

BRITA GROUP // MAY 2016

THE BRITA APPROACH: BALANCE THE IMPACT

As a traditional and regionally rooted family-run company BRITA is aware of its responsibility for people, the environment and the region.

This responsibility is reflected in our self-understanding and is part of the BRITA brand promise ("Leadership in Sustainability"). Yet it is also customers, business partners and other stakeholders who expect us to take a responsible approach to natural resources and keep our environmental impact as low as possible.

In 2013 we initiated our most ambitious corporate responsibility project in the BRITA group¹ to date. We want to measure the harmful CO₂e emissions from our business activities, reduce them by means of a systematic carbon management and "balance them out" to an extent by making meaningful environmental investments – all with the goal of keeping our ecological impact as low as possible and in line with our corporate responsibility.

We at BRITA are proud of the fact that our economic success rests on our own strength. The same approach forms the basis of "Balance the Impact", which is why we consciously decided against purchasing compensation certificates. Instead, we are looking to counter the emissions we cause with our own reduction measures and invest in projects that promote the avoidance of emissions outside our company as well.

This report presents the results of the first BRITA corporate carbon footprint and forms the basis for further approaches and strategies to lower our harmful CO₂e emissions. The idea is not to engage in a rigid mathematical offsetting of emissions caused and those avoided by measures and investments. Rather, we consider it a voluntary commitment to lower our ecological impact while we continuously seek to grow and develop as a company.

"WATER IS THE BASIS OF OUR BUSINESS.
FROM THIS ARISES OUR CORPORATE RESPONSIBILITY TO PUT
A SPECIAL EMPHASIS ON SUSTAINABILITY AND ETHICAL STANDARDS
IN OUR BUSINESS ACTIVITIES."

Markus Hankammer

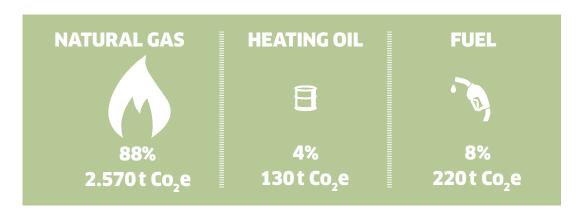
BRITA CORPORATE CARBON FOOTPRINT 2015 RESULTS

The corporate carbon footprint of the BRITA group recorded for direct and indirect energy consumption in Scope 1 and Scope 2 in 2015 was in total 3,390 t CO₂e. Scope 1 emissions constitute 2,920 t CO₂e of this figure; for Scope 2 the figure is 470 t CO₂e. Scope 3 emissions are 42,480 t CO₂e.

¹ The term BRITA group does not refer to a legal corporate entity, but is used to indicate all BRITA companies as a whole.

SCOPE 1

A key source for our Scope 1 emissions is the use of stationary energy for the heating and cooling of our production and office buildings and for our production processes. Natural gas (88 percent) and heating oil (4 percent) thus make up the majority of our Scope 1 emissions. The share of fuel used for the BRITA vehicle fleet constitutes around 8 percent of Scope 1 emissions.



SCOPE 2

Scope 2 encompasses emissions from the production of electricity that we use. In 2015 BRITA used a total of 9,500 MWh of electricity.

In 2015 the production sites of BRITA GmbH in Taunusstein (Germany), BRITA AG in Neudorf (Switzerland) and BRITA Water Filter Systems Ltd. in Bicester (UK) used certified green energy. As a matter of principle, all BRITA subsidiaries are instructed to review and pursue the switch to electricity generated from renewable sources. Local conditions and availability still pose a challenge at some sites.

BRITA reports Scope 2 emissions according to the provisions of the GHG Protocol Scope 2 Guidance. For the location-based method² the respective country electricity mix as stated in publicly accessible databases was used. According to this calculation method we caused 3,740 t CO₂e, 360 t by using conventional electricity, and 3,380 t when the country electricity mix is also applied to green energy.

Relevant for BRITA in terms of emissions controlling is the market-based method³ for indirect emissions, where the available residual mixes of the RE-DISS Project⁴ were applied. Where unavailable, the relevant country mixes were used as a basis.⁵ In Scope 2, owing to the use of green energy at the energy-intensive production sites, the market-based method gives a figure of only 470 t CO₂e. Emissions here are primarily caused by operating office and storage spaces at the international sites. Green energy makes up over 90 percent of BRITA's entire electricity consumption.



² Location-based method: calculation defined by the GHG Protocol of Scope 2 emissions on the basis of average emission factors of a certain geographical region.
³ Market-based method: calculation defined by the GHG Protocol of Scope 2 emissions on the basis of actual emissions from generating electricity purchased (based on data from electricity producers or residual mixes determined). ⁴ RE-DISS Project: EU-financed project with the goal of informing consumers about where their electricity comes from in a transparent manner, incl. through the annual calculation of so-called residual mixes; http://www.reliable-disclosure.org ⁵ Applies to Australia, Japan, Canada and the USA.

Within the framework of the energy management system ISO 50001, which was certified in 2015 for the production sites Taunusstein (Germany) and Bicester (UK), BRITA continually works to reduce the consumption of fossil fuels such as natural gas and heating oil, as well as electricity. We aim to reduce our total energy consumption by 20 percent by 2020. We have already started implementing initial measures, such as switching to LED illumination and energy-saving printers. The next phase envisages construction measures to increase the energy efficiency of our buildings and the use of more efficient heating and production facilities.

SCOPE 3

BRITA calculates selected Scope 3 emissions in order to get a clear picture of our ecological footprint and aims to use it to identify possible approaches to reduce greenhouse gas emissions. We determine emissions from the use of leased staff vehicles in the company car fleet, from flights, rail and hire-car journeys⁶ during business trips and emissions arising from the upstream chains of materials used in production. Specifically, emissions are documented for purchased quantities of activated carbon, ion exchanger, plastics and other raw materials which BRITA processes further at its production facilities and which constitute the main components of BRITA filter cartridges.

In Scope 3 the BRITA group emissions total 42,480 t CO₂e. Purchased materials are responsible for the largest share (approx. 90 percent). Activated carbon and ion exchanger, the most important components of our filter cartridges, are purchased in correspondingly large quantities. For this reason these two materials together cause almost 94 percent of emissions from purchased materials. An important lever for the future reduction of our corporate carbon footprint is the in-house recycling of BRITA filter cartridges. Today, well over 1,800 m³ of ion exchanger and activated carbon is recovered per year and reused in this way already.



At 1,850 t $\rm CO_2e$, emissions from business trips make up a relatively small proportion (4 percent) of Scope 3 emissions and are primarily caused by flights. Hire cars and rail travel have little significance. The use of leased company cars translates to emissions totalling 3,000 t $\rm CO_2e$. In the autumn of 2015 BRITA GmbH introduced a new company car policy at its German sites. In addition to particularly fuel-efficient vehicles, the catalogue of measures promotes electric cars and plug-in hybrids. Staff members can also use the free charging stations at the BRITA campus in Taunusstein, which provide electricity from renewable resources, and in so doing render an active contribution to reducing our $\rm CO_2e$ emissions.

⁶ No data on rail travel is currently available for the Taunusstein site.

THE CORPORATE CARBON FOOTPRINT METHOD

The corporate carbon footprint shows which greenhouse gas emissions (expressed in CO₂ equivalents = CO₂e) were caused by the business activities of the BRITA group in 2015.

The calculation is based on the provisions of the GHG (Greenhouse Gas) Protocol and is determined with the help of a professional software program.

BOUNDARIES OF THE REPORT

The report is limited to BRITA GmbH and selected subsidiaries of the BRITA group. In terms of the corporate carbon footprint, the production sites of Taunusstein (Germany), Bicester (UK) and Neudorf (Switzerland) are of special importance. The other subsidiaries are mostly sales offices or distribution sites with no production facilities of their own. The footprint does not include newly founded subsidiaries or acquisitions, which have not yet been integrated into BRITA's carbon reporting structures. We intend to include them in future reports, however. The BRITA companies included in the corporate carbon footprint calculations are responsible for about 75 percent of overall sales volume. The information in the report relates to the year 2015.

EMISSIONS DOCUMENTED

The GHG Protocol defines three different scopes into which a company's emissions are subdivided. Scope 1 encompasses emissions from direct stationary or mobile energy consumption, such as the burning of fossil fuels (heating oil, natural gas, fuel for fleet vehicles). Scope 2 contains emissions from the generation of electricity that BRITA buys from energy suppliers. We have fully documented our Scope 1 and Scope 2 emissions in line with the provisions of the GHG Protocol Corporate Standard.

Scope 3 includes further indirect emissions that arise from our business activities and along the value chain. The BRITA corporate carbon footprint encompasses in Scope 3 emissions from business trips, the company vehicle fleet of leased staff vehicles and the manufacturing of materials purchased for production (activated carbon, ion exchanger, plastics and other raw materials that BRITA directly processes). Finished product components that BRITA purchases are not currently included in the carbon footprint. We will review the inclusion of further Scope 3 categories in the future.

DATA QUALITY AND CALCULATION FACTORS

For the most part, data based on consumption and billing were used to calculate the corporate carbon footprint. Where specific consumption data were not available (e.g. for rented office spaces, for which electricity and water are billed at a fixed price within the ancillary costs), plausible assumptions were made and consumption was calculated or estimated using the arising costs.

The ${\rm CO_2e}$ conversion factors used stem from reputable databases (incl. GHG Protocol, Defra). When establishing Scope 3 emissions for purchased materials we were able to use conversion factors established in certified product carbon footprints of individual BRITA products, which we had calculated in the past.

In 2015 the following companies were taken into consideration: BRITA GmbH (Germany) incl. the Netherlands site, BRITA Water Filter Systems Distributors Pty Ltd. (Australia), BRITA Water Filter Systems Ltd. (UK), BRITA S.A.R.L. (France), BRITA Italia, BRITA Japan, BRITA Polska, BRITA AG Schweiz (Switzerland), BRITA Iberia (Spain), MAVEA LLC (USA), MAVEA Canada Inc., BRITA Ionox Deutschland GmbH (Germany).

EVALUATION AND ASSURANCE

The evaluation and tracking of climate-harmful emissions takes place at the BRITA group level. BRITA uses the data from the Corporate Carbon Footprint Report to make its own processes more efficient and to identify approaches to improve carbon management in the value chain. We are still in the process of setting up our carbon accounting system, which is why 2015 is the first year for which we have complete data available. In the future, the report will include comparisons with data from previous years.

The Corporate Carbon Footprint Report 2015 has been audited by PricewaterhouseCoopers AG. The auditor's report is attached to this document.

REDUCTION AND COMPENSATION OF EMISSIONS

BRITA has set itself the goal of systematically reducing its emissions levels, which have a harmful effect on the climate, and "balancing them out" to an extent by investing in meaningful environmental projects. In the context of this approach we are initially concentrating our efforts on Scope 1 and Scope 2 emissions, as these are the ones we are best able to influence and control. We seek to reduce emissions through projects we identify in the framework of our certified energy and environmental management systems and through which we can lower our energy and resource consumption.

At the same time, we aim to invest in selected external projects whose objective is to avoid emissions and in so doing partially offset, at least on paper, the actual emissions we cause. Among the investments we are currently pursuing is an in-house photovoltaic plant to generate our own electricity, which would be constructed on the roof of our production building in Taunusstein. We are currently reviewing further green energy projects, which must satisfy our ecological and economic criteria and should also promote sustainable, responsible development outside our company. With our two-pronged approach of reduction and investments, we are working to continually lower our corporate carbon footprint and in so doing live up to our corporate responsibility in the sense of the "Balance the Impact" approach.

"MAN CANNOT DISCOVER NEW OCEANS UNLESS HE HAS THE COURAGE
TO LOSE SIGHT OF THE SHORE."

André Gide

OUTLOOK

As part of the "Balance the Impact" approach we will identify further internal projects that we can initiate to lower our emissions. At the same time we will work on improving our carbon management by means of a continual standardization of data collection and even higher data quality. By including further BRITA sites, we will increasingly complete and regularly document our corporate carbon footprint.

As a growing, globally expanding company these goals pose a particular challenge. We seek to achieve all this while simultaneously increasing production and sales activities and pursuing ambitious strategy goals. Yet in this challenge we perceive an opportunity for BRITA to make our lived corporate responsibility tangible for outsiders and to increase what we know about our own activities.

ASSURANCE PWC

Independent Practitioner's Limited Assurance Report on Greenhouse Gas Emission Data

To BRITA GmbH, Taunusstein

We have been engaged to perform a limited assurance engagement of the accompanying information presented in the report "BRITA Corporate Carbon Footprint 2015" of BRITA GmbH, Taunusstein, (hereafter the "Company") for the period 1 January to 31 December 2015 (hereafter the "Corporate Carbon Footprint 2015"). The information are Scope 1 and Scope 2 greenhouse gas emission data as well as Scope 3 greenhouse gas emission data 2015 (the "Greenhouse Gas Emission Data")*.

Management's Responsibility for the Corporate Carbon Footprint 2015

Company's Management is responsible for the preparation of the Corporate Carbon Footprint 2015 in accordance with the criteria as set out in the publication "A Corporate Accounting and Reporting Standard — Revised Edition 2004" of the Greenhouse Gas Protocol Initiative (World Business Council for Sustainable Development / World Resources Institute): Relevance, Completeness, Consistency, Transparency and Accuracy (pages 8-9, hereafter "GHG Protocol Criteria").

This responsibility includes the selection and application of appropriate methods to prepare the Corporate Carbon Footprint 2015 as well as the use of assumptions and estimates for individual Greenhouse Gas Emission Data disclosures, which are reasonable in the circumstances. Furthermore, this responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Corporate Carbon Footprint 2015 that is free from material misstatement, whether due to fraud or error.

Audit Firm's Independence and Quality Control

We have complied with the German professional provisions regarding independence as well as other ethical requirements.

The audit firm applies the national legal requirements and professional standards – in particular the Professional Code for German Public Auditors and German Chartered Auditors ("Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer": "BS WP/vBP") as well as the joint opinion of the Wirtschaftsprüfer-kammer (Chamber of German Public Auditors; WPK) and the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW): Requirements to quality control for audit firms ("Gemeinsamen Stellungnahme der WPK und des IDW: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis": "VO 1/2006") – and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's Responsibility

Our responsibility is to express a limited assurance conclusion on the Greenhouse Gas Emission Data presented in the Corporate Carbon Footprint 2015 based on the procedures we have performed and the evidence we have performed.

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements ("ISAE 3410"), issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the Greenhouse Gas Emission Data is free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3410 involves assessing the suitability in the circumstances of the Company's use of the GHG Protocol criteria as the basis for the preparation of the Greenhouse Gas Emission Data, assessing the risks of material misstatement of the Greenhouse Gas Emission Data whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Greenhouse Gas Emission Data.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures,

including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. Within the scope of our work we performed amongst others the following procedures:

- Inquiries of personnel of the Company's central department Health, Safety & Environment involved in the preparation of the Corporate Carbon Footprint 2015.
- Site visits and inquiries of personnel of BRITA Group in Germany, Switzerland and UK involved in the primary data collection and local control procedures.
- Inspection of the internal documentation of the applied methodology and processes.
- Inspection of working documents, internal documentation (especially regarding internal controls applied at central and national level).
- Analytical procedures on the Greenhouse Gas Emission Data at site level and BRITA Group level.
- Assessment of the presentation of Greenhouse Gas Emission Data in the Corporate Carbon Footprint 2015. .

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Greenhouse Gas Emission Data presented in the Corporate Carbon Footprint 2015 is not prepared, in all material respects, in accordance with the GHG Protocol criteria (Relevance, Completeness, Consistency, Transparency and Accuracy).

Emphasis of Matter - Use of estimates and assumptions

Without qualifying our conclusion we refer to the fact that the calculation of Greenhouse Gas Emission Data is by nature partly based on estimates and assumptions.

Emphasis of Matter - Recommendations

Without qualifying our conclusion above, we make the following recommendations for the further development of the Company's Greenhouse Gas Emission reporting:

- Systematic expansion of the greenhouse gas emission reporting to BRITA entities, which are not yet covered by the Corporate Carbon Footprint and with the objective to capture and report the greenhouse gas emissions of the entire BRITA Group.
- Further formalization of the existing reporting processes and the internal control system for the material variables of the Corporate Carbon Footprint.

Restriction on Use and Distribution

We issue this report on the basis of the engagement agreed with the Company. The audit has been performed for purposes of the Company and is solely intended to inform the Company about the results of the audit. The report is not intended for any third parties to base any (financial) decision thereon. We do not assume any responsibility towards third parties.

Munich, 24 May, 2016

PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft

Hendrik Fink ppa. Axel Faupel German Public Auditor

Our engagement applied to the German version of the Corporate Carbon Footprint 2015. This text is a translation of the Independent Practitioner's Limited Assurance Report issued in German - the German text is authoritative.

CONTACT BRITA

BRITA GmbH Corporate Responsibility

Meike Rapp

Heinrich-Hertz-Straße 4 65232 Taunusstein Germany

Tel.: +49 6128-746-5295

Email: mrapp@brita.net

www.brita.de