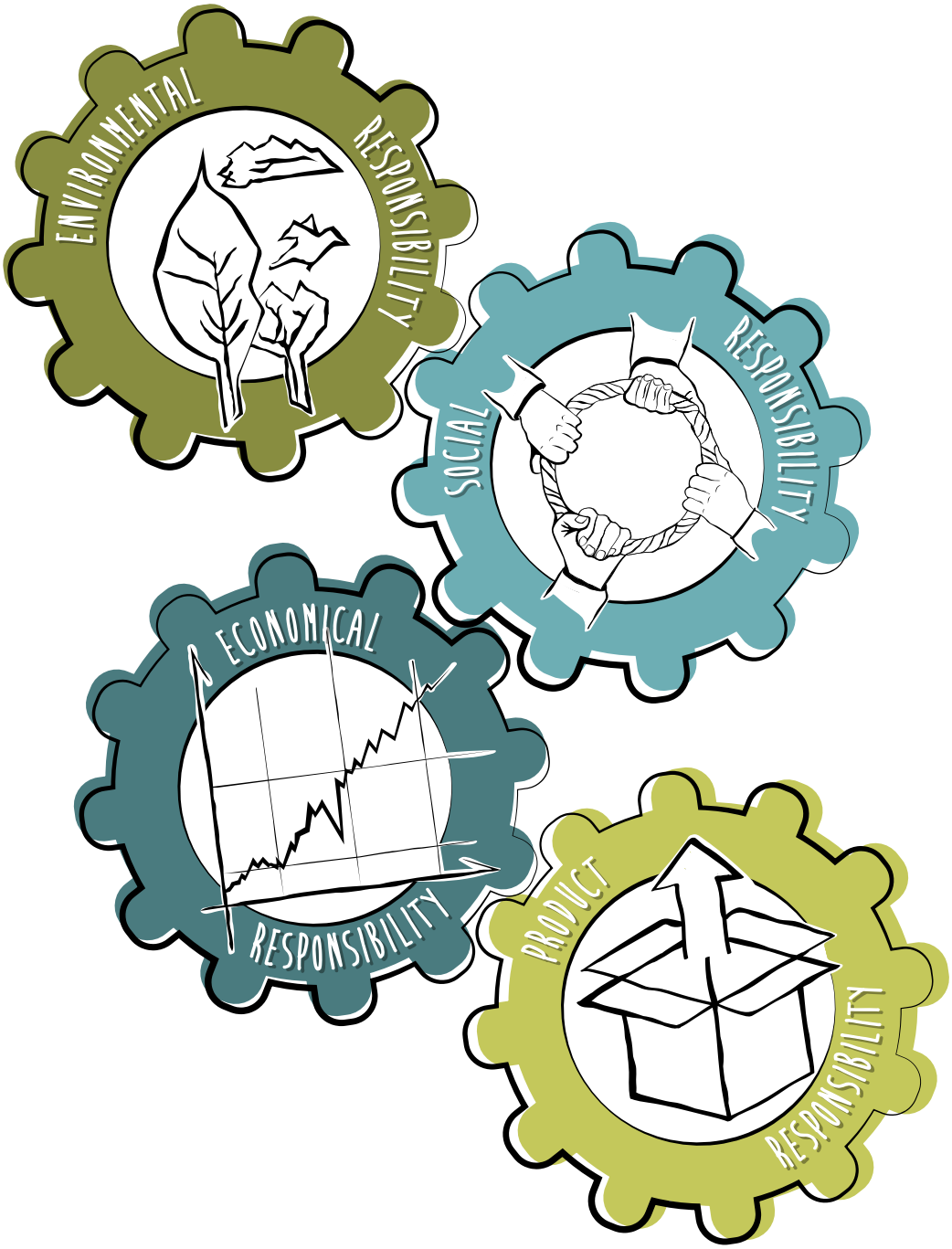
FRANKE GROUP SUSTAINABILITY REPORT 2020



MAKE IT WONDERFUL

FRANKE

CONTENT

Franke Group Sustainability Report 2020

4 CEO statement
6 Group profile
8 Sustainability - an integral part of our strategy
10 Strategy and value chain
12 Sustainability management

17 Environmental Responsibility
20 Energy efficiency in production
22 Water and Wastewater Management
23 Material efficiency in production
25 Resource-efficient products
26 Story: Sending the right climate signals - with clean solar power

29 Social Responsibility
33 Leadership development
35 Occupational health and safety
36 Story: Working with LinkedIn towards a culture of lifelong learning

39 Economical Responsibility
41 Profitability
42 Business integrity
42 Human rights
44 Story: Responsibility and solidarity - together against the coronavirus

47 Product Responsibility
49 Product reliability and longevity
50 Product safety
50 Product innovation
52 Story: Better quality with sustainable benefits

55 **Annex**
57 Reporting parameters
59 GRI content index
63 Contact

CEO STATEMENT

Dear Readers,

The past year, 2020, was defined by the corona pandemic. It suddenly paralyzed the entire world, which has a gargantuan task ahead of it. As the crisis took hold early in the year, and more and more countries went into lockdown, the Franke Group had one absolute priority: the health of our employees, but also of our customers and business partners. The Management, Operations, HR and Crisis teams rolled out a transnational health and safety concept at all our sites. Almost overnight, operations were shifted to remote working wherever possible. For the employees at the production sites, we introduced all the possible protective measures to prevent the spread of infection, and to a great extent we succeeded.

Health has absolute priority

In addition, a number of Franke companies also worked on public projects in their respective locations, by supporting measures that would mitigate the impact of the pandemic on the wider population. Three examples: Franke Foodservice Systems China utilized its broad network by donating masks to the authorities in Heshan. Dalla Corte, our Italian producer of espresso machines, funded new respiratory equipment for a hospital in Milan. Franke Netherlands helped many homeschooling families to obtain laptops and WLAN connections.

The coronavirus has been a tough trial for all of us, but we have also learned something from it. In any event, the pandemic has shown us that together, we can overcome a crisis and even emerge stronger from it. Despite the unavoidable operational losses during the lockdown period, which during the worst months led to a clear slump in sales in many countries, Franke was actually able to slightly increase its earning capacity in 2020, compared to the previous year. The credit for this result, which in view of the difficult circumstances can be considered robust, goes to our workers. In this extraordinary situation, they remained flexible, focused and vigilant, while always keeping an eye on costs. Many employees used the Covid emergency to develop their professional training, even though they could no longer attend in-person courses. We helped staff in this respect by providing access to the e-learning platform of LinkedIn.

Encouragingly, in 2020 we were again successful in improving our total energy and CO_2 emissions balance. Compared to the previous year, Franke's CO_2 emissions have fallen by 16.9 percent.

We have again managed to improve our CO_2 emissions balance

A significant contribution to reducing emissions has come from solar power plants, such as the new photovoltaic system at Franke's site in Helmond (Netherlands), which has been delivering green energy since September. During 2020, work has continued apace on three further solar power systems at Franke's sites in Sassoferrato (Italy), Manisa (Turkey) and the second system in Helmond.

Against the backdrop of the pandemic, our focus on sustainability has intensified. We have decided to take another step forward in the future. Instead of settling for ordinary sustainability reporting, we have declared sustainability as a central element of our strategy, in order to provide more information about individual measures and the progress made. From now on, sustainability will be a key feature of all the Group's activities, across the entire value chain. Our guiding principles are the United Nations' Sustainable Development Goals (SDGs) and the Global Compact (UNGC).

The coronavirus has intensified our focus on sustainability

Our responsibility for sustainable production is paramount, in this respect. The process covers the entire life cycle of our products. We will of course be able to benefit from the many measures we have already implemented. This groundwork includes the advances made in productivity, which we have been able to achieve partly thanks to the Quality campaign which we continued during 2020. For example, the packaging for our synthetic sinks at Strečno has recently been changed to cardboard, instead of polystyrene.

Our responsibility for sustainable production is paramount

The Slovakian site has thus been able to improve its environmental balance while also reducing the costs of poor quality, with a 25 percent reduction in the amount of waste from plastics production compared to the previous year.

Apart from ecological factors, social and economic considerations are also important when it comes to the strategic integration of sustainability. This implies that sustainably manufactured products can expect to see a clear increase in demand. In addition, having a strategic sustainability policy makes it easier to implement measures to increase efficiency and reduce costs in all operational processes. Last but not least, the improvement in the wellbeing and satisfaction of staff working at companies with a strategic sustainability concept is higher, and the turnover rate is correspondingly lower.

We have decided to strategically anchor sustainability

In doing so, we ask all our staff to give us their personal commitment to this strategy, for a sustainable future. Our experience in 2020 showed us that together we have the right team spirit to take this huge step forward successfully.

We have the right team spirit to take this step

I am convinced that we can do it together and we will only win with our efforts towards greater sustainability.

Kind regards,

Patrik Wohlhauser
President/CEO Franke Group

GROUP PROFILE

In 2020, the Franke Group was made up of the Franke Kitchen Systems, Faber Hoods & Cooking Systems, Franke Foodservice Systems, Franke Water Systems and Franke Coffee Systems divisions. The Group employs over 8,700 people worldwide, and achieved consolidated net sales of CHF 2.2 billion in 2020.

Divisions

Franke Kitchen Systems
Integrated systems for food preparation in private kitchens. The range includes sinks, fittings, worktops, extractor hoods, hobs, ovens and waste disposal systems.

Faber Hoods & Cooking Systems
Experts in exhaust air purification, extractor hoods and kitchen technologies, with a focus on the OEM business.

Franke Foodservice Systems
Design, installation and maintenance of custom kitchen solutions for the food service sector. The range includes complete kitchen interiors, renovations, special equipment and replacement parts, including technical services.

Franke Water Systems
Integrated systems for commercial, semi-public/public washrooms and private bathrooms. The range includes tap fittings, showers, sinks, accessories and water management systems including fittings for private kitchens.

Franke Coffee Systems
Coffee machines and services for professional away-from-home coffee preparation. The range includes full and semi-automatic machines, traditional machines and filter coffee machines.

Figures

– 16.9 %

Reduction in CO_2 emissions 2020 vs. 2019

8,616

LinkedIn Learning courses completed in 2020

96.0 %

Proportion of successful completion of online Code of Conduct training courses 2020

91.7 %

Production sites with quality management certification in 2020

Net Sales 2020

NET SALES BY DIVISION

	IN MIO CHF
Franke Kitchen Systems	620
Faber Hoods & Cooking Systems	352
Franke Foodservice Systems	817
Franke Water Systems	217
Franke Coffee Systems	232
Corporate/Consolidation	–60
Total	**2,178**

NET SALES BY REGION

	IN %
Europe	53.6
The Americas	33.2
Asia/Oceania	10.8
Africa/Middle East	2.4

Employees by region 2020

	IN %
Europe	62.7
The Americas	15.4
Asia/Oceania	17.1
Africa/Middle East	4.8

Locations worldwide

Franke Group has production sites and/or its own companies in 40 countries.

The head office is in Aarburg, Switzerland.

Europe (22 countries)
Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Greece, Italy, Netherlands, Norway, Poland, Portugal, Romania, Russia, Slovakia, Spain, Sweden, Switzerland, Turkey, Ukraine, United Kingdom

Americas (5 countries)
Argentina, Brazil, Canada, Mexico, USA

Asia/Oceania (8 countries)
Australia, China/Hong Kong, India, Japan, Kazakhstan, Philippines, Singapore, Thailand

Africa/Middle East (5 countries)
Egypt, Morocco, South Africa, Tunisia, United Arab Emirates

Organization 2020

Board of Directors
Christian Mäder, Chairman
Alexander Pieper, Vice Chairman
Patrick Naef
Michael Pieper
Dr. Michael Reinhard

Group Management
Patrik Wohlhauser, CEO

Group Functions
Finance **Jürg Fischer**
Human Resources **Beat Sigrist**
Operations **Gianluca Mapelli**
Information Services **Markus Bierl**

Divisions
Franke Kitchen Systems
Barbara Borra
Faber Hoods & Cooking Systems
Barbara Borra
Franke Foodservice Systems
Christian Mathesius
Franke Water Systems
Patrik Wohlhauser
Franke Coffee Systems
Marco Zancolò

Brands

Franke Carron Chain Link Services Dalla Corte Dart Valley Systems Dominox Elikor Eurodomo Faber Facility Solutions Inc FIFO Kindred KWC Mepamsa Newair Nokite Roblin S2K Sertek Spar

SUSTAINABILITY - AN INTEGRAL PART OF OUR STRATEGY

In 2017, we integrated the 17 Sustainable Development Goals (SDGs) into our sustainability report. The SDGs were developed by the United Nations (UN) in order to encourage sustainable development across the globe. In 2020, we defined a strategy and set of targets for our sustainability efforts.

Since the creation of the SDGs in 2015, not only countries but also many organizations have aligned themselves with these objectives. It goes without saying that global companies have a particularly strong influence on the successful achievement of these targets. Franke takes its responsibility seriously and is playing its part. This can be seen in our decision in 2020 to give strategic importance to the topic of sustainability. Through our discussions with key stakeholders, we have identified requirements, defined focus areas, and set concrete targets.

SUSTAINABLE DEVELOPMENT GOALS

New Objectives in the Reporting Year 2021
Our new strategy, including its focus areas and objectives, will gradually be integrated into the report. Past comparisons are an important aspect of this new approach. Accordingly, as few changes as possible will be made to the existing figures.

Franke does not only see sustainability as a social obligation

The environment, our employees and society are the three main areas of the new strategy. Regarding the environment, we will be focusing on production and the life cycle of our products. On the employees' side, the main topics are empowerment, engagement, balance and belonging. When it comes to society, Franke will be addressing the issues of poverty, equality and education.

Our new sustainability strategy – and in particular its ongoing implementation – underscores the importance of this area for Franke. We will continuously work on optimizing our actions for our numerous stakeholders and the environment. Efficiency improvements, forward-looking solutions and resource-saving innovations are of central importance.

Kirill Bourovoi
Group Head Learning & Development
and Corporate Sustainability

OVERVIEW OF THE 11 TARGETED SUSTAINABLE DEVELOPMENT GOALS

Environmental Responsibility

6 CLEAN WATER AND SANITATION	Ensure availability and sustainable management of water and sanitation for all.
7 AFFORDABLE AND CLEAN ENERGY	Ensure access to affordable, reliable, sustainable and modern energy for all.
13 CLIMATE ACTION	Take urgent action to combat climate change and its impacts.
15 LIFE ON LAND	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

Social Responsibility

3 GOOD HEALTH AND WELL-BEING	Ensure healthy lives and promote well-being for all at all ages.
4 QUALITY EDUCATION	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.
5 GENDER EQUALITY	Achieve gender equality and empower all women and girls.

