



**Annual and Sustainability Report 2018**  
The Weleda Group and Weleda AG

## What we can learn from bees

Bees: they buzz around from one blossom to the next, collecting nectar. In the process, they pollinate around 80 per cent of our flowers. If they didn't, we would have to go without many types of fruit and vegetable – including apples, cherries and cucumbers. But we can also learn something from bees when it comes to cooperation: in the beehive, every bee has its task. Because they communicate so well with each other, their colonies are much more efficient than those of solitary insects. The benefit is that every bee contributes to the whole. This report also addresses the topic of collaboration. After all, that is what forms the basis for the development of collegial leadership – an organisational form in which shared actions align without much coordination in order to fulfil a purpose. We discuss good collaboration in seven goodprints. Including our cooperation with the two beekeepers pictured above. Because bees are in danger. You can read about our efforts to save them on page 15.

### Contents

**KEY FIGURES AT A GLANCE**  
(INSIDE COVER PAGE)  
SELECTED KEY FIGURES  
FINANCIAL KEY FIGURES:  
ECONOMY  
VALUE ADDED STATEMENT

**1 BRIEF PROFILE**  
GROUP STRUCTURE AND SHAREHOLDERS  
**2 EDITORIAL OF THE BOARD OF DIRECTORS**  
**3 BOARD OF DIRECTORS OF WELEDA AG**  
**4 THE EXECUTIVE BOARD OF WELEDA AG**  
**5 THE WELEDA PURPOSE**

**6 WELEDA SUSTAINABILITY PROGRAMME:  
SEVEN AREAS OF ACTION**  
**8 PRODUCT DEVELOPMENT AND PRODUCTS**  
**14 REGENERATIVE FARMING AND BIODIVERSITY**  
**18 RESPECTFUL SUPPLY CHAIN**  
**22 SUSTAINABLE SITES, PRODUCTION AND  
LOGISTICS**  
**26 MEANINGFUL AND EFFECTIVE WORK**  
**30 CULTURAL AND SOCIAL DEVELOPMENT AND  
RELATIONSHIPS**  
**34 MANAGEMENT AND FINANCE**

**46 MANAGEMENT REPORT**

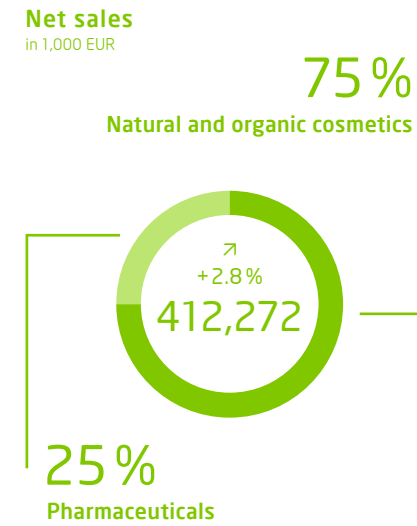
**49 2018 FINANCIAL STATEMENTS**  
49 WELEDA GROUP  
67 WELEDA AG

### NOTES

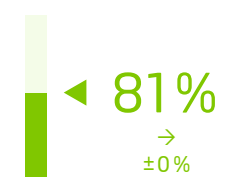
**82 ENVIRONMENTAL SUSTAINABILITY TABLE**  
**85 EMPLOYEES TABLE**  
**86 GLOBAL REPORTING INITIATIVE**  
**87 CONTRIBUTION TO THE SUSTAINABLE  
DEVELOPMENT GOALS**  
**88 CERTIFICATIONS**  
**89 CORPORATE GOVERNANCE**

**90 ADDRESSES**  
PUBLICATION DETAILS

## Selected key figures



**Organic proportion of plant-based raw materials**



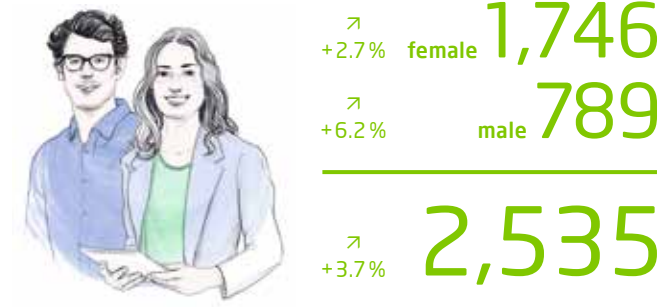
**Proportion of renewable energy (electricity)**