Economical Responsibility

8 DECENT WORK AND ECONOMIC GROWTH	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

Product Responsibility

3 GOOD HEALTH AND WELL-BEING	Ensure healthy lives and promote well-being for all at all ages.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ensure sustainable consumption and production patterns.

STRATEGY AND VALUE CHAIN

With its strategic, resource-intensive activities, Franke has a significant impact on the environment. Apart from mobility, food preparation and housing are the biggest consumers of resources. Our influence on society and the environment is just as substantial.

Our business model
Franke's five divisions offer product systems and services in four strategic business areas, specializing in food & beverage preparation and water management & hygiene systems for the commercial and private segments. In the commercial segment, everything revolves around equipping foodservice kitchens and semi-public and public washrooms with integrated systems, as well as away-from-home coffee preparation. In the private segment, the main focus is on equipping household kitchens with integrated kitchen systems for food preparation, cooking and exhaust air cleaning, as well as private bathrooms with taps and accessories.

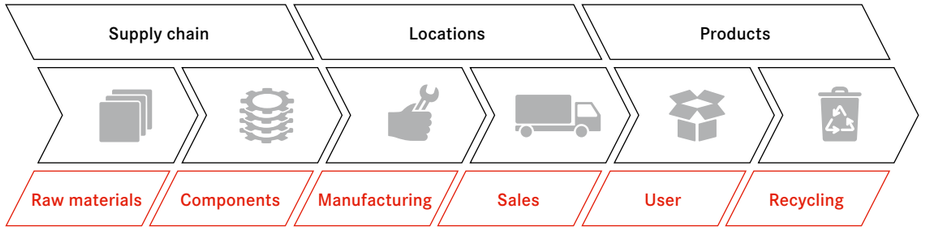
Longevity of our products
Food preparation, sanitary and hygiene technology as well as accommodation are essential aspects of everyday living. As a result, our products correspond with intensity of use and the associated resources required are considerable. In both the home and commercial sectors, much of our energy and resource consumption is linked to kitchens and bathrooms, and this impacts our branded products. This means that Franke has significant influence on society and the environment, and an equally great potential to do good.

OUR STRATEGIC AREAS

	Commercial	Residential
Food and beverage preparation	Restaurant LANDLORD · BUSINESS OWNER Franke Foodservice Systems Franke Coffee Systems	Kitchen HOME OWNER · LANDLORD Franke Kitchen Systems Faber Hoods & Cooking Systems
Water management and hygiene	Washroom LANDLORD · BUSINESS OWNER Franke Water Systems	Bath HOME OWNER · LANDLORD Franke Water Systems

As our products are used for a comparatively long time, this has a positive impact on the energy and raw material footprint over a product's entire life cycle. Many of our products are designed for long-term use, reliability and repairability: for example, the recommended service life of a private kitchen in Switzerland is 20 to 25 years. Baths, showers and toilets must be designed for a consumer life of 30 years. This shows that, compared to other areas of the consumer goods industry (household appliances, cosmetics or electronics), kitchen and bathroom technology has a long life cycle.

THE FRANKE VALUE CHAIN



Sustainability along our value chain
The sustainable consumption of resources in the development and production of our products, and their effects on climate change, are central themes of our strategy. As a manufacturing company, we have a great responsibility towards the environment – but also towards our employees and our owner.

We influence people and the environment throughout our value-added chain and product life cycle. This starts with the quarrying and production of raw materials and covers transport and logistics, the suppliers of our semifinished products and components, manufacturing and distribution through to end use, disposal and recycling. People are involved at every step, and resources are needed accordingly. The sustainable use of resources at all our sites is a cornerstone of our strategy.

Our upstream and downstream processes affect customers in areas from maintenance through to food preparation. At Franke, we also include topics such as the health and safety of all people who come into contact with our products in our area of responsibility.

This means the health of our employees, the work-life balance and the safety of our products throughout their serviceable life. Products such as our ovens or hobs can influence food during preparation, while taps and filters can affect the cleanliness of water, or of air, in the case of extractor hoods. Gastronomy, for example, is an important consumer of resources. Along with customers such as fast-food chains, DIY stores or kitchen and bathroom dealers, other major customers also rely on our products: as a globally active original equipment manufacturer, we are partners of multinationals – and our actions can have a positive impact on their resource efficiency.

Outlook
We take a long-term perspective beyond our products. Sustainability is a central pillar of our business strategy. Franke has set itself the goal of becoming the world's leading supplier of systems for food & beverage preparation and water management & hygiene, and aims to achieve growth both organically and through acquisitions, and to continuously improve its profitability. Franke's management and the company owner build on a long-term approach, and are aware of their responsibility towards the environment, society, and the economy. "For me, sustainability means fairness towards future generations", says Michael Pieper, owner of Franke. "In everything we do, we should be able to look our children and grandchildren in the eye with a clear conscience. Acting sustainably is therefore a must".

SUSTAINABILITY MANAGEMENT

Our existing management structure is responsible for fulfilling all governance requirements. These requirements are explained in more detail below, with regard to sustainability. We also present our internal guidelines and key stakeholders.

Management structure and committees reporting to the Board of Directors
Franke has a two-tier management structure:

Board of Directors of Franke Holding AG (Franke Group)
5 members

Management Board of Franke Holding AG (Franke Group)
8 members

In this section, we present the organization's situation as of December 31, 2020. The purpose, duties and responsibilities of each body are defined in our bylaws and in the company regulations. The members of the Board of Directors of Franke Holding AG are responsible for the strategic direction of the company; they have various non-transferable, irrevocable duties in accordance with the Swiss Code of Obligations.

The Board of Directors has three permanent internal boards: a Finance and Audit Committee, an Information Technology (IT) Committee and a Human Resources (HR) Committee. The Board of Directors and the committees met regularly in 2020. Franke's Management Board has eight members. More details on the management structure can be found here:

▸ www.franke.com ▸ About us ▸ Group Structure

Separation of the Board of Directors from the business management
No member of Franke's Board of Directors or of its committees is involved in the operational management of the company.

How shareholders and employees can submit recommendations to the Board of Directors
Michael Pieper, the owner and President/CEO of Artemis Group, is a member of the Board of Directors of Franke Holding AG.

There are no employee representatives in the Boards of Directors. The employee representatives of the European companies meet regularly at the Franke Forum (European Works Council) with members of the Management Board of Franke. Specific concerns can be brought to the attention of the Board of Directors in this way.

Relationship between payment and company performance
The members of the Board of Directors receive a fixed salary without variable components. Therefore, their remuneration is independent from the Group's performance.

In 2020, the members of Franke's Management Board, and other employees, received incentives based on financial targets.

Mechanisms by which the Board of Directors avoids conflicts of interest
How conflicts of interest of the members of the Board of Directors can be avoided is defined in the Code of Conduct and specified in the organizational regulations. Members of the Board of Directors may not participate in any matters that affect their personal interests, nor those of any affiliate or person closely linked to them.

General principles and code of conduct
Various sustainability topics are the subject of policies. A series of internal policies address sustainability and business ethics matters:

- Code of Conduct: Legislation, occupational safety, basic labor standards against child labor, forced labor and discrimination, sexual harassment in the workplace, anti-corruption, gifts and entertainment, theft, fraud and dishonesty and disclosure of information. The Code of Conduct applies worldwide and is available on the intranet in 13 languages. Finally, the Franke Code of Conduct was also revised in January 2019. In addition, an “integrity line” is available to all employees, who can contact the General Counsel confidentially and anonymously if they have concerns about integrity.
- Supplier Code of Conduct: Minimum requirements regarding employment practices, environmental protection and business integrity that must be met by all our suppliers. The Franke Management Board has also adopted the Supplier Code, the revised version of which came into force on January 1, 2020.
- Group Guidelines: Equal opportunities and diversity, employee relations, personal safety and emergency planning, business travel, information security.
- Sustainability principles: An internally defined framework for improving the economic, ecological and social performance of Franke.

Monitoring of the sustainability performance by the Board of Directors
The Finance and Audit Committee of Franke Holding AG's Board of Directors discuss risks and opportunities relevant to Franke, when approving the annual risk report.

Evaluation of the sustainability performance of the Board of Directors
There is no formal procedure for evaluating the performance of the Board of Directors from a holistic sustainability perspective.

Precautionary approach
The precautionary principle plays an important role for Franke as a production and distribution company. The precautionary principle is also expressed in the quality, environment, occupational safety management systems implemented at the various sites. On the operational side, the precautionary principle is implemented by pursuing preventive approaches to environmental protection, occupational safety and quality assurance. Franke has a comprehensive system for the control and management of all risks associated with its business. In line with the ISO 31000 standard, Group Risk Management acts as the interface between all the management systems. All Franke companies have clearly defined contingency planning in place and conduct an annual risk analysis in which key risks are identified. All the production companies must

GENERAL PRINCIPLES AND CODES OF CONDUCT

Code of Conduct
- Legal compliance
- Health and Safety
- Fundamental labor standards against child/forced labor and discrimination
- Prevention of sexual harassment
- Anti-corruption
- Rules for dealing with gifts and entertainment
- Prevention of theft, fraud and dishonesty as well as rules concerning the disclosure of information

The Code applies worldwide and is available on the intranet in 13 languages.

In addition, an integrity line that can be used by all employees to report integrity concerns in a confidential and anonymous manner was rolled out in 2013.

Supplier Code of Conduct
Minimum requirements regarding employment practices, environmental protection and business integrity that must be met by all our suppliers. The Supplier Code was also approved by the Franke Management Board.

Sustainability Principles
- Equal opportunity and diversity
- Employee relations
- Personal safety and emergency planning
- Business travel
- Information security

Sustainability Principles
Internally defined framework for improving the economic, environmental and social performance of Franke.

also have an emergency management plan in place, to ensure a rapid, competent response in the event of an emergency. In addition, our employees on business trips are also supported by an external intervention specialist in crisis situations.

External agreements and initiatives
Franke has been an active member of the UN Global Compact since January 2011.

▸ www.unglobalcompact.org

By voluntarily applying the guidelines of the Global Reporting Initiative for Sustainability Reporting (GRI standard), we aim to contribute to transparency and comparability in sustainability reporting.

Membership in associations and organizations
Franke is active in a number of industry associations and initiatives in various countries. Many of these organizations deal with sustainability issues, for example by defining best practice standards or developing product labels. These include:

- CECED (European Committee of Domestic Equipment Manufacturers), which represents the household appliance industry in Europe
- öbu, the Swiss association and think tank for ecologically conscious corporate management
- Women Advance, with the aim of continuously and actively increasing the proportion of women in management positions at Swiss companies through a series of specific measures.

Relevant stakeholders
Franke considers the following stakeholders to be relevant:

- Customers and consumers
- Employees
- Owner
- Suppliers and business partners
- Local communities, authorities, media, regulators
- Potential future employees

Basis for selecting the stakeholders
Franke is aware that the company interacts with various stakeholders. These stakeholders were selected as significant for a systematic stakeholder dialog because they fulfill at least one of the following two criteria: they exert a strong influence on Franke's economic, environmental or social performance and/or are strongly influenced by Franke's economic, environmental or social performance.

Approaches to stakeholder interaction
Dialog with external stakeholders is currently highly decentralized. We are continuing to work on formalizing our engagement with the representatives of key stakeholders, and aim to establish a structured dialog process.

Reaction to key issues and stakeholder interests
Sustainability issues are increasingly becoming the focus of discussion with both internal and external stakeholders. The following central topics and interests are addressed in particular:

- What our major customers require in terms of sustainability standards; surveys on sustainability management and certifications.
- Guidance on how Franke products support building standards compliance: we apply the LEED and Minergie criteria to some of our products, to determine which of our products best meet these standards.
- "Operational Excellence" program: achieving excellence and meeting social and environmental standards through the systematic management of operational safety, reliability, efficiency and total cost reduction.

Key topics
The following 12 topics are covered in the succeeding chapters:

Environmental Responsibility:

- Energy efficiency in production
- Water and wastewater management
- Material efficiency in production
- Resource-efficient products (energy)

Social Responsibility:

- Leadership development
- Occupational health and safety

Economical Responsibility:

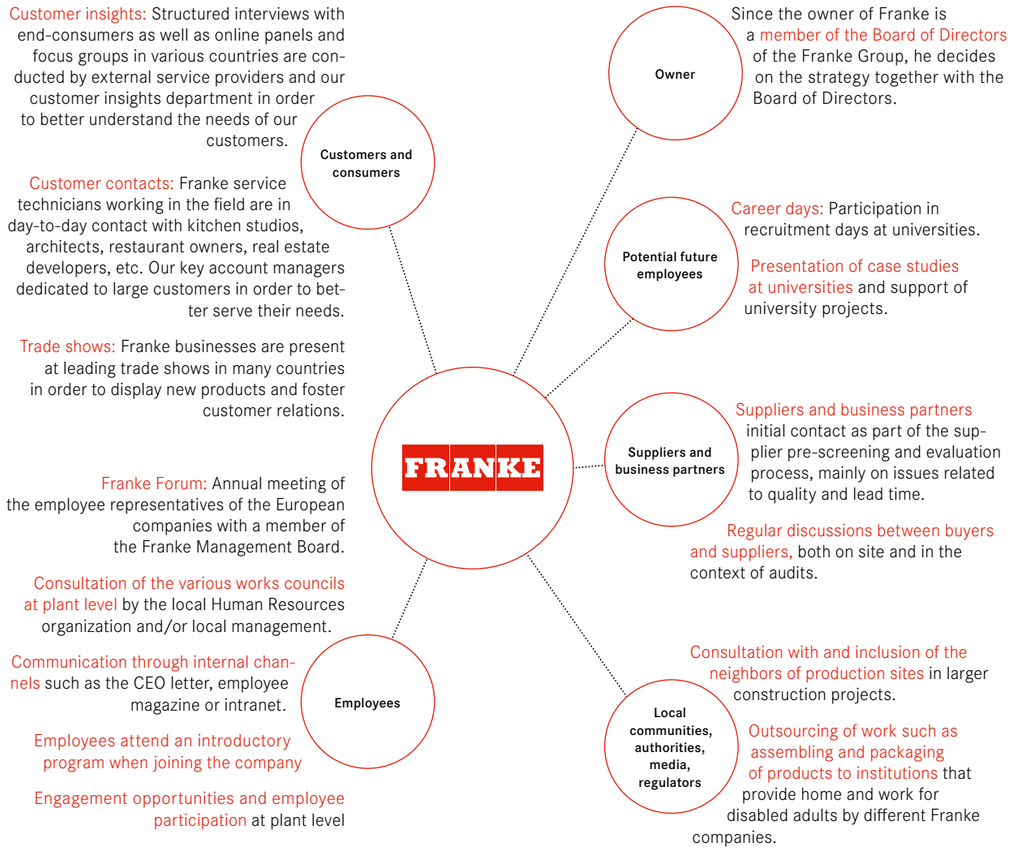
- Profitability
- Business integrity
- Human rights

Product Responsibility:

- Product reliability and longevity
- Product safety
- Product innovation

Legal form, company size and markets
Franke Holding AG is a joint-stock Swiss-law company, 100 percent owned by Artemis Holding AG (Artemis Group).

MOST IMPORTANT STAKEHOLDERS 2020



In 2020, with 72 branches and 8,714 employees (FTE), Franke generated sales of CHF 2,177.6 million. The balance sheet total amounted to CHF 2,110.3 million at the end of 2020. Franke's products are sold to various customers including fast-food chains, wholesalers, kitchen studios and construction companies, in over 100 countries.

ENVIRONMENTAL
RESPONSIBILITY

Essential topics and our contribution to sustainable development

ENERGY EFFICIENCY IN PRODUCTION
SDG 7: Affordable and clean energy
SDG 13: Climate action

WATER, WASTEWATER
SDG 6: Clean water and sanitation

MATERIAL EFFICIENCY IN PRODUCTION
SDG 15: Life on land

RESOURCE-EFFICIENT PRODUCTS
SDG 13: Climate action

ENVIRONMENTAL RESPONSIBILITY

The careful use of resources in our product manufacturing is critical in creating good living conditions for future generations. To do this, reductions need to be made in various areas such as non-recyclable waste, but also in CO_2 emissions, which can be curtailed by making the energy mix greener.

Since Franke was established over 100 years ago, numerous environmental protection initiatives have been launched as a result of new legislation and stakeholder interests, or for efficiency reasons. The positive effects of these environmental actions can be felt across the entire value chain.

In order to concentrate our resources, we focus on those segments of the value chain where we can exert the most influence, and where the greatest impact can be achieved. Our focus areas are product development and innovation, and resource efficiency (specifically raw materials, energy, water and waste). We also invest in environmentally friendly production processes. Over the long term, we also intend to reduce our ecological footprint in the logistics area.

RISKS AND OPPORTUNITIES OF CLIMATE CHANGE

Climate change demands the efficient use of all resources. A smarter use of resources in the future will lead to an increase in demand for products that consume less energy and/or water. We at Franke have set ourselves the goal that our innovative products will meet these requirements. From our annual risk analysis and local risk assessments, we believe that Franke is only exposed to climate change risks (such as natural hazards at production sites or transport facilities) in certain areas. For example, we may have sites which are in areas at risk of flooding or tornadoes. There are currently no special CO_2 regulations, such as emissions ceilings, which we have to comply with. However, Franke is doing everything in its power to continuously reduce CO_2 emissions on a voluntary basis, especially at its energy-intensive production sites. Franke also aims to steadily reduce its energy consumption.

ENVIRONMENTAL MANAGEMENT SYSTEMS

	2020	2019
Production sites certified in accordance with ISO 14001	31/36	31/37

Franke is committed to continuously reducing the ecological impact of its everyday operations, where this is economically feasible, and where environmentally friendly technologies are available. The Chief Risk & Real Estate of the Franke Group is responsible for many of these measures, particularly the risk assessments, which also cover ecological aspects. A series of measures are in place to reduce the environmental impact of our operations:

- Environmental management systems at the Franke companies ensure that ecological effects are identified and controlled. Franke strives for the continuous certification of all production companies to the ISO 14001 standard. By the end of 2020, 31 of 36 production companies had been certified according to ISO 14001.
- As in the previous year, all Franke companies shared their best practices, so they could all learn from their reciprocal experiences. For example, towards the year-end a remote session was held to discuss some of the widely applicable solutions for optimizing energy consumption.
- We also further improved the quality of data during 2020, partly by learning from the annual data validation process. In general, monitoring environmental data allows us to continuously review our progress.
- It goes without saying that environmental regulatory compliance is a minimum requirement for all of Franke's activities.

ENERGY EFFICIENCY IN PRODUCTION

In 2020, Franke implemented energy efficiency measures in the following areas:

- Franke Sistemas de Cozinhas do Brasil Ltda. in Joinville (Brazil), like other sites that work with air compressor equipment, carries out regular checks and leak repairs, as these are vital to ensure the operating efficiency of this type of machine.
- There are also opportunities to optimize the use of energy in our offices. At the Franke site in Midland (Canada), the air conditioning control system has been replaced.
- At Franke Foodservice Systems GmbH in Bad Säckingen (Germany), the exterior lighting has been replaced with LED lights, and work has already started on installing the same type of lighting in one of the buildings. At the same location, this time for Franke GmbH, the introduction of energy accounting made it possible to measure the energy consumed by the main power sources.

Extensive measuring and testing takes place at the sites with the heaviest energy consumption, in order to identify any potential for optimization. Similar energy analysis measures have also been planned for the future. Due to the pandemic travel restrictions, it was not possible to carry out these inspections in 2020. The production sites involved are regularly contacted to provide progress updates on the planned measures. Their collective feedback will also lead to recommendations for other sites.

Energy consumption

Franke mainly uses bought-in energy. It obtains power in the form of electricity, natural gas, district heating and extra-light heating oil. The energy consumption for 2020[1], and the changes compared to the previous year are shown in the "Energy consumption (in absolute terms)" table (see page 21).

The 33.9 percent reduction in heating oil consumption is very high, and can be explained as follows:

- Half of the lower figure can be attributed to the switchover to natural gas at Franke France SAS in Chambly (France).
- 13,000 liters were saved at the Belgian site thanks to the large number of employees working from home.
- A further 10,000 liters were needed in the previous year due to a malfunction, and the major overhaul of the boiler at the headquarters in Aarburg.
- The other reductions are attributable to a number of different sites, which required less heating oil due to the pandemic.
- Fluctuations are generally to be expected for heating oil, as it is usually stored in large tanks, which are only topped up as required, and according to the trend in market prices.

Natural gas consumption in 2020 decreased due to the pandemic by 8.2 percent on the previous year. This relatively low reduction compared to other energy sources was primarily due to a defective pipeline, an acquisition, the first data capture from Dalla Corte (which has been part of Franke since June 2019) and increased consumption at the French site (to replace heating oil).

Due to the severe travel restrictions imposed as a result of the pandemic, there was a sharp drop in the consumption of diesel and petrol in 2020, compared to the previous year.

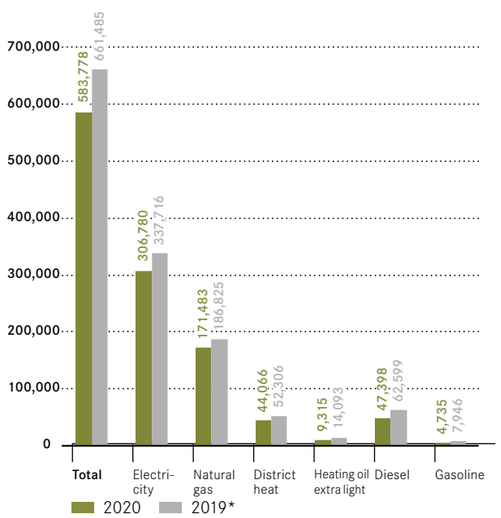
The decline in the consumption of electricity in 2020 can be explained by the closure of many sites for limited periods of time. In comparison to petrol and diesel consumption, however, the effect is less significant. The main underlying factor was the Slovakian production site, which in comparison to 2019, more than doubled its electricity requirement as its production increased heavily. Factors affecting the lower consumption of district heating included the weather – which led to a sharp reduction in Sweden – and also the closure of the site in Zilina (Slovakia) at the start of 2019, as well as the consolidation of two Russian sites.

Franke's total energy consumption fell slightly compared to the previous year. The greatest energy savings were in electricity (see the gigajoule figures in the bar chart on page 20), followed by natural gas and diesel. Relative energy consumption, which takes into account Group sales, barely changed compared to the previous year. As the group-wide net sales dropped, compared to the previous year, the relative changes in energy consumption fell less sharply than absolute changes.

Greenhouse gas emissions

In absolute terms, greenhouse gas emissions (Scope 1 and Scope 2) decreased by 16.9 percent. This decrease can be explained by reduced emissions from electricity consumption on the one hand, and by lower power consumption (due to the Covid-19 pandemic) on the other. In relation to net sales (tons of CO_2 per million Swiss francs), greenhouse gas emissions in 2020 fell by 7.5 percent compared with 2019. Electricity consumption (around 65 percent of total greenhouse gas emissions) was once again by far the most significant source of CO_2.

ENERGY CONSUMPTION IN GIGAJOULE



* Subsequent data corrections for 2019

[1] For the 2020 reporting year, the data from one business unit was estimated due to a lack of information in our COGNOS reporting system. This relates to all the information in this section collected from COGNOS.

ENERGY CONSUMPTION (IN ABSOLUTE TERMS)

	UNIT	2020	2019*	DIFF. 2020/2019
Electricity	MWh	85,217	93,810	-9.2%
Natural gas	m^3	4,719,958	5,142,242	-8.2%
District heat	MWh	12,241	14,529	-15.8%
Heating oil extra light	Liters	258,813	391,543	-33.9%
Subtotal excluding fuel	**GJ**	**527,333**	**590,940**	**-10.8%**
Diesel	Liters	1,328,048	1,753,962	-24.3%
Gasoline	Liters	150,807	253,093	-40.4%
Total	**GJ**	**579,466**	**661,485**	**-12.4%**

* Subsequent data corrections for 2019

ENERGY CONSUMPTION (IN RELATION TO NET SALES)*

	UNIT	2020	2019**	DIFF. 2020/2019
Electricity	MWh/m CHF	39	39	1.1%
Natural gas	m^3/m CHF	2,168	2,122	2.1%
District heating	MWh/m CHF	6	6	-6.3%
Heating oil extra light	Liters/m CHF	119	162	-26.4%
Fuels	Liters/m CHF	679	828	-18.0%
Total	**GJ/m CHF**	**266**	**273**	**-2.5%**

* The majority of the reduction in net sales is due to currency effects.
** Subsequent data corrections for 2019

CO_2-EMISSIONS

	UNIT	2020	2019*	DIFF. 2020/2019
Scope 1 (from fuels and combustibles)	Metric tons (t)	13,955	16,505	-15.5%
Scope 2 (from electricity and district heating)	Metric tons (t)	27,750	33,653	-17.5%
Absolute CO_2 emissions	**Metric tons (t)**	**41,704**	**50,157**	**-16.9%**
Relative CO_2 emissions (Scope 1 and 2)**	**t/million CHF**	**19**	**21**	**-7.5%**

* Subsequent data corrections for 2019
** The majority of the reduction in net sales is due to currency effects.

Reduction of greenhouse gas emissions and energy consumption
To reduce greenhouse gas emissions, we pursue two goals:

1. Implementing energy-saving measures and increase energy efficiency.
2. Switching to renewable or low-carbon energy sources. When constructing new buildings or renovating existing ones, Franke always aims, depending on availability, to promote the use of renewable energy, heat pumps, heat recovered from production processes, and district heating.

SDG reference
By using renewable energy to promote clean energy sources, Franke is contributing to **SDG 7** "Affordable and clean energy" and **SDG 13** "Climate action". Admittedly, the achievement of this goal comes with a risk of high initial investments. This, however, gives Franke the opportunity to achieve an independent, affordable and sustainable energy supply in the long term. The use of renewable energy also makes an important contribution to climate protection. Franke also has the opportunity to become more resilient to volatile energy prices.

Franke is pursuing the goal of continuing to promote the conversion to renewable energies, and for the fifth year running was able to reduce its CO_2 balance. The promotion of renewable energies made this reduction possible to a significant degree.

WATER AND WASTEWATER MANAGEMENT

WATER AND WASTEWATER

	UNIT	2020	2019*	DIFF. 2020/2019
Water consumption				
Surface water	m^3	181,492	NA	
Groundwater	m^3	121,421	NA	
Seawater	m^3	0	NA	
Produced water	m^3	0	NA	
Third-party water	m^3	213,136	NA	
Total water consumption	**m^3**	**516,049**	**575,011**	**-10.3%**
Relative water consumption	**m^3/Mio. CHF**	**237**	**237**	**-0.1%**
Wastewater	m^3			
Surface water		245,675	NA	
Groundwater		65,819	NA	
Seawater		0	NA	
Third-party water		200,670	267,211	**-24.9%**
Total wastewater	**m^3**	**512,164**	**570,094**	**-10.2%**
Relative wastewater**	**m^3/Mio. CHF**	**235**	**235**	**0.0%**

* Subsequent data corrections for 2019
** The majority of the reduction in net sales is due to currency effects.

Water consumption
Franke mainly uses drinking water from the public mains system, and well water. The consumption of water for 2020 fell compared to 2019. This decrease is mostly due to lower production capacity during the pandemic-induced closures. In relation to net sales (m^3 per million CHF), this resulted in a reduction of 0.03 percent compared to the previous year. However, it should be stressed that collecting reliable data on water consumption is challenging, due to a lack of water meters.
The updated GRI standard for water and wastewater was successfully introduced.

Water sources significantly affected by the removal of water
The water consumption of our production sites does not represent a significant burden for water sources as defined in the GRI guidelines.

Total wastewater discharge
In 2020, 512,164 m^3 of wastewater was discharged, which is 10.2 percent less than in 2019. The relative volume of wastewater in 2020 was 235 m^3 per million CHF of net sales, at the same level as in 2019. In 2020, there were no unplanned wastewater discharges at Franke.

The volume of water forwarded to a treatment plant and not directly discharged into surface water or groundwater has fallen by 24.9 percent compared to the previous year. This is, again, because of the pandemic.

SDG reference
With regard to **SDG 6** "Clean water and sanitation," Franke can reduce users' water consumption through its resource-efficient product range for kitchens and bathroom areas. This enables Franke to stand out from the competition, meet customer needs at an early stage and contribute to the sustainable management of water and sanitation. In addition, Franke ensures the efficient use of water in production.
Franke strives for a more sustainable use of water resources throughout the entire water cycle. Although it is not yet possible, at least for the time being, to set a quantitative target for water conservation, Franke nevertheless aims to reduce water consumption and make a contribution to a more sustainable water management throughout the water cycle.

MATERIAL EFFICIENCY IN PRODUCTION

Franke uses a large number of materials of different quantity and quality. As a downstream industry, we do not import any conflict minerals directly. The main materials we use in our production are metals (predominantly stainless steel) and plastics as well as semifinished and finished products. When processing stainless steel for sinks, kitchen covers and equipment, cutting and punching the material results in a large amount of recyclable waste. This is returned to the manufacturer and reused for the production process of the raw material. This process is reflected in the reported figures. As a result, Franke has a large amount of scrap and a high proportion of recycled materials due to its resources and production.

As with many other indicators, the lower quantity of materials is due to the Covid-19 pandemic. Only glass saw an increase, due to a new product line to be produced in Italy. With renewable materials, the absolute quantity is relatively small, as few products contain wood or similar materials. For the first time, it is also possible to see the weight of all semifinished products of the Coffee Systems division. In 2020, this amounted to 3,127 tons. Our objective is to obtain this data in the future for the other divisions, although Coffee Systems represents the largest share.

Share of recycled raw materials in total raw material input
Stainless steel, which is the main component of many of our products, is estimated to be 91 percent recycled materials. This percentage remains the same as the previous year. This estimate comes from our largest steel supplier. For brass, carbon steel and galvanized steel, we have no available data for 2020 on the percentage of recovered constituents. MMA, quartz, SMC, plastic and brass do not contain any recovered constituents. As a result, in the reporting year, the proportion of recovered constituents from all non-renewable materials was 43 percent. It is thanks to central purchasing department working to collect this information that we are able to make statements of this kind.

The cardboard we use for our packaging consists mainly of recycled constituents (estimated at 90 percent of the total cardboard used). The pallets, which also make up a large part of the renewable packaging materials, consist of wood, a naturally renewable raw material.

Total weight of waste
In 2020, 21,423 tons of non-hazardous waste (including scrap metal) and 1,314 tons of hazardous waste were generated. Consequently, non-hazardous waste fell by 17.6 percent, and hazardous waste by 14.7 percent in comparison to 2019. Total waste in relation to net sales (tons of waste per million CHF) was 8.1 percent lower in 2020 than in 2019.

Compared to 2019, due to the pandemic, there was a sharp reduction in hazardous waste that was recycled or reused. Hazardous waste, which goes to landfill or is incinerated, also fell – and this can again be explained by the crisis situation that affected the 2020 financial year.

Due to the large quantities of scrap metal, the proportion of reused and recycled non-hazardous waste is particularly high (76 percent). In addition to the reduction in non-hazardous waste overall, at several locations there was also an increase in waste volumes. In Ukraine, Switzerland and Argentina, the lower production output was used to carry out clean-up campaigns. There was also a higher volume of waste at the Slovakian site, which is seeking to upgrade its environmental footprint. Thanks to training and procedural improvements, there has been a shift from burning or dumping non-hazardous waste towards reusing and recycling.

Weight of the packaging material
Franke makes a distinction between renewable and non-renewable materials. The total weight of packaging materials fell slightly compared to the previous year. Reductions were seen in both categories, due to the pandemic.
This data will help us to identify future opportunities for improvement, and to define clear measures.

MATERIALS BY WEIGHT

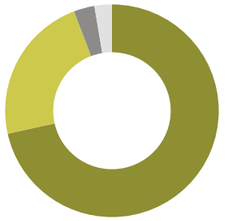
MATERIALS IN METRIC TONS (T)	2020	2019	DIFR 2020/2019
Stainless steel	25,276	29,612	-14.6%
Carbon and galvanized steel	10,800	11,736	-8.0%
MMA (methyl methacrylate), mostly used for acrylic	2,050	2,252	-9.0%
Quartz	7,150	7,997	-10.6%
SMC (sheet molded compound), mostly used for fiber-reinforced plastics	1,820	2,421	-24.8%
Plastic	2,068	2,112	-2.1%
Brass	2,449	2,597	-5.7%
Glass	1,600	1,350	18.5%
Total weight of non-renewable materials	**53,213**	**60,077**	**-11.4%**
Renewable materials (e.g. wood)	720	770	-6.5%
Total weight of renewable materials	**720**	**770**	**-6.5%**

In 2020, there was a trend towards sustainable packaging at several sites: in Finland, Germany, Austria, Italy and Poland, an increasingly high proportion of recyclable materials such as cardboard was used.

SDG reference
The efficient use of resources and materials leads to a lower environmental impact, in particular with regard to **SDG 15** "Life on land". Franke has managed to generate less waste through its resource-efficient production and the associated process optimizations, and is contributing to reducing its environmental impact through recycling.

In 2020, there were numerous reductions compared to the previous year. Despite the pandemic, progress was made in certain areas such as renewable packaging, which was unrelated to the crisis.

WASTE ACCORDING TO HAZARDOUSNESS



IN METRIC TONS (T)	2020
Non-hazardous waste to be reused or recycled	16,263
Non-hazardous waste disposed of in landfills or incinerators	5,160
Non-hazardous waste total	**21,423**
Hazardous waste to be reused or recycled	714
Hazardous waste disposed of in landfills or incinerators	600
Hazardous waste total	**1,314**
Total waste	**22,737**

* Subsequent data corrections for 2018

WASTE

	UNIT	2020	2019*	DIFF. 2020/2019
Total non-hazardous waste	**Metric tons (t)**	**21,423**	**25,997**	**-17.6%**
Hazardous waste to be reused or recycled	Metric tons (t)	714	810	-11.9%
Hazardous waste disposed of in landfills or incinerators	Metric tons (t)	600	730	-17.8%
Hazardous waste total	**Metric tons (t)**	**1,314**	**1,540**	**-14.7%**
Total waste	**Metric tons (t)**	**22,737**	**27,537**	**-17.4%**
Relative waste**	**Mt/m CHF**	**10**	**11**	**-8.1%**

* Subsequent data corrections for 2019
** The majority of the reduction in net sales is due to currency effects.

PACKAGING MATERIAL ACCORDING TO WEIGHT

MATERIALS IN METRIC TONS (T)	2020	2019*	DIFF. 2020/2019
Renewable packaging material	16,110	16,997	-5.2%
Non-renewable packaging material	5,308	6,240	-14.9%
Total weight of packaging material	**21,418**	**23,237**	**-7.8%**

* Subsequent data corrections for 2019

RESOURCE-EFFICIENT PRODUCTS

Product development is an important factor in resource efficiency. The aim is to develop energy-efficient and resource-saving products that are safe for end consumers. Our products' greatest environmental contribution lies in their economical use of energy and (hot) water, which indirectly saves energy and water. At the same time, our customers can save money when using our products. This is why we are constantly working on making our products more resource-efficient, as the following examples show:

- The Atlas Neo Sensor kitchen tap saves a full 50 percent of the water used during each hand-wash. The temperature of the water flow can also be set, to prevent high temperatures and energy waste. No less importantly, the tap can either be used contact-free or with a lever, making it a flexible, hygienic solution.
- Franke's contactless coffee machines are another way of saving energy. This hygienic solution means the display, which is usually touched constantly, needs cleaning less often.
- The "Green Pea" eco-friendly shopping center in Turin (Italy) is considering classic Franke products such as the Mythos kitchen sink. The high percentage of recycled stainless steel used in its production and its high levels of reliability and durability made this product a decisive one for Franke's bid.

Although only a few of our products (taps, hobs and ovens in the EU) are required to display specific information on sustainability, Franke relies on labels to facilitate informed purchasing decisions by our customers.

These labels include:

- EU energy label (energy efficiency for extractor hoods and ovens)
- PEFC Chain of Custody (indication of origin wood)
- Well, WRAS and Energie Schweiz (water efficiency of taps and shower heads)

Franke aims to actively adapt to higher customer expectations, regulatory changes, new labeling requirements or building standards. At the same time, we are continuing to reduce the environmental risks and impacts of our products and services, such as our consumption of materials, energy and water, and waste generation.

Effect of our measures in the area of ecology
Compared to 2019, the reduction of 16.9 percent in greenhouse gas emissions (tons of CO_2) and the relative reduction in greenhouse gas emissions (tons of CO_2/CHF million of sales) by 7.5 percent, was mainly attributable to the reduction in operations caused by the pandemic.

We aim to continuously reduce our environmental impact, especially in terms of our energy consumption, but also in terms of material efficiency in production. Our energy-saving measures and energy efficiency should thereby increase, and the substitution of CO_2-intensive energy sources for low-CO_2 sources should be further promoted. There is also potential for improvement in the reported water, waste and packaging data.

We were also able to make our products more resource-efficient thanks to the large number of actions we have taken. However, we are aware that there is still a lot of development potential in this area. To systematically increase the resource efficiency of our products across the whole Group, we require more accurate data on the impact of our products and on the countless improvement actions taken by the individual companies.

SDG reference
In response to our global presence and our activities in energy-intensive areas of the market, we are making a significant contribution to **SDG 13** Climate action through consumption-efficient products and custom solutions. Our resource-efficient products and systems not only save our customers money, but also reduce their ecological footprint.

We have set ourselves the goal of continuously developing the resource efficiency of our products, and of providing our customers with specific information on sustainability. In 2020, we brought consumption-efficient products to market and – as the example of the Atlas Neo Sensor tap shows – this also reduced water consumption. In this way, we can join our consumers in combating climate change.

SENDING THE RIGHT CLIMATE SIGNALS – WITH CLEAN SOLAR POWER

More solar power and lower CO_2 emissions, thanks to solar power plants at the Franke sites in Helmond, Sassoferrato and Manisa. With this strategy, the Group is expanding its focus on clean energy and making a significant contribution towards shrinking its CO_2 footprint.

In September 2020, Franke Nederland B.V. put a new solar power plant into operation at its site in Helmond (Netherlands). “With our commitment to environmental sustainability, we are sending positive signals to our customers, our staff and the whole company”, commented Mike Marteau, Operations Manager at Franke Netherlands. The 1,038 roof-mounted solar panels cover an area of approximately 4,000 square meters. Each year, they will generate approximately 287 MWh. Compared to the previous electricity requirement, which was mainly derived from fossil fuels, this will save 158 tons of CO_2 every year. Looking at the next 25 years, this will amount to 7,180 MWh of electricity generated by the new system. By this reckoning, CO_2 emissions will be reduced by around 4,000 tons.

Mike Marteau made the following comments on the company’s solar power system: “Sustainability is important to us, and will become even more so in the future. Electricity is also becoming increasingly more expensive and it is likely that CO_2 emissions will be taxed even more heavily in future". This means it is important to take the right actions now, in advance. By using solar energy, the Franke Group is guaranteeing its corporate and environmental responsibility. Marteau went on to say: “We are also taking an important step towards securing our own power supply and thereby towards assuring the long-term success of the business”.

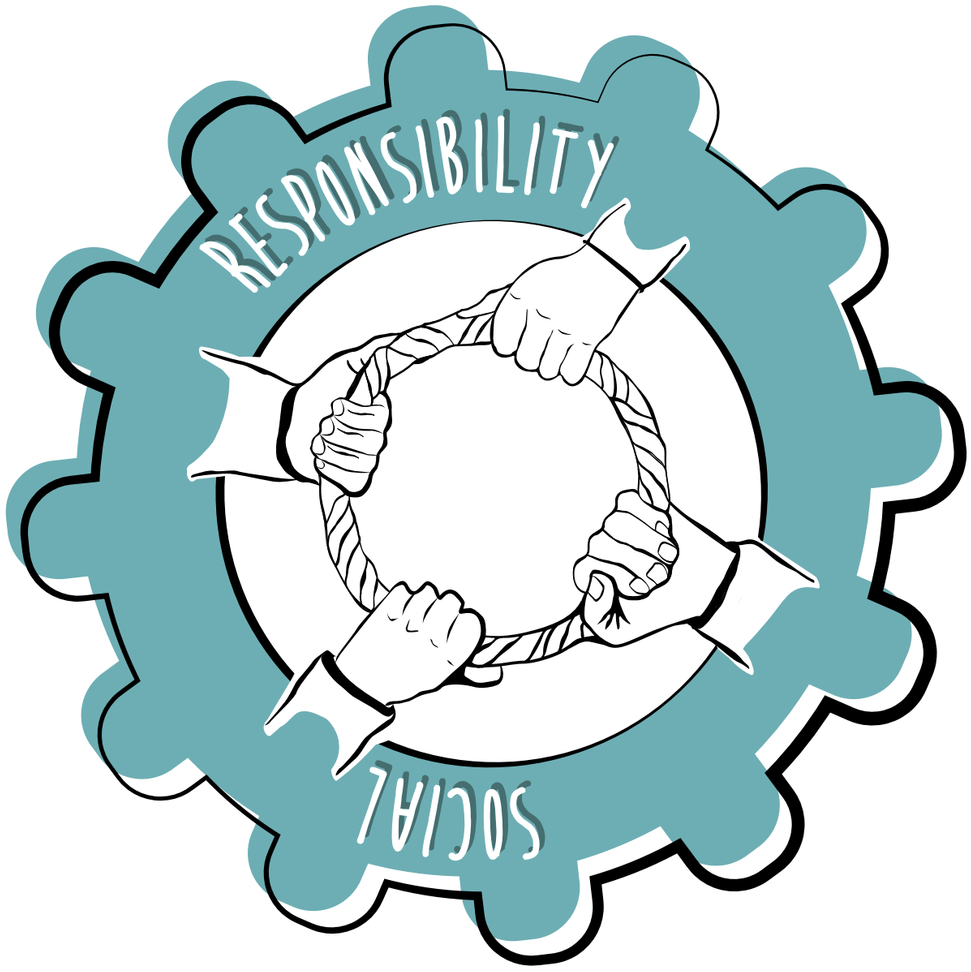
Other projects in the pipeline

The new solar power plant in Helmond was the first step in a two-phase project. The roof of an old production building is currently being renovated in readiness for the installation of another solar plant. The system will have 1,952 panels that can deliver a total of 630 MWh of power annually. Based on the current electricity requirement, this will allow an annual saving of 297 tons of CO_2.

In 2020, there was a big push forward on Franke’s two other solar power projects, at the sites in Sassoferrato (Italy) and Manisa (Turkey). At the Sassoferrato site, the entire logistics division and part of the production building will be covered with 2,666 panels on a surface area of 4,500 square meters. The new solar power system will come into operation in August 2021. Engineering calculations show that approximately 1,000 MWh of electricity can be produced per annum, thus reducing CO_2 emissions by 305 tons per year.

The feasibility study of the solar power system planned for Manisa is in progress. With the panels set to cover an area of 10,000 square meters, an estimated 2,000 MWh of electricity could be generated each year, saving approximately 600 tons of CO_2.

Collectively, the four installations mentioned above might soon be able to deliver 4,000 MWh of power each year, saving almost 1,500 tons of CO_2 annually. That is equivalent to the annual power requirement of 900 Swiss single-family houses, or approximately 3,600 people at modern living standards.


RESPONSIBILITY
SOCIAL

Essential topics and our contribution to sustainable development

LEADERSHIP DEVELOPMENT
SDG 4: Quality education
SDG 5: Gender equality

OCCUPATIONAL HEALTH AND SAFETY
SDG 3: Good health and well-being

SOCIAL RESPONSIBILITY

Franke's 8,700-strong global workforce is vital to the company's success. Their health, engagement, training and development is especially important to us.

As an employer, we have a social responsibility for our workers and their families. They are our most valuable asset. We therefore support them to stay healthy, continuously develop their skills and to prevent accidents in the workplace. However, we also understand social responsibility to mean our obligation to respect internationally applicable human rights at our sites and in our supply chain. By signing the 2011 Global Compact, we committed to "supporting and respecting the protection of internationally proclaimed human rights" (Principle 1) and to "making sure that they are not complicit in human rights abuses" (Principle 2).

Responsibility for Human Resources & Organization at Franke lies with the Chief Human Resources Officer, who reports directly to the CEO of Franke and is a member of the Management Board. In addition, the HR Committee of the Board of Directors monitors personnel-related activities and is responsible for the HR strategy.

We conduct our business in accordance with high ethical and moral standards. Our Code of Conduct (see Code of Conduct, p. 42) and internal policies define our business principles and are regarded as the authoritative source for regulations on various topics in the area of occupational safety. The focus is on the prevention of discrimination and harassment, the promotion of equal opportunities and diversity, collegiality among employees and compliance with basic employment standards.

The Franke values of "Enable people", "Foster teamwork", "Act entrepreneurial", "Deliver solutions" and "Be accountable" apply equally to all employees as guidelines and run through all our corporate communications. We expect our managers, as multipliers, to create an environment in which our employees are willing to give their best and contribute to the development of new ideas. The corporate value "Be accountable" has a direct link to sustainability and thus to the activities described in this report.

EMPLOYEES BY REGION 2020

	IN %
Europe	62.7
Americas	15.4
Asia/Oceania	17.1
Africa/Middle East	4.8

EMPLOYEES BY DIVISION 2020

	IN %
Franke Kitchen Systems	30.0
Faber Hoods & Cooking Systems	23.2
Franke Foodservice Systems	20.3
Franke Water Systems	12.8
Franke Coffee Systems	7.4
Group Functions	6.3

Total workforce
In 2020, Franke employed an average of 8,714 full-time equivalents (FTEs) worldwide, 6.9 percent fewer than the previous year. This reduction is due on the one hand to the merging of sites, and on the other, to the pandemic, which meant that the business volume (net sales) decreased and not all vacancies could be filled immediately.

WORKFORCE

IN AVERAGE FULL TIME EQUIVALENTS	2020	% OF 2020 TOTAL	2019	DIFF. 2020/2019
Europe	5,467	62.7%	5,717	-4.4%
Thereof Switzerland	1,131	13.0%	1,171	-3.4%
Americas	1,338	15.4%	1,503	-11.0%
Asia/Oceania	1,490	17.1%	1,631	-8.6%
Africa/Middle East	419	4.8%	512	-18.0%
Total	**8,714**	**100%**	**9,362**	**-6.9%**
Full-time employees	7,872	90.3%	8,326	-5.5%
Part-time employees	652	7.5%	834	-21.8%
Apprentices	190	2.2%	202	-5.9%
Total	**8,714**	**100%**	**9,362**	**-6.9%**

FULL-TIME EMPLOYEES BY REGION

IN AVERAGE FULL TIME EQUIVALENTS	2020	2019	DIFR 2020/2019
Europe	4,854	5,001	-2.9%
Thereof Switzerland	1,001	1,033	-3.1%
Americas	1,222	1,382	-11.6%
Asia/Oceania	1,396	1,461	-4.4%
Africa/Middle East	400	482	-17.0%
Total	**7,872**	**8,326**	**-5.5%**

TEMPORARY EMPLOYEES BY REGION

IN AVERAGE FULL TIME EQUIVALENTS	2020	2019	DIFR 2020/2019
Europe	465	567	-18.0%
Thereof Switzerland	42	55	-23.6%
Americas	91	96	-5.2%
Asia/Oceania	77	141	-45.4%
Africa/Middle East	19	29	-34.5%
Total	**652**	**834**	**-21.8%**

Female employees

The percentage of female employees (26 percent) has risen slightly compared to the previous year. Our reporting includes the following levels, in line with the Schillingreport (see the table on page 33):

- **Management Board:** All members of the Management Board are included at this level.
- **Management Level 1:** All employees reporting directly to a member of the Management Board.
- **Management Level 2:** All employees directly reporting to Management Level 1.

Women are represented on the Management Board by Barbara Borra (CEO of Franke Kitchen Systems and Faber Hoods & Cooking Systems).
At Management Level 1, there was a slight increase in the number of female employees in 2020, from 17 percent to 19 percent. There was also a slight increase (to 23 percent) in the number of female employees at Management Level 2. Across the workforce, the share of female employees is one percentage point higher than in the previous year.

Franke has set itself the task of promoting gender equality, diversity and equal opportunities, and prohibits discrimination based on gender, age, skin color, nationality, ethnic origin, religion, disability or other characteristics of a person (see Code of Conduct, p. 42). Within the framework of the One Franke internal talent promotion program, the proportion of female talent in 2020 was 6 percent. When executive positions are filled with the support of external partners (executive search), Franke demands a focus on diversity when identifying potential candidates.

DIVERSITY: FEMALE EMPLOYEES COMPARED TO THE PRIOR YEAR

NUMBER OF WOMEN	2020	% OF 2020 TOTAL	2019	% OF 2019 TOTAL
Management Board	1	13%	1	9%
Management Level 1 (reporting directly to Management Board)	16	19%	18	17%
Management Level 2 (reporting directly to Management Level 1)	79	23%	82	22%
Total employees*	**1,968**	**26%**	**2,109**	**25%**

* The shares are based on the list of employees. In the event of missing gender data, we extrapolated this information based on existing gender data.

Employee Engagement Survey

The engagement of our workforce is central to our success. In 2016 and again in 2018, a group-wide employee engagement survey was carried out. The first survey revealed that leadership, learning, development and recognition were the main drivers in achieving a high level of engagement, and measures were therefore defined to reflect that. In the 2018 survey, Franke had improved on the focus areas, in comparison to 2016. Franke is continuing to improve its working environment, as this ultimately determines employee engagement.

Senior Leadership and HR at Group/division level as well as managers at all levels are responsible for the continuous optimization of working conditions within the engagement process. Across all levels of the organization, team workshops have been set up, in order to come up with ways to improve employee engagement. Globally, over 90 percent of the teams developed a series of measures in 2019 on the basis of the 2018 survey, in a maximum of three different areas. This has led to the definition of concrete targets and steps in order to improve the level of engagement. At group level, the same process was conducted. In the next survey in autumn 2021, we expect to see more exciting insight into Franke's progress.

Franke Academy

Based on the results of the employee engagement survey in 2016, the Franke Academy has continued to expand. It includes all Franke's training and further education measures. Central to this is our company-wide strategy with the core objectives of outstanding production, excellent marketing and sales, promoting our drive for innovation and outstanding project management. Specifically, we conduct programs and training courses in the areas of leadership development, technical sales and product skills as well as individual work-related competencies (language courses or software training). The Franke Academy thus supports all its employees and managers in acquiring the necessary tools and relevant knowledge. Franke employees receive long-term support in achieving their personal and professional goals through regular feedback, learning programs and development opportunities. Due to Covid, significant parts of the training offer were provided online. For example, the project management training, including a simulation, was held online. Franke offers LinkedIn Learning to all its staff. The LinkedIn Learning units are enhanced to include Franke-specific topics. In 2020, 8,616 courses were completed.

LEADERSHIP DEVELOPMENT

The following section deals with the important topic of leadership development. To this end, we will first explain our supporting HR processes and provide insights into the development programs.

HR processes for sustainable performance

The processes of performance assessment and development planning are actively supported by a central system. Measures and results can be systematically recorded as part of the personal goals achievement (Management Incentive Plan, MIP or SIP, Sales Incentive Plan) or the competency appraisal. In 2020, 1,104 MIPs and 2,013 competence appraisals were recorded across all levels of the organization.

The competency appraisal process is closely linked to Franke values, and promotes open communication, as well as personal development for a large section of the workforce. Development goals are defined and specified together and their implementation is monitored. Some of the methods used to implement these goals include on-the-job development action lists, which use approaches such as in-house mentoring.

In the MIP process, financial and also personal targets are set. The reaching of these goals will define the amount of the bonus payment. This model is mainly applied to employees with management, project or specialist functions (see the table on page 34).

There is also an HR process for Talent Management and Succession Planning (TMSP). This involves systematically assessing employees, identifying talents and discussing potential development opportunities such as participation in the talent program (more information in the next chapter). In 2020, 1,061 employees were assessed and supported within the TMSP framework.

Competency promotion programs
The regularly held One Franke Talent Program (OFTP) is designed to give talented and ambitious employees the opportunity to develop their skills in a real project and to promote exchange among themselves and with senior management. The fourth global OFTP started in 2020, and was successfully completed in 2021. Since the program started, 91 people have completed it.

Since 2018, we have also been offering leadership development programs worldwide, which help managers to perform even better in their roles, thereby increasing their contribution to success. In collaboration with an external partner and our own staff, these programs are implemented globally. Franke's goal is to offer executives development opportunities and to promote them. In 2020, hardly any face-to-face training took place due to the pandemic. A remote pilot scheme revealed that this type of training is not suitable for the virtual environment. This meant that in 2020, only 52 employees took part in one of the six four-day leadership development programs.

At the end of 2019, an initiative was launched to promote project management skills. Before the Covid-19 contact restrictions came into force, it was possible to complete several on-site training sessions. Since then, almost all training opportunities have been online. In contrast to LDP training, the focus here is on developing methods, rather than on transmitting soft skills. Globally, 107 staff received remote training.
Identifying and developing our internal talents and potential candidates for key roles allows us to provide our employees with career opportunities and increase the rate of internal promotions. For the Global Leadership team (GLT), we achieved a rate of 50 percent in 2020. In 2020, the rate of promotions was lower than in prior years, due to the restructuring of our operations and of the newly-established Home Solutions Division. The internal requirements for the new division only came into effect from January 1, 2021. The constant effort to identify internal talents is a significant contribution to a growth-oriented culture.

SDG reference
With regard to **SDG 4** "Quality education" and **SDG 5** "Gender equality," Franke has positively impacted the education of its employees through its education and training programs. This gives Franke the opportunity to retain and develop talented employees as an attractive employer. Investments in our people also support productivity and innovation potential. Franke employs more than 8,700 people worldwide and has many opportunities to promote women at different management levels. Compared to the prior year, the proportion of female employees at Management 1 and Management Level 2 increased in 2020. Franke continues to promote women in management positions and provide equal opportunities. In addition, a number of Leadership Development programs were conducted in 2020. Franke Academy is now also able to offer project management training.

TARGET AGREEMENTS (EMPLOYEES WITH MANAGEMENT INCENTIVE PLAN)

IN % OF TOTAL WORKFORCE	FEMALE 2020	MALE 2020	TOTAL 2020
Franke Management Board	0.01%	0.09%	0.10%
Management Level 1 (reporting directly to Management Board)	0.20%	0.89%	1.09%
Management Level 2 (reporting directly to Management Level 1)	0.82%	2.76%	3.58%
Other employees with MIP*	3.10%	6.89%	9.99%
Total employees with target agreement	**4.13%**	**10.63%**	**14.76%**
Employees without target agreement*	21.90%	63.34%	85.24%
Total employees	**26.03%**	**73.97%**	**100.00%**

* The shares are based on the list of employees. In the event of missing gender data, we extrapolated this information based on existing gender data

OCCUPATIONAL HEALTH AND SAFETY

Franke attaches great importance to occupational health and safety. Franke's Management Board aims to ensure that all production companies roll out and certify a management system for occupational health and safety (OHSAS 18001 and ISO 45001)[2]. By the end of 2020, 27 of 36 production companies were certified to OHSAS 18001 or ISO 45001 standards. In 2020, the number of production companies certified to ISO 45001 standards rose to eight, compared to six in the previous year.

Internal risk audits are carried out as part of measures to protect the health, safety and well-being of employees. The Internal Audit and Sustainability teams work together to ensure sustainability matters are also covered in internal audits.

On-the-job training, refresher courses for long-term employees, guidance for new hires and an open communication culture form the basis for safe working. Health and safety at work is also ensured by adequate protective equipment in the workplace.
For example, we offer our employees at our head office in Aarburg (Switzerland) the opportunity to contact the company's social services department in the event of social or professional issues. In 2020, some of the local sports facilities at various sites had to be closed due to the pandemic.

Accidents, injuries, deaths
We minimize occupational health and safety risks through safety training and occupational health and safety certification. With measures such as the installation of safety sensors on production machines, Franke aims to achieve an overall reduction in the number of injuries in the coming years and to permanently reduce the number of injuries.

The Franke-wide lost day rate (LDR = lost days per 100 employees) was 20 in 2020, compared with 23 in 2019[3]. Only injuries and work-related illnesses that led to lost days have been included in the injury figures. A lost day is defined as a planned working day that cannot be performed due to an accident or work-related illness. Comparing lost days for 2020 and 2019, a decline of 20 percent can be observed. It is important to note that the number of accidents has fallen by 30 percent. As in the previous year, no fatal accidents were recorded in 2020.

In 2020, due to the Covid-19 pandemic, there was an increase in the absentee rate, from 2.3 percent (2019) to 2.9 percent.

About half of the entire workforce is currently covered by collective agreements such as collective labor agreements or collective bargaining agreements.
In Austria, France, Germany, Italy and Switzerland, over 90 percent of employees are bound by a collective employment agreement or collective bargaining agreements. There are no collective agreements for employees in the US and China, which represent 19 percent of the total workforce.

SDG reference
Franke always aims to make the working conditions of its employees as pleasant and safe as possible, in accordance with **SDG 3** "Good health and well-being". Safety and awareness-raising measures can prevent accidents, reduce health risks and promote staff well-being. This can also increase employee productivity and reduce healthcare costs.

Franke aims to introduce and certify (OHSAS 18001 and ISO 45001) a management system for occupational health and safety at all production companies. By the end of 2020, 27 of 36 production companies were certified to OHSAS 18001 or ISO 45001. As in previous years, Franke also avoided any fatal accidents in 2020.

OCCUPATIONAL HEALTH AND SAFETY

	2020	2019*	DIFFERENCE 2020/2019
Lost days due to occupational accidents or work-related illnesses	1,529	1,921	-20%
Lost days rate	20	23	-13%
Absence rate	2.9%	2.3%	28%
Number of work-related accidents/illnesses resulting in lost days	57	82	-30%
Fatal accidents	0	0	0%
Production facilities certified according to OHSAS 18001 or ISO 45001	27/36	28/37	

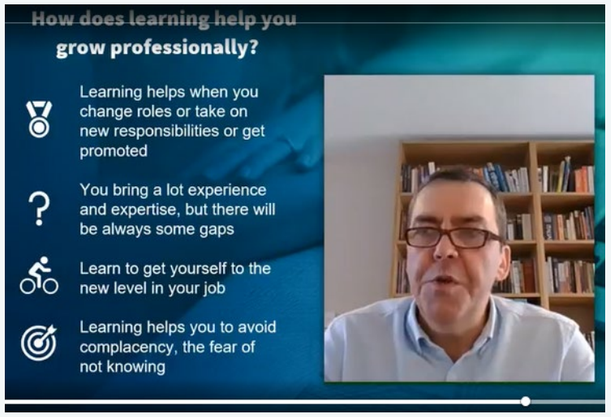
* Subsequent data correction for 2019

[2] The international migration from OHSAS 18001 to ISO 45001 was published in March 2018. Accordingly, both the OHSAS 18001 and the ISO 45001 certifications were taken into consideration in 2020, as the changeover will take time.
[3] For the 2020 reporting year, the data from one business unit was estimated, due to a lack of information. This also relates to the absence rate.

WORKING WITH LINKEDIN TOWARDS A CULTURE OF LIFELONG LEARNING

2020 was in many ways an extraordinary year, but Franke's staff did not miss out on training opportunities, even while working from home. Many of them took on a fairly steep learning curve, thanks to LinkedIn Learning, the world's largest platform for video-based learning.

"We have been using LinkedIn Learning since 2017, and the number of employees has been steadily growing. The offer has produced a strong interest among staff. In response, in May 2020 Franke and LinkedIn entered into a new three-year agreement to extend the offer to all Franke's computer users", explained Kirill Bourovoi, Franke Group Head of Learning & Development. The timing of the license extension for this versatile training program could not have been better: worldwide, face-to-face training was no longer possible due to the Covid-19 restrictions. The many employees working from home also reported additional learning and training requirements. "Being able to access the e-learning platform allowed them to adapt well to the changes, extend their knowledge and develop their skills", confirmed Bourovoi. Particularly popular were the courses connected to working-from-home issues: How do I set up a home office? How can we organize our time while working from home? How can we combat working-from-home stress?



A tool for lifelong learning

Approximately 3,100 employees benefited from the e-learning platform in 2020. On average, they invested four and a half hours in training. More than 40,000 courses were taken up. The user curve rose sharply with the lockdown at the start of the year, peaking in August and gradually flattening out in autumn, while still remaining at a high level. LinkedIn's learning tools have indisputably helped many staff members to manage the shift to remote working with confidence, and perhaps even to have fun with it. Bourovoi believes that this video-based e-learning platform is much more than a learning tool for successful crisis management. In his words: "Ultimately, it is a core tool which we want to use to develop a culture of self-paced lifelong learning".

In all, more than 13,000 courses are available through LinkedIn Learning. The range of topics is extremely broad, from business topics such as corporate finance, IT, marketing, production and project management through to personal development topics such as communication, time management and career planning. The platform covers almost every possible training area. As Bourovoi says, "One of the biggest advantages of e-learning is the opportunity for all users to decide on the topic, pace, timing and style of learning for themselves". This type of self-study based on video tutorials is available in seven languages, and is supported by simultaneous transcriptions, downloads and quizzes. In addition to the generic offer, Franke can also upload content specific to its business.

ECONOMICAL
RESPONSIBILITY

Essential topics and our contribution to sustainable development

PROFITABILITY
SDG 8: Decent work and economic growth

BUSINESS INTEGRITY
SDG 16: Peace, justice and strong institutions

HUMAN RIGHTS
SDG 8: Decent work and economic growth

ECONOMICAL RESPONSIBILITY

The main factors for Franke's successful operation and long-term continuity are financial stability, with a strong equity position and sound profitability. Group management, the Board of Directors and the business owners are firmly committed to achieving this.

Being part of a global value chain means Franke's performance and achievements do not just have a direct impact on the company and its employees. Our numerous suppliers and customers around the globe, with some of whom we have been cooperating for a very long time, are also an important part of this network and thus also depend on its overall success. At Franke, adherence to high ethical standards in the conduct of our business is just as important as the figures. We see integrity and compliance as being central factors in our success. Franke's economicperformance, market presence and indirect economic impacts are monitored strategically by the Board of Directors and the operating management of Franke – the Management Board. Compliance activities are directly monitored by Franke's Management Board or the Audit Committee. As part of its internal risk management, Franke conducts permanent monitoring in order to identify business-relevant risks at an early stage.

PROFITABILITY

The market orientation and internal strategies and processes of Franke and its divisions are regularly reviewed and adjusted where necessary. The economic performance, changes to framework and/or market conditions as well as a number of other factors are all carefully considered. To maintain profitability, we have implemented a timely review and long-term planning measures.

The necessary flexibility within management is achieved through monthly meetings, to ensure we remain on track. In this regular process, monthly results are being consolidated and reviewed to detect indications for a deviation from the annual targets and allow for the timely implementation of countermeasures. This approach was decisive in securing our business activities, particularly during 2020, a year that was full of volatility and uncertainty due to the pandemic.

In the medium to long term, we have an annual internal planning and budgeting process that takes into account the following three years. After a good start to the 2020 financial year, the five divisions were affected in different ways by the spread of the Covid-19 crisis. Franke achieved consolidated net sales of CHF 2.2 billion in 2020 compared with CHF 2.4 billion in the previous year, thus recording a decline in sales of 10.1 percent. This comprises an organic decline in sales of 3.6 percent (previous year growth of 3.7 percent) and a negative exchange rate effect of 6.5 percent.

Operating profit (EBIT) decreased to CHF 79.1 million, primarily due to one-time effects. This also resulted in a reduction in EBIT margin to 3.6 percent (previous year 5.5 percent).

KEY FIGURES

IN CHF M	2020	2019	DIFF.
Net sales*	2,177.6	2,423.1	-10.1%
Organic growth	-3.6%	3.7%	
EBIT	79.1	133.8	-40.9%
Investments	57.8	98.0	-41.0%
Employees average	8,714	9,363	-6.9%

* The majority of the reduction in net sales is due to currency effects.

SDG reference
With regard to **SDG 8** "Decent work and economic growth," Franke, being a long-established business, can claim positive effects on employment and economic growth. Expanding into new markets and acquiring new customers comes with a variety of challenges, but is always an opportunity to operate profitably in the long term and to strengthen the company's market position.

In 2020, the adjusted EBIT margin fell to 3.6 percent (5.5 percent in the previous year). Franke employed 8,714 people worldwide (full-time equivalents).

BUSINESS INTEGRITY

Within the framework of Franke's Code of Conduct, which applies worldwide, all employees are obliged to follow the highest ethical standards of professional and personal conduct in their dealings with customers, colleagues, business partners, competitors, regulators and the communities in which Franke operates. The new Code of Conduct contains 15 clearly structured ethical principles, which are also reflected in the corresponding e-learning program. Our Code of Conduct is available to all employees, in 13 languages.

Rule-compliant conduct is essential for sustainable business success. Incorrect conduct leads to reputational damage, fines and lost orders. We are therefore strengthening our employees' understanding of legal compliance, particularly with regard to corruption, antitrust law, product requirements, third-party industrial property rights, data protection and trade restrictions. Franke's Compliance management system is based on the pillars of prevention, detection and control. All staff worldwide are required to undergo online compliance training every two years.

Compliance with laws and regulations is also promoted by Marcel Enz, General Counsel. Since January 1, 2020, he has been the Head of the Legal & Group Compliance department, and is based in Switzerland. The compliance processes at individual sites are carried out by the Group Compliance Officer and the local Compliance Officers. The SpeakUp@Franke Integrity Line is also available, and can be used confidentially and anonymously by all employees who have integrity concerns. Corrective measures are taken in the event of misconduct. The Integrity Line is available in 26 languages and makes an important contribution to maintaining high compliance standards. Updates are regularly given in the "One Franke" employee magazine, to make sure that all staff are aware of these standards.

Monitoring of business units by Internal Audit
In 2020, 11 audits were carried out by Internal Audit (compared with 13 in the previous year). The audits are based on a risk-oriented approach and include, among other things, compliance risks such as the risk of corruption.

Anti-corruption policy training
Along with the e-learning modules on the Code of Conduct, additional online training is available on two directives (corruption and antitrust law). These are both mandatory for risk-specific groups and must be repeated in two-year cycles. The Code of Conduct module is aimed at around 4,600 employees and must also be completed by new hires. All the modules were reviewed and relaunched in Q2/2019. By the reporting date of Thursday, December 31, 2020, the majority of 3,950 workers had already completed 96 percent of the Code of Conduct module. For the antitrust module, 98 percent of 701 employees had completed the training, while in the anti-corruption area, the figure was also 98 percent of 695 staff.

SDG reference
With regard to **SDG 16** "Peace, justice and strong institutions," Franke is actively committed to avoiding non-compliance incidents through transparency along the value chain and training. Franke sees compliant behavior as a necessary prerequisite for sustainable success.

To achieve the goal of keeping non-compliance incidents low, 11 internal audits were conducted in 2020 (13 internal audits in 2019). Franke thus makes a contribution to the promotion of a peaceful and inclusive society.

HUMAN RIGHTS

Code of Conduct
The protection of human rights is a high priority at Franke, and is a requirement in the entire value-added chain, to guarantee our license to operate. With its binding Code of Conduct, Franke is committed to respecting and complying with all applicable laws and regulations, and to supporting international human rights as well as basic labor regulations such as the ILO Declaration on Fundamental Principles and Rights at Work.

The Code also implies basic labor law provisions that do not tolerate child labor or forced labor. An additional Franke supplier code, which was updated in January 2020, also requires that all suppliers and their respective supply chains comply with labor practices, environmental protection and business integrity requirements. The supplier code requires all suppliers and their sub-suppliers to refrain from forced, bonded, prisoner, military or compulsory labor and from any form of human trafficking. Compliance with the supplier code is assured as it forms part of our supplier contracts. Audits are also conducted to address these aspects, and to further verify and minimize the risk of human rights violations in our supply chain.

Corporate Compliance and Human Resources are responsible for raising awareness, and for the internal monitoring of human rights (in areas such as discrimination, equal opportunities and diversity, freedom of association and the right to collective bargaining) at all Franke sites. The Purchasing offices always apply criteria which ensure that human rights and basic labor standards are respected in the supply chain. All Franke employees have access to the code, which is available for download on the Franke intranet, in 13 languages. The Code of Conduct was presented to all employees worldwide to ensure its global proliferation.

Through audits, certifications and training, Franke makes a significant contribution to the protection of human rights at its production sites and in the supply chain. This ensures that workers' rights are guaranteed and that child labor is ruled out.

Employee training
All employees with an email address have been able to complete the online Code of Conduct training courses (including the topic of human rights) which were launched in February 2017 and which must be repeated in two-year cycles. The Code of Conduct module is aimed at around 4,600 employees and must also be completed by new hires. By the reporting date of Thursday, December 31, 2020, the majority of 3,950 workers had already completed 96 percent of the Code of Conduct module.

Cases of discrimination
The Franke Code of Conduct prohibits discrimination on the basis of gender, age, skin color, nationality, ethnicity, religion, disability or other legally protected characteristics of a person. However, due to safety regulations, certain work tasks may be restricted to specific individuals. For example, different reasonable load weights for lifting and carrying may apply to men and women.

Guarantee of freedom of association and the right to collective bargaining
In its Code of Conduct, Franke undertakes to respect the rights of its employees to freedom of association and collective bargaining within the limits of local law. The supplier code also requires that all suppliers and their respective supply chains respect the right of employees to freely associate and negotiate collectively, without restriction or consequences.

SDG reference
Franke contributes to **SDG 8** "Decent work and economic growth" with its Code of Conduct and the supplier code, among other things. The protection of human rights and the fight against discrimination along the value-added chain are prerequisites for Franke's long-term success. Franke creates jobs with well-designed conditions for employees of all sexes, genders, ages, skin colors, nationalities and skill levels, supporting the economic development of the countries in which Franke is present.

Franke continues to make human rights a focus of its strategy and plans and has set itself the objective of ensuring that workers' rights are guaranteed, and that child labor is ruled out. The completion rate for online Code of Conduct training at the end of 2020 was 96 percent.

RESPONSIBILITY AND SOLIDARITY - TOGETHER AGAINST THE CORONAVIRUS

During 2020, the coronavirus pandemic kept the entire world on tenterhooks. Protecting public health and solidarity are top priorities during these difficult times. Franke was also engaged in this fight and has sought to help wherever it could.

During the early part of 2020, as everyone knows, events happened thick and fast. The situation ultimately resulted in lockdowns in almost every country in the world. In this situation, one thing was paramount: the health of our employees, but also of our customers and business partners. Franke's Management, Operations and crisis teams immediately drew up a protection concept.

Overnight, wherever possible, operations were shifted to remote working. For production workers, all the necessary protective measures were put in place to prevent the spread of infection. For example, in Sassoferrato (Italy), temperature checks on arrival at work became a daily ritual. Face masks, sanitizers, antibacterial mats, wall and floor markings and rules of conduct became part of everyday life. Other measures included the closure of staff canteens, staggered break times, alterations to work processes, sanitizing of tools after every shift change, regular disinfection of facilities and rapid corona tests.

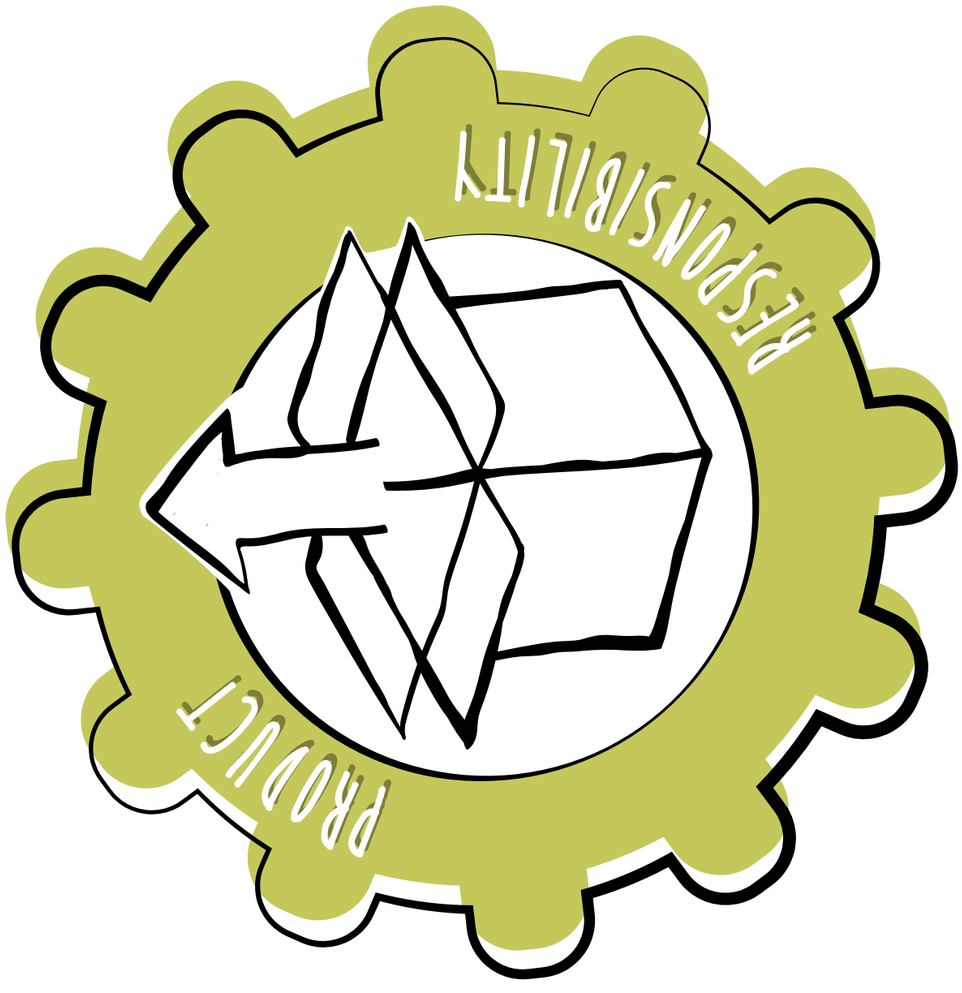
Similar protection concepts were applied worldwide, at all Franke Group sites. The measures proved to be effective, in any event, no production sites became a hot spot. Most employees were untouched by the virus, and production was able to continue almost everywhere, despite the difficult circumstances.

Corporate and social initiatives
Outside of their own premises, many Franke companies launched other initiatives, providing social and corporate support to alleviate the effects of the pandemic. For example, at the start of the pandemic Franke Foodservice Systems China utilized its broad network, donating 4,000 masks to the local authorities in Heshan, at a time when protective equipment was still scarce even in China.

Also in France, the United States of America and Italy, a total of 22,000 masks were donated by Franke Home Solutions to local hospitals.

Another example is Dalla Corte S.r.l. The Italian manufacturer of traditional filter espresso machines donated 1.5 percent of its income from April, May and June to the Luigi Sacco Hospital in Milan. The hospital used the donation to buy ventilation equipment. Faber S.p.A. also funded a ventilator for the Torrette Hospital in the province of Ancona. Franke Nederland B.V., together with schools, universities, other businesses in Helmond, and the Hightech Helmond-De Peel Foundation helped many homeschooling families to obtain laptops and WLAN connections.

Last but not least, two more examples: Franke UK Ltd. launched "Wonderful Wednesday", a campaign for part-time and home office workers, for staff to keep in touch and strengthen cohesion. Between May and September, Franke Coffee Systems developed the web application "Franke Touchless Ordering", so that customers could easily place orders on their phones, with no health and safety concerns.


RESPONSIBILITY
PRODUCT

Essential topics and our contribution to sustainable development

PRODUCT RELIABILITY AND LONGEVITY
SDG 12: Responsible consumption and production

PRODUCT SAFETY
SDG 3: Good health and well-being

PRODUCT INNOVATION
SDG 9: Industry, innovation and infrastructure

PRODUCT RESPONSIBILITY

Franke has always championed high product quality. On the one hand, this is essential as our business is based on selling products and services. On the other hand, our customers deserve genuine added value. We devote our full effort to this.

Franke aims to be perceived as a quality supplier in the market, and the reliability and durability of our products are a good start. These product characteristics guarantee not only more functional value, but also the careful handling of finite resources, in the name of sustainability. To maintain our leading market position in the future, we constantly make adjustments to innovations and meticulously ensure that the highest quality and safety standards are maintained in all processes. The latter are the basic prerequisites for the safe use of our products.

The key effects and consequences of Franke's high regard for product responsibility are experienced directly by the customer, i.e. in the usage phase. Technical requirements for product safety, but also innovation, reliability and longevity have an indirect effect on the upstream stages. At Franke, product responsibility is located in various departments: Product Development, Quality, Marketing, Risk Management and Legal. At the end of 2020, 33 of 36 production sites had implemented a certified quality management system according to ISO 9001.

QUALITY MANAGEMENT SYSTEMS

	2020	2019
Production sites with certified quality management systems (ISO 9001)	33/36	34/37

Our quality management systems help to ensure compliance with mandatory technical and other standards. They also result in a continuous improvement process. The surveying and ensuring of customer satisfaction are part of quality management and follow clearly defined procedures. While some companies in the Group conduct customer questionnaires independently, others rely on standardized third-party surveys. Routine plans are developed to improve performance in the areas that perform weakest in the surveys.

PRODUCT RELIABILITY AND LONGEVITY

We want our products to be reliable and durable. On the one hand, we guarantee our customers' high expectations of quality, and on the other hand, this approach helps to ensure that resources are used more efficiently. Our products are in high-end market segments. That is why we have implemented a wide range of quality assurance measures in product development and production. Among other things, we carry out failure mode and effects analyses (FMEA) to avoid faults and increase the technical reliability of our products. There are also regular exchanges between production and quality managers on a global level, in order to standardize processes and learn from each other's experiences. Products that do not pass our internal tests are subjected to a revision process or, in the case of major faults, are dismantled in order to recycle the raw materials wherever possible. The systematic collection of scrap rates also enables us to monitor process quality.

Thanks to their reliability and durability, many of our products have been in use for over two decades. To enable us to track product performance outside the factory gates, we use an indicator that measures the

number of defective products based on the number of customer complaints made within the warranty period.

The KPI is taken from the divisions, instead of at company level, in order to improve data quality. This is what we call the service call rate: the percentage of defective products compared to the total number of products sold. Markets or product groups were disregarded if not enough data was available. From this data capture, we obtained a group-wide service call rate of 1.22 percent in 2020; this figure was somewhat lower than in the previous year (1.69 percent). This is primarily attributable to one of our five divisions, which from 2020 was able to collect this data in full.

The key figures provide us with better insights into the effective service life of our products. From this, we derive appropriate further development measures for our products and production processes.

SDG reference
With regard to **SDG 12** "Responsible consumption and production," Franke has a positive influence on the sustainable consumption of its customers through its efficiency measures and the development of new business models. By developing high-quality, reliable and, in particular, durable products, we can also meet the needs of environmentally conscious customers.

In 2020, thanks to quality assurance, Franke achieved a service call rate of 1.22 percent. We promote sustainable consumption through our durable, high-quality products, which inspire our customers.

PRODUCT SAFETY

Almost all our products are either related to the preparation of food or the use of water. They must therefore comply with a large number of technical and food safety regulations. Franke follows the precautionary principle as part of quality management to ensure that health and safety requirements are met by all products.

Our innovative products also promote hygienic behavior, and thus the health of our consumers, for example through the installation of contactless fittings. One example in the Kitchen segment is the Atlas Neo Sensor tap, as mentioned on page 25.

At our production sites, we also rely on certified quality management systems when it comes to product safety. Full data on incidents related to health and safety impacts for the whole group is not yet available. In 2020, no customer safety incidents were reported that led to sanctions, warnings or product recalls. In 30 customer incidents, voluntary internal rules were violated. Countermeasures were taken for the products concerned.

High health and safety standards for our products are essential. Using a precautionary approach, we review our new developments and product adaptations in terms of their future health and safety impact. Franke intends to further strengthen the centralization of its quality management. To this end, a new role for group-wide Quality management was created in 2019. This is particularly important in order to ensure the transfer of knowledge across the Group, and to collect and evaluate data for controlling and evaluating data in this area in an even more methodical way. The Head of Quality of Franke Group is responsible for coordinating the company-wide quality assurance and improvement activities. More information about this aspect is given at the end of this section.

SDG reference
Through the high quality and high safety requirements of our products, we make an important contribution to the reduction and avoidance of accidents. This commitment has a positive effect on consumer health, as defined in **SDG 3** "Good health and well-being". High security requirements are an essential building block for Franke's reputation.

Franke relies on certified quality management systems at its production facilities and pursues the goal of ensuring a high standard of health and safety for its products. In 2020, Franke had no safety incidents that required reporting or which would have led to sanctions, warnings or product recalls.

PRODUCT INNOVATION

Innovation is not just one of the most important prerequisites for our future success – it is also a vital lever for sustainability. Innovation supports more environmentally friendly products that are energy-efficient and water-saving, among other things. Our innovation process is currently being upgraded, so that we can quickly transform new ideas into projects and promote them accordingly.

Process or product innovation is also a core element of our business success and sustainable performance. In particular, we promote increased efficiency to save costs and minimize the consumption of resources. Robotization and LEAN management are central topics of our innovation activities.

In 2020, our efforts in the field of innovation were rewarded with a number of awards.

As can be seen from the following examples, we develop sustainable and innovative products:
- Faber's new Air Range is a range of hoods that can be controlled with an app allowing the air quality in the kitchen to be monitored manually or even automatically. This avoids wasting energy by turning off the ventilation when the air quality is good.
- The new A300 from Franke Coffee Systems can save energy during coffee preparation. The patented heating technology optimizes, monitors, and conserves energy during brewing. In addition, the heating mode is only activated during beverage preparation.

To assess product innovation, we used the net trading revenue of products launched over the past three years as the basis. In comparison with 2019, this figure has fallen slightly from 28 to 25 percent[4]. However, the significance of this indicator should not be overestimated, as the activities of Franke do not correspond to a uniform picture and some companies make exclusively customer-specific products. This contributes to an increase in the indicator value, whereas factors such as the limited influence of customer demand can lead to a reduction.

Despite the extraordinary year, progress could be seen across all four areas (Environment, Social Responsibility, Economy and Product Responsibility). We will continue to work on data quality in the future, in order to obtain an authoritative database and thereby a reliable basis for future decisions. We intend to continue and intensify our efforts to promote sustainability within Franke in 2021, through a major revision of the report and intensifying our efforts on the initial projects based on our strategy. We are also continuing to work on integrating sustainability aspects into key organizational processes such as product development and innovation. Only by focusing on long-term improvements will we be able to achieve a sustainable future.

SDG reference
With regard to **SDG 9** "Industry, innovation and infrastructure," Franke makes a positive contribution to innovation by bringing consumption-efficient products to market. By investing in research and innovation, Franke has the opportunity to win new customers and promote the adaptation of environmentally friendly technologies.

In 2020, Franke generated 25 percent of its sales from products launched over the past three years. Franke thus contributes to innovation in its global markets.

[4] For the 2020 reporting year, the data from one business unit was estimated, due to a lack of information.

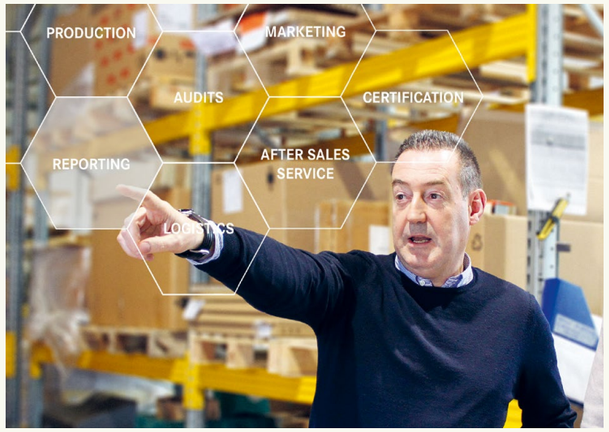
BETTER QUALITY WITH SUSTAINABLE BENEFITS

Franke's central Quality Management division was not deterred by the pandemic in 2020, accelerating the quality drive that began in the previous year. Clear progress was made on all levels and this has certainly helped to boost the environmental balance.

"Our pursuit of outstanding quality, which generates added value, has for many years been a core element of our business philosophy. It is one of the mainstays of Franke's success", says Carlo Traversari, who as Franke Group Head of Quality, is the person responsible for the multi-year quality drive launched in 2019. Within this framework, all divisions have been able to take further significant steps forward in 2020.

For example, the data-based service appraisal, such as the system successfully adopted some time ago by Franke Kitchen Systems, has now been rolled out to all Franke divisions. The system has enabled significant upgrades of supplier quality, as evidenced by the noticeable reduction in the service call rate, and the higher level of customer satisfaction. Along with upgrades to the production process and in logistics, the various measures have also reduced the rejection rate. In addition, there were fewer warranty claims in 2020 than in the previous year and less scrap generated by production.

Overall, the Group has significantly reduced its cost of poor quality and for Franke Kitchen Systems, this reduction was as much as 25 percent. Traversari is convinced that similar strides can be made in 2021 for the new Home Solutions division. "We can continue to improve our products and processes", he adds, "if we can tune into what the end customer wants, listen to their ideas and suggestions, and then draw the right conclusions".



Great strides and small steps
The application of uniform group-wide quality standards is an important way of achieving our objectives. As Traversari says, "The introduction, implementation and improvement of these standards is a long-term process". Sometimes even small changes can lead to significant progress: thanks to more protective packaging, transport damage to the "Fragranite" granite sinks was slashed by 45 percent in 2020, on both the main sales markets.

The packaging used on the synthetic sinks produced in Strečno (Slovakia) is one example of how high quality can also be eco-friendly: the new containers are made from cardboard instead of polystyrene. This change has helped the Slovakian plant to improve its environmental balance, while the cost of poor quality has also been reduced. Strain on the environment has been further relieved by the 25 percent reduction of the scrap rate in production at the Slovakian site, compared to the previous year. When it comes to sustainability and the attainment of quality and environmental standards, less is often more.

The benchmark that Traversari relies on is the Total Quality Management (TQM) model, in which, as he confirms, we are aiming to be "best in class". Our TQM strategy focuses on lean production in line with the latest global standards. Traversari continues: "This approach allows us to manufacture top-class sustainable products at competitive costs, which means our customers and the environment benefit".

ANEXO

REPORTING PARAMETERS

GRI CONTENT INDEX

CONTACT

REPORTING PARAMETERS

Reporting period
This report covers the 2019 financial year: January 1, to December 31, 2020. Information from prior years was included where necessary to give the reader a complete picture of Franke's sustainability approach and performance in this area. If the data does not originate from 2020, this has been clearly indicated.

Date of the most recent previous report
In July 2020 Franke published its 2019 sustainability report. The reports from prior years can be found here:

▸ www.franke.com ▸ About us ▸ Sustainability

Reporting cycle
Franke publishes a sustainability report every year. The next report will be published by August 2022 latest.

Procedure for determining the report content
The Core option of the GRI standard was followed, in defining the report content and priorities for Franke. Our sustainability report is based on a materiality analysis, to identify those aspects that are important to our stakeholders and on which Franke has the greatest impact. The key stakeholders and their most important interests are described on page 15.

As in previous years, this sustainability report is based on the materiality analysis done in 2017, which was prepared in accordance with the GRI standards. The previous topics were checked for completeness, and were then assessed by a group of internal experts in terms of their relevance to Franke stakeholders and their significant economic, ecological and social impacts. In order to take greater account of stakeholder involvement and the sustainability context, Franke plans to validate the key issues and their limitations with regard to the following sustainability reports.

Reporting boundaries, joint ventures, subsidiaries, outsourced activities, etc.
This report covers Franke in its entirety. If only a part of the company is meant (as an example or due to the data situation), we clearly point out that. This report does not cover outsourced activities. Although Franke Beverage Systems is still legally part of Franke, the company is no longer included in our calculations and has followed a new reporting line to the Artemis Group since January 2016. Since 2017, Franke Industrie AG (a manufacturer of hot gas components for industrial gas turbines and aerospace) also reports directly to the Artemis Group.

There were also the following changes in connection with joint ventures, acquisitions, divestments, or mergers in the reporting period: On December 18, 2020, Franke sold its company Franek Kitchen Systems SARLAU in Casablanca, Morocco.

Data collection methods and bases of data calculation
At Franke, non-financial data has been measured for many years. A consolidation of non-financial data according to the GRI indicators at Group level was carried out for the first time in 2011.

The financial, personnel and environmental data (energy, greenhouse gas emissions, water, materials and waste generation) for this report was taken from the COGNOS system. For the reporting year 2020, the personnel and environmental data as well as the proportion of products sold, no older than three years, had to be estimated for one legal entity due to missing information in COGNOS. Data on occupational health and safety was collected using a Franke-wide reporting tool. Certain personnel data was extracted from the HR tool, which now covers approximately 90 percent of the workforce. With regard to materials, the central purchasing figures have been used since 2017. As some materials are still purchased locally, it is very difficult to enter reliable data. However, we are working on a solution to ensure that these figures will be transparent again in the future. This would also allow us to make a clear distinction between renewable and non-renewable materials. Since the reporting year 2019, we decided to use COGNOS for the collection of data on renewable materials. The figures on the purchased quantities of semi-finished and finished products can be reported in the 2020 report for the first time.

The environmental and occupational health and safety data for the 2020 financial year was reported by all the production, service and sales companies. The data on water and wastewater was collected on the basis of municipal water supply bills or other utility bills.

The conversion factors for energy consumption come from the fact sheet: CO_2 emission factors of the Swiss greenhouse gas inventory from 2016 (Federal Office for the Environment). Direct greenhouse gas emissions from fossil fuels (heating oil, natural gas, diesel and petrol; Scope 1 of the GHG Protocol) are also based on the fact sheet of the Swiss Federal Office for the Environment (2016). The individual greenhouse gases emitted at Franke sites are CO_2, CH_4 and N_2O, which have been converted into CO_2 equivalents for this report, according to the above-mentioned fact sheet. Greenhouse gas emissions for electricity and district heating (Scope 2) were calculated on the basis of the emission factors reported by the Franke companies.

The environmental and occupational health and safety data were determined in relation to each other by dividing the total values by net sales in Swiss francs. Many of the key figures in the "Environment" and "Social Responsibility" sections are heavily dependent on Franke's economic performance. For this reason, the key figures are listed relative to total net revenues.

Furthermore, we do not consider the share of temporary employees in the total workforce to be significant at 7.5 percent, and therefore do not discuss in detail their precise activities. In addition, there are no significant seasonal fluctuations in the total workforce.

With regard to our data sources for the statements on the workforce made in the report, the following distinction must be made. When we speak of full-time equivalents, the information is taken from our financial reporting system and, if a number of employees is mentioned, from the employee directory.

Effects of any restatements of information provided in earlier reports
In the context of a more comprehensive audit, subsequent data corrections were also made for 2019. In most cases these are adjustments of inaccurate data. As a result, the 2019 key figures of this report differ from those of the prior year.

GRI reference
This report has been prepared in accordance with the GRI Standards: Core option.

External assurance for the report
No external confirmation was obtained for this report.

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	PAGE	OMISSION AND REMARK
GENERAL DISCLOSURE			
GRI 102: General Disclosures (2016)	**Organizational profile**		
	102-1 Name of the organization	6	
	102-2 Activities, brands, products, and services	6 – 7	
	102-3 Location of headquarters	7	
	102-4 Location of operations	7	
	102-5 Ownership and legal form	14	
	102-6 Markets served	6 – 7	
	102-7 Scale of the organization	6 – 7, 15	
	102-8 Information on employees and other workers	31 – 35	1
	102-9 Supply chain	11	
	102-10 Significant changes to the organization and its supply chain	57 – 58	
	102-11 Precautionary Principle or approach	13 – 14	
	102-12 External initiatives	14	
	102-13 Membership of associations	14	
	Strategy		
	102-14 Statement from senior decision-maker	4 – 5	
	Ethics and integrity		
	102-16 Values, principles, standards, and norms of behavior	13, 31	
	Governance		
	102-18 Governance structure	12	
	Stakeholder engagement		
	102-40 List of stakeholder groups	14 – 15	
	102-41 Collective bargaining agreements	35	
	102-42 Identifying and selecting stakeholders	14 – 15	
	102-43 Approach to stakeholder engagement	14	
	102-44 Key topics and concerns raised	14	
	Reporting practice		
	102-45 Entities included in the consolidated financial statements	57	
	102-46 Defining report content and topic boundaries	57	
	102-47 List of material topics	14	
	102-48 Restatements of information	58	
	102-49 Changes in reporting	57	
	102-50 Reporting period	57	
	102-51 Date of most recent report	57	
	102-52 Reporting cycle	57	

GRI STANDARD	DISCLOSURE		PAGE	OMISSION AND REMARK
GRI 102: General Disclosures (2016)	102-53	Contact point for questions regarding the report	63	
	102-54	Claims of reporting in accordance with the GRI Standards	58	
	102-55	GRI content index	59 – 62	
	102-56	External assurance	58	

MATERIAL TOPICS

Energy efficiency in production

GRI 103: Management Approach (2016)	103-1	Explanation of the material topic and its Boundary	19 - 22	
	103-2	The management approach and its components	19 – 22	
	103-3	Evaluation of the management approach	20 – 22, 25	
GRI 302: Energy (2016)	302-3	Energy intensity	20 – 21, 41	
GRI 305: Emissions (2016)	305-4	GHG emissions intensity	21 – 22, 41, 58	

Water and wastewater management

GRI 103: Management Approach (2016)	103-1	Explanation of the material topic and its Boundary	19, 22 – 23	
	103-2	The management approach and its components	19, 22 – 23	
	103-3	Evaluation of the management approach	22 – 23, 25	
GRI 303: Water and Effluents (2018)	303-3	Water withdrawal	22	2
GRI 303: Water and Effluents (2018)	303-4	Water discharge	22	2

Material efficiency in production

GRI 103: Management Approach (2016)	103-1	Explanation of the material topic and its Boundary	19, 23 - 25	
	103-2	The management approach and its components	19, 23 – 25	
	103-3	Evaluation of the management approach	23 – 25	
GRI 301: Materials (2016)	301-1	Materials used by weight or volume	23 – 25	
GRI 306: Waste (2020)	306-2	Management of significant waste-related impacts	24	3

Resource-efficient products (energy)

GRI 103: Management Approach (2016)	103-1	Explanation of the material topic and its Boundary	19, 25	
	103-2	The management approach and its components	19, 25	
	103-3	Evaluation of the management approach	25	
GRI 302: Energy (2016)	302-5	Reductions in energy requirements of products and services	25	4

Leadership Development

GRI 103: Management Approach (2016)	103-1	Explanation of the material topic and its Boundary	31 – 34	
	103-2	The management approach and its components	31 – 34	
	103-3	Evaluation of the management approach	34	
GRI 404: Training and Education (2016)	404-3	Percentage of employees receiving regular performance and career development reviews	34	

Occupational health and safety

GRI 103: Management Approach (2016)	103-1	Explanation of the material topic and its Boundary	31, 35	
	103-2	The management approach and its components	31, 35	
	103-3	Evaluation of the management approach	35	
GRI 403: Occupational Health and Safety (2018)	403-2	Hazard identification, risk assessment, and incident investigation	35	5

GRI STANDARD	DISCLOSURE		PAGE	OMISSION AND REMARK

Profitability

GRI 103: Management Approach (2016)	103-1	Explanation of the material topic and its Boundary	41 – 42	
	103-2	The management approach and its components	41 – 42	
	103-3	Evaluation of the management approach	41 – 42	
Own Indicator		Operating result (EBIT)	41	

Business integrity

GRI 103: Management approach (2016)	103-1	Explanation of the material topic and its Boundary	41 – 42	
	103-2	The management approach and its components	42	
	103-3	Evaluation of the management approach	42	
Own indicators		Number of internal audits	42	
		Number of employees trained regarding corruption	42	
		Number of employees trained regarding antitrust legislation	42	

Human rights

GRI 103: Management approach (2016)	103-1	Explanation of the material topic and its Boundary	41, 42 - 43	
	103-2	The management approach and its components	42 - 43	
	103-3	Evaluation of the management approach	43	
GRI 412: Human Rights Assessment	412-2	Employee training on human rights policies or procedures	43	6

Product reliability and longevity

GRI 103: Management Approach (2016)	103-1	Explanation of the material topic and its Boundary	49 – 50	
	103-2	The management approach and its components	49 – 50	
	103-3	Evaluation of the management approach	49 – 50	
Own Indicator		Service Call Rate	50	

Product safety

GRI 103: Management Approach (2016)	103-1	Explanation of the material topic and its Boundary	49 – 50	
	103-2	The management approach and its components	49 – 50	
	103-3	Evaluation of the management approach	50	
GRI 416: Customer Health and Safety (2016)	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	50	7

Product innovation

GRI 103: Management Approach (2016)	103-1	Explanation of the material topic and its Boundary	49, 50 - 51	
	103-2	The management approach and its components	49, 50 - 51	
	103-3	Evaluation of the management approach	50 - 51	
Own Indicator		Change in net sales of products not older than three years	51	

Exclusions and remarks: See page 62

Exclusions and remarks

1. Information unavailable. Due to the current system landscape, some breakdowns cannot yet be made. We are working on introducing a new system that will allow us to collect the missing data. The missing data are mainly the variables gender and employment type, which we are not yet able to report in all areas. The system rollout has been delayed until mid-2021 due to Covid-19. We will therefore probably not be able to make the distinction until the 2021 report.
2. Information unavailable. The implementation of the new reporting requirements on water consumption and recycling could not yet be completed. Still pending is an analysis of whether Franke operates in areas suffering from water stress and the breakdown by water category into freshwater and other water. In addition, for water recycling in particular, it has not yet been possible to distinguish between substances of concern whose discharge is being addressed.
   These points will ideally be covered in the 2021 report, but at the latest in the 2022 report.
3. Information unavailable. The extent to which waste managed by third parties complies with contractual or legal obligations cannot be verified at the moment. We will probably be able to carry out this survey for the 2022 report.
4. Information unavailable. The data for assessing the reduction in energy demand of our products are not yet available. Our original plan to conduct this survey internally already for the 2020 report was unfortunately delayed by the pandemic. Considering other priorities for the next report, it is more realistic to expect this survey for the 2022 report.
5. Confidentiality constraints and partly information unavailable. The breakdown of the injury rate by region can only be introduced in the 2021 report instead of the 2019 report as planned due to a capacity bottleneck.
   Data on occupational disease rates cannot be collected due to confidentiality issues (medical secrecy). For this reason, it will not be reported on in the future.
6. Information unavailable. The topic of human rights is part of the e-learning module on the Code of Conduct. As this module includes many more topics, it is not possible to give a reliable estimate of the number of training hours.
7. Not applicable. The reported cases relate to the Kitchen Systems and Foodservice Systems Divisions. Whether the introduction of the KPI in other divisions makes sense and the content is also applicable there will be evaluated as part of the introduction of Total Quality Management.

SDG-INDEX

SDG	CHAPTER	PAGE
3	Social Responsibility, Product Responsibility	8-9, 30, 35, 48, 50
4	Social Responsibility	8-9, 30, 34
5	Social Responsibility	8-9, 30, 34
6	Environmental Responsibility	8-9, 18, 23
7	Environmental Responsibility	8-9, 18, 22
8	Economical Responsibility	8-9, 40, 42, 43
9	Product Responsibility	8-9, 48, 51
12	Product Responsibility	8-9, 48, 50
13	Environmental Responsibility	8-9, 18, 22, 25
15	Environmental Responsibility	8-9, 18, 24
16	Economical Responsibility	8-9, 40, 42

CONTACT

If you have general questions about sustainability at Franke, please contact:

Kirill Bourovoi
Group Head Learning & Development and Corporate Sustainability

▸ kirill.bourovoi@franke.com

THE GLOBAL COMPACT
COMMUNICATION ON PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

Acknowledgments
We wish to thank all participants who have supported us in the improvement of data quality for their commitment and cooperation.

Publisher
Franke Holding AG, Franke-Strasse 2, 4663 Aarburg, Schweiz

Editor
BSD Consulting
Swisscontent AG, Zürich
Franke

Translation
STAR7 S.p.A.

Conception/realization
Franke

Image credits
Franke

Make it wonderful

Franke Holding AG
Franke-Strasse 2
4663 Aarburg
Schweiz
www.franke.com

FRANKE