**Switzerland, Germany, France**  
For production facilities of cosmetics and pharmaceutical products: 100%

**All regional companies: 91%**

**Employees**



**Weleda is represented on all five continents and in over 50 countries.**

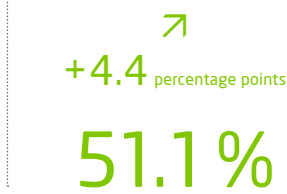


Page 38

**Investments**  
in intangible assets and property, plant and equipment  
in 1,000 EUR



**Equity ratio**



**Recycling proportion of primary packaging (cosmetics)**



Changed calculation: based on the weight of all packaging produced including the closure system

**Proportion of waste that is reused**



Reuse through composting, re-purposing, recycling, recovery, thermal use or other utilisation

## Financial key figures

**Economy**

**Weleda Group – key figures**

	2018 in 1,000 EUR	2018 in 1,000 CHF <sup>1</sup>	2017 in 1,000 EUR	2017 in 1,000 CHF <sup>1</sup>	Change in % 2018/2017 based on EUR values
Net sales	412,272	476,120	400,902	445,630	+2.8
Net sales natural and organic cosmetics	307,620	355,260	292,385	325,006	+5.2
Net sales pharmaceuticals	104,652	120,859	108,517	120,624	-3.6
Operating result (EBIT)	21,051	24,311	18,691	20,776	+12.6
EBIT in % of net sales	5.1 %		4.7 %		
Consolidated result for the year	14,310	16,526	12,960	14,406	+10.4
Cash flow from operating activities	9,133	10,547	29,303	32,572	-68.8
Net assets <sup>2</sup>	35,794	40,336	37,439	43,809	-4.4
Investments in intangible assets and property, plant and equipment	10,942	12,637	12,944	14,388	-15.5
Full-time equivalents (FTE)	2,151		2,077		+3.6
Balance sheet total	262,051	295,305	253,788	296,970	+3.3
Shareholders' equity	133,951	150,949	118,622	138,806	+12.9
Equity ratio	51.1 %		46.7 %		

**Weleda AG – key figures**

Result for the year		-506		-2,509	-79.8
Shareholders' equity		84,857		84,518	+0.4
Dividend in % of nominal value		7.0 % <sup>3</sup>		7.0 %	

<sup>1</sup> At balance sheet date or average rates for the year

<sup>2</sup> Cash and cash equivalents and securities less current and non-current interest-bearing liabilities

<sup>3</sup> Pursuant to the proposal made by the Board of Directors to the General Shareholders' Meeting on June 7<sup>th</sup> 2019

**Value added statement**

	2018 in million EUR	2018 in %	2017 in million EUR	2017 in %	Change in % 2018/2017
<b>Origin</b>					
Revenue (sales, other income and interest income)	416.3		403.5		+3.2
Input (cost of materials, changes in inventory, depreciation and amortisation and other inputs)	-241.2		-234.4		+2.9
<b>Value added</b>	<b>175.1</b>		<b>169.1</b>		<b>+3.5</b>
<b>Distribution</b>					
To employees (employee income, as well as social contributions and Pension Fund)	152.3	87.0	147.7	87.3	+3.1
To public authorities (taxes)	5.6	3.2	4.6	2.7	+21.7
To charitable organisations (donations), pursuant to paragraph 2 (3) of the articles of incorporation	2.3	1.3	2.5	1.5	-8.0
To lenders (interest expense)	0.6	0.3	1.3	0.8	-53.8
To shareholders (dividends)	0.9 <sup>1</sup>	0.5	0.9	0.5	+0.0
To the company (retained earnings)	13.4	7.7	12.1	7.2	+10.7
<b>Value added</b>	<b>175.1</b>	<b>100.0</b>	<b>169.1</b>	<b>100.0</b>	<b>+3.5</b>

All information based on average rates for the year. Comments to the value added statement: see page 37

<sup>1</sup> Pursuant to the proposal made by the Board of Directors to the General Shareholders' Meeting on June 7<sup>th</sup> 2019

Key figures at a glance

## Brief profile

Weleda is the world's leading manufacturer of certified natural cosmetics and anthroposophic pharmaceuticals. The product portfolio comprises more than **1,000** pharmaceuticals worldwide and a wide range of extemporaneous pharmaceutical preparations, as well as **120** natural and organic cosmetics. They are developed based on a unique understanding of people and nature. For decades, nearly **1,000** substances from nature have formed the foundation of our products, which contribute holistically to the health and well-being of people.

Weleda products are available in more than **50** countries. The company employs **2,535** people<sup>1</sup> worldwide to develop, produce and market its products. The Swiss stock corporation has its headquarters in Arlesheim (Switzerland) and its largest branch in Schwäbisch Gmünd (Germany). The Group furthermore includes **23** companies in **20** countries.

Anthroposophy inspires the view of the human being and understanding of nature that is at the heart of Weleda's vision: contributing to a world in which the health and beauty of human beings and nature continually unfold.

**Group structure and shareholders**

33.7 per cent of the capital and 76.7 per cent of the voting rights of Weleda AG are held by two principal shareholders: the General Anthroposophical Society (AAG, Dornach, Switzerland) and Klinik Arlesheim (KA, Arlesheim, Switzerland), formerly Ita Wegman Klinik AG. The remaining voting and non-voting shares are publicly floated. Under the company's articles of incorporation the registered shares of Weleda AG may be transferred only with the written permission of the Board of Directors of Weleda AG. Acquirers must be members of the General Anthroposophical Society, Dornach. In order to be valid, the transfers have to be registered in the company's share register.

**Capital structure of Weleda AG<sup>2</sup>**

	Number of shares	Nominal capital in CHF
Nominal registered voting shares CHF 1,000	3,478	3,478,000
Nominal registered voting shares CHF 112.50	6,880	774,000
Nominal registered voting shares CHF 125	3,984	498,000
Nominal registered non-voting shares CHF 500	19,000	9,500,000
<b>Total nominal capital</b>		<b>14,250,000</b>

<sup>1</sup> Number of persons including trainees, apprentices, marginally employed staff, volunteers

<sup>2</sup> The share capital is fully paid. As at December 31<sup>st</sup> 2018, there is neither authorised nor contingent share capital. Every registered voting share entitles the bearer to a single vote in the General Shareholders' Meeting.

## Dear Readers,

Collaboration is the main theme of this report. To start with, you will find brief contributions on the topic by members of the Board of Directors and the Executive Board. Collaboration, after all, forms the basis for the development of collegial leadership, a type of leadership which takes into account and supports the activities of others. This should not be an end in itself but purpose-oriented. It should be guided by the specific social contribution (purpose) of the company. You can read more about this on page 5.

There is a wide range of activities and new developments to be reported on in all seven areas of action relevant to our sustainable approach, from which the structure of this report is derived. As a very positive development, a group of employees has come together to develop a sustainable, customer-oriented and economically viable pharmaceuticals strategy. I also find it worthy of note that we have founded a Competence Centre for Pharmaceutical Processes.

I would further like to highlight the upcoming investment in a plot of land in the Gügling industrial park in Schwäbisch Gmünd, where the new logistics and production buildings are to be built. For this project of the century, it was important for us to find an Executive Board member who would be able to assume responsibility for production in particular. For this, we are glad to have Alois Mayer as an experienced and qualified colleague who joined our ranks in the summer of 2018.

We were also able to recruit two new people for the Board of Directors: Monique Bourquin and Ueli Hurter. Jürg Galliker, who has been Deputy Chairman since 2012, will resign from the Board of Directors. I would like to take this opportunity, also on behalf of the Board of Directors and the Executive Board, to express my sincere thanks for the especially valuable contribution he has made to Weleda!

The year 2018 was a successful one, including from a financial point of view. This is clear from the financial statements in this report. Even those projects that have not yet produced any direct fruits are making good progress, such as the revision of the product range strategy for natural and organic cosmetics, the reorientation of the marketing strategy, the Idea Factory and much more. Investments in the US and Brazilian markets are beginning to take hold. The first three treatment studios have been established in the Netherlands and are progressing well.

On behalf of the Board of Directors, I would like to thank all of Weleda's more than 2,500 employees for their great commitment, and our customers and suppliers for their trust.

Weleda, as a purpose-oriented company, is worth all of our efforts!  
Yours,

Paul Mackay  
Chairman of the Board of Directors of Weleda AG



## Board of Directors of Weleda AG

1  
**Prof. Dr Harald Matthes**  
Senior doctor at Havelhöhe Community Hospital in Berlin

“  
The creation of shared values requires collegial leadership that transforms diverse skills into a shared corporate culture in a spirit of trust.  
”

2  
**Elfi Seiler**  
Pharmacist by training and co-owner of the St Peter Pharmacy in Zurich

“  
For me, the most important thing about collaboration is our attitude. If we embark on a shared learning path, we will open the doors to a sustainable future for Weleda.  
”

3  
**Dr Andreas Jäschke**  
Managing Director of Klinik Arlesheim

“  
The earth is an organism – only if we keep learning to work together in a truly integrated way will we be able to operate in an ecologically, economically and socially sustainable manner.  
”

4  
**Paul Mackay**  
Chairman of the Board of Directors

“  
Collaboration allows us to see our own contribution in the context of shared responsibilities, thus giving us a freer relationship with ourselves.  
”

5  
**Dr Jürg Galliker**  
Deputy Chairman of the Board of Directors and independent lawyer in Basel

“  
For me, cooperative interaction is characterised by a shared vision and the mutual trust of several people with their own special skills.  
”



## The Executive Board of Weleda AG

1

**Dr Aldo Ammendola**

Chief Research and Development Officer

“

For me, a new form of collaboration means enabling employees to act entrepreneurially so that they can develop their full potential in an open organisational structure with minimal hierarchy and bureaucracy.

”

2

**Andreas Sommer**

Chief Commercial Officer

“

Being able to listen well, being interested in others and remaining open to new ideas – that’s what makes working together exciting. When ideas are then implemented in an entrepreneurial way, collaboration is rewarding for me.

”

3

**Michael Brenner**

Chief Financial Officer

“

With collaboration, interactions characterised by mutual appreciation and interest help each individual to learn something and to develop further. This allows us to achieve good results and make a difference together.

”

4

**Alois Mayer**

Chief Operations Officer

“

Good collaboration is essential for me, because the whole team can achieve more than the sum of its members in this way.

”

## Doing good with our heart, head and hands

Since 2017, we at Weleda have been on a path to collegial leadership – a form of self-managing organisation. When traditional hierarchies are challenged, all employees must find orientation for their actions within themselves. In this context, connecting with the company’s purpose is crucial. In an interview, Nataliya Yarmolenko explains what this is all about.

### What is a purpose, and why does Weleda need one?

**NATALIYA YARMOLENKO:** The purpose describes the meaning or objective of a company. This was already established by Weleda when it was founded, and it is also reflected in our vision: allowing the health and beauty of human beings and nature continually to unfold. To bring this to life, every employee must connect with the purpose – both on a rational level and with their heart.

### What changes when the purpose is put into practice?

**NATALIYA YARMOLENKO:** The connection from the heart creates an inner mindset and an individual motivation for each person’s own actions. If every employee makes a contribution to the company from this perspective, the result is a work community in which the individuals’ actions intertwine and complement each other without much need for coordination – as in a beehive, with less need for meetings and structures. This makes us more efficient and thus faster and more competitive. Meaningful work also makes people healthier and happier. After all, if we want to make the world healthier and more beautiful, we have to start with ourselves.

### How did you go about putting the purpose into words?

**NATALIYA YARMOLENKO:** We worked intensively for three days in a team with employees from various hierarchical levels and branches to connect with the meaning of Weleda. It was very moving and inspiring work.

### The following expressions resulted from this:

1.

#### WE DARE TO CARE.

Expresses courage. Courage to act, courage to take care of nature, people and society. Harmony between human beings and nature – does not mean being passive. We want to make an active contribution.

2.

#### INSPIRED BY ANTHROPOSOPHY WE DARE TO MAKE A DIFFERENCE.

This refers to Weleda’s unique store of knowledge. We want to use it to draw on ideas and inspiration that work in all areas of our company: from product development to communication, from the procurement of our raw materials to our interactions with employees and customers. This is how we aim to bring something new into the world – to develop innovations that reflect our vision of the health and beauty of human beings and nature, and thus express our uniqueness.

### What are the next steps?

**NATALIYA YARMOLENKO:** So far we have received positive feedback from the organisation – many people were very moved and could immediately connect with the purpose. But nice words are not enough. The purpose must be put into practice. We are currently working on this: a kind of toolbox is intended to help integrate the purpose in everyday life. To achieve this, we need freedom to act, which must be established in the transformation process leading to collegial leadership.



Connected with Weleda’s purpose: Nataliya Yarmolenko (pictured above), responsible for the Northern, Eastern and Central European region, participated in the working group that reformulated Weleda’s purpose (see box).

## Development of the Weleda Sustainability Programme

In the reporting year, we adopted our Sustainability Programme for the entire Weleda Group for the period up to 2022. It includes comprehensive and ambitious goals with a global approach. We would like to present some of our goals to you here. Further goals are discussed in the following chapters on our seven areas of action for sustainability.

We first published our seven areas of action for sustainability in our 2017 report. They are all imbued with social, ecological and economic dimension, with Weleda's vision and purpose at their core: "We dare to care". These seven integrated areas of action correspond to Weleda's main sustainability goals. The various areas of action each include concrete qualitative and quantitative commitments, i.e. binding promises and obligations. With our new Sustainability Programme, we have also adopted new goals in each area of action, and we intend to achieve these on a global scale over the next four years.

### Seven new commitments

We will continue to comply with and further develop our existing commitments in the future. They are the cornerstone of Weleda's identity and values. In the reporting year, we adopted seven new commitments. These embody new, integrated guiding principles that will strongly support our values and make a contribution to the sustainable development of society:

- ▶ Attractive and sustainable packaging
- ▶ Healthy soils
- ▶ Sustainable and healthy lifestyle
- ▶ Certification as global B Corp
- ▶ Transparency regarding true costs
- ▶ Place for human development based on shared tasks
- ▶ Improvement of the ecological footprint

### Healthy soils

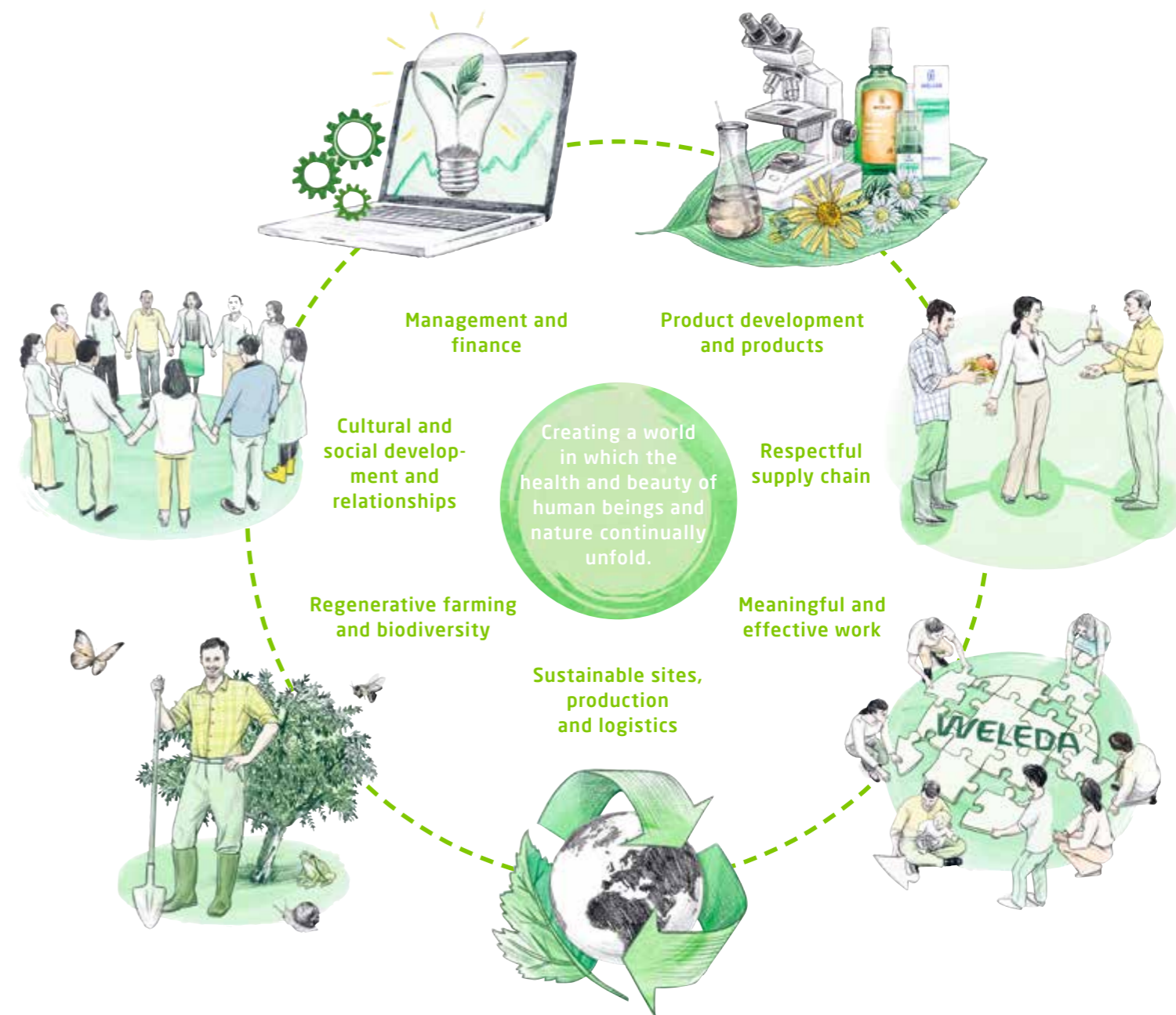
Healthy soils are the foundation of all Weleda products and an absolute prerequisite for the health and beauty of nature. With our commitment to sustainability, we make a substantial contribution to healthy soils and the preservation of ecological diversity. A cornerstone of the current Sustainability Programme is the promotion of regenerative farming. At present, the organic proportion of natural raw materials is more than 80 per cent, with 30 per cent to come from biodynamic cultivation by 2022 (see page 16). That means: aim to purchase certain raw materials only in biodynamic quality.

### Transparency regarding true costs

Today's supply chains often produce negative external effects on people and nature, such as major social inequalities, damage to health, land grabbing<sup>1</sup> and the destruction of biodiversity. Despite negative effects, the resulting products are often too inexpensive and the external costs are not priced in. A large part of our ecological footprint lies in the value chain, for instance in the climate impact of our suppliers' energy consumption. Meanwhile, there are many positive social and ecological impacts that we have not yet quantified. It is our goal to create transparency regarding true costs. It helps us better understand our negative and positive impacts on people and nature (ecological, health-related, social and societal) in the supply chain. We have already launched a pilot project on the true costs of the important raw materials calendula and pomegranate (see page 20).

### Attractive and sustainable packaging

We are seeking better environmental solutions at all levels for our packaging: for primary packaging (direct product packaging) as well as for secondary packaging (outer cartons, package inserts). Together with our market partners, we are researching solutions to reduce packaging, improve recycling options and create new designs and packaging systems. In 2019, several new packaging solutions will be launched on the market, for example featuring a higher recycled proportion. Since 2018, Weleda has been a member of the Rezyklat-Forum, a German economic initiative of retailers and producers for more sustainable packaging solutions and the reduction of plastic waste. We report on our progress in the following chapter.



## Goodprint

In the following seven chapters, we present our "goodprints". These are employees and people associated with Weleda who make the world a better place through their actions, be it through their professional

activities or through efforts in their leisure time. We have coined the term "goodprint" for their positive work, as opposed to the already familiar concept of an ecological footprint.

<sup>1</sup> Seizure of land through the purchase of valuable foreign agricultural land for the company's own use

# ▶ 1 Product development and products

The trust of our consumers is based on our special commitment to quality. But today, our consumers also demand innovation. With the Idea Factory, we are committed to making Weleda Natural Beauty products even more consumer-oriented. In addition to new developments, we see it as our task to preserve and pass on our wealth of knowledge in anthroposophic pharmacy and medicine.

Our commitments	Milestones 2018	Assessment
100% Natrue: certification for all cosmetic products	<p>New products:</p> <ul style="list-style-type: none"> <li>▶ Beauty Balms</li> <li>▶ Gentle Cleansing Foam</li> <li>▶ Feel Good Shower Limited Edition (with Ginger)</li> <li>▶ Edelweiss Sun Care</li> <li>▶ Kids 2 in 1 Shower &amp; Shampoo</li> </ul>	●
High vertical integration (fragrance development, quality control and tincture production)	<p>Continuation of the intensity of vertical integration, for example in the manufacture of tinctures:</p> <ul style="list-style-type: none"> <li>▶ Strong increase in volumes of <i>Violatricolor</i> (pansy) extract (for Skin Food line extension 2019)</li> <li>▶ Processing of <i>Urtica urens</i> (stinging nettle) from the medicinal plant garden in Schwäbisch Gmünd (for Edelweiss After Sun Lotion)</li> </ul>	●

● Promise fulfilled ● Promise not fulfilled

New targets for 2022	Status quo 2018	Forecast
<p><b>Appealing and sustainable packaging</b></p> <p>Natural Beauty primary packaging (based on the weight of all packaging produced, including closure systems):</p> <ul style="list-style-type: none"> <li>▶ At least 65% recycled materials or bioplastics</li> <li>▶ At least 75% recyclability or compostability</li> </ul>	<ul style="list-style-type: none"> <li>▶ Percentage of recycled material or bioplastics: approximately 29%</li> <li>▶ Share of recyclable material: approximately 85%</li> <li>▶ Activities in 2018: development of new packaging solutions with high share of recycled material (to be introduced in 2019)</li> </ul>	● ●
<p>Natural Beauty secondary packaging (folding boxes, package inserts):</p> <ul style="list-style-type: none"> <li>▶ 100% sustainable paper or cardboard (e.g. recycled material, FSC-certified)</li> <li>▶ 100% recyclability or compostability</li> </ul>	<p>Share of sustainable paper or cardboard:</p> <ul style="list-style-type: none"> <li>▶ 100% (FSC-certified and/or recycled material)</li> <li>▶ Share of recyclable material: 100%</li> </ul>	● ●
<p>Natural Beauty transport packaging:</p> <ul style="list-style-type: none"> <li>▶ 100% sustainable paper or cardboard (e.g. recycled material, FSC-certified)</li> <li>▶ 100% recyclability or compostability</li> <li>▶ Increase in the proportion of cardboard boxes and ecologically sensible filling and packaging material (reduced use of shrink film, bundle film, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>▶ Share of sustainable paper or cardboard: 100% (FSC-certified and/or recycled material)</li> <li>▶ Share of recyclable material: 100%</li> <li>▶ Activities in 2018: development of new solutions to optimise transport packaging (to be introduced in 2019)</li> </ul>	● ● ●

● Target seems easy to reach ● Target seems difficult to reach ● Target seems very difficult to reach



Sprinting to the result: twelve department heads developed a sustainable pharmaceuticals strategy using the agile project method. Pictured here (top, from left to right): Silvia Rossetto, Mónica Mennet-von Eiff, Aldo Ammendola, Thomas Armbrusten Martin Schnelle, Christian Birringer.

## Employees develop strategy for pharmaceuticals

An enormous store of knowledge with over 1,000 pharmaceuticals worldwide – that’s what Weleda’s pharmaceuticals division is all about. However, complexity also continues to drive up costs, which is why external consultants have been commissioned several times in the past to optimise the business model of the pharmaceuticals area. “However, these plans usually disappeared in a drawer because the complex interests of various stakeholders were not sufficiently taken into account,” says Dr Aldo Ammendola, a member of the Executive Board. To reconcile Weleda’s economic goals with its sense of responsibility for individualised anthroposophic medicine, in-house experts (12 department heads) have developed a suitable pharmaceuticals strategy. They tested a new way of working together, “collegial leader-

ship". Extended decision-making powers and room for manoeuvre enabled the team autonomously to develop binding solutions for the pharmaceuticals division. In "agile sprint mode", they focused on individual work packages in a two-weekly rhythm in order to check results immediately for feasibility. "We set ourselves short-term goals and exchanged our interim results every other day," says Dr Birgit Brander, Head of Quality Assurance. This way of working required a lot of time from the team members, but it also created a tremendous team spirit. "It was great to see that everyone involved was putting their heart and soul into promoting Weleda's future-oriented pharmaceuticals strategy," says Dr Aldo Ammendola. The key finding was that it would hardly be possible to achieve lasting stability and profitability in the pharmaceuticals business within the existing business model. In addition to measures to optimise the existing model, the new concept also tests an expansion of the pharmaceuticals division: positioning Weleda not only as a product manufacturer but also as a service provider for health. "The new concepts will also be developed using agile sprints. This will provide us with the creative freedom that we urgently need to restructure our pharmaceuticals business," says Dr Christian Birringer, Head of Starting Substances Manufacture. ↩

“  
It was great to see that everyone involved was putting their heart and soul into promoting Weleda's future-oriented pharmaceuticals strategy.  
”

Dr Aldo Ammendola



A great store of knowledge: Weleda sells more than 1,000 pharmaceuticals worldwide. Thomas Armbruster, Silvia Rossetto and Christian Birringer (from left to right) working out details of the pharmaceuticals strategy.

IN BRIEF

New packaging for roll-on deodorants



70%

recycled plastic is contained in the new eco-design bottle of our roll-on deodorants (without cap and roller ball). The plastic is produced in the UK from recycled packaging such as milk and juice bottles. Thanks to careful cleaning and processing, it is then just as safe as food packaging. The eco-bottle reduces the use of new plastics and is also completely recyclable.



Successful use of research results

In addition to the frequently used hyaluronic acid, Visiodoron Malva eye drops also contain mallow extract. Preclinical studies have shown that this combination has a particularly potent moisturising effect on dry eyes. We use this result successfully in our communication. A clinical study conducted in Italy has also confirmed the results of the preclinical studies on the basis of high patient satisfaction. In the future, we will continue preclinical research for other products so that we can advertise them based on evidence.

A classic is seeing new growth

Hard to believe, but true: it's been around for 93 years! The iconic, award-winning Skin Food cream has nourished and protected skin since 1926.

International stars and make-up artists have long been among the steadily growing fan base of the green all-rounder. We have used our long-standing experience to expand the Weleda product range for dry skin:

1. **Skin Food Light:** light and fast-absorbing version of Skin Food Skin Cream
2. **Skin Food Body Butter:** intensive moisturising care for the whole body
3. **Skin Food Lip Butter:** fast relief for dry lips

The Weleda Skin Food series is based on a formula rich in active ingredients with high-quality plant extracts derived from pansy, rosemary, chamomile and calendula as well as highly nourishing oils and waxes. The multifaceted products owe their unmistakable fragrance to a composition of sweet orange, aromatic lavender and balsamic benzoin, which is expressed uniquely in each of the four products.

New packaging

Both the classic Skin Food and the new Skin Food Light have been on the market since the beginning of 2019 in a tube of composite film with a hinged lid for easy handling. The tube shell



The entire Skin Food series was named Best New Product at the Vivaness 2019 trade fair in Nuremberg, the world's most important trade fair for the natural cosmetics industry.

features recycling content of 24 per cent. The transport packaging of Skin Food Lip Butter contains 83 per cent recovered paper.

The four new arrivals: Clarifying Wash Gel, Mattifying Fluid, Spot Cover Cream, S.O.S. Spot Treatment



24%

recycled content is contained in the tube shell of the Clarifying Wash Gel.

Naturally clear skin – the new Weleda facial care line

A natural solution to treat blemished skin? The new Weleda Naturally Clear facial care line with four products is gentle but effective against blemishes without drying out the skin.

We aim to address teenagers in particular, but also adults who struggle with blemished skin. The aromatic scent of blue chamomile, lavender and peppermint conveys a feeling of purity and freshness. This carefully selected fragrance composition was specially developed for use on blemished skin.

## From the Idea Factory

Where do we actually get the ideas for our new products? Since 2018, the answer has been: in the Idea Factory. In an interview, Sabine Sassine, responsible for innovations in Natural Beauty as part of Global Marketing, and Bernhard Irrgang, Head of Research and Development for Natural and Organic Cosmetics, talk about the goals of the Idea Factory and what future innovations might look like.

### Why was the Idea Factory founded?

**BERNHARD IRRGANG:** The rate and speed of innovation in the natural and organic cosmetics industry has increased significantly in recent years. Innovations are also a key pillar of our growth strategy. If we want to grow sustainably, we have to strengthen and expand this approach. We know that other companies are already much further ahead than we are.

**SABINE SASSINE:** With the Idea Factory, we aim to create a space for finding ideas that are effective in the long term. Because creativity requires freedom – but also discipline, so as not to lose sight of the ideas and to keep working on them vigorously.

### What are the goals of the Idea Factory?

**BERNHARD IRRGANG:** We want to develop fewer but better new products that are relevant for consumers and support them in the long term. This also enables us to make better use of our resources. However,



“  
Creativity requires freedom –  
but also discipline, so as not to  
lose sight of the ideas and to  
keep working on them vigorously.  
”

Sabine Sassine, responsible for innovations  
in Natural Beauty

this means not only having great ideas but also implementing them with enthusiasm. Therefore our creative meetings in the Idea Factory are complemented by monthly follow-ups on the ideas and projects we generate. Our goal is to regularly bring high-quality and sustainable innovations to the market for our customers.

### How is the customer's perspective considered in the brainstorming process?

**SABINE SASSINE:** Customer orientation is very important to us, and in 2018 we conducted various studies to identify relevant consumer groups and better understand their needs and purchasing behaviour. We also use established sources of information about trends, market data and product innovations, and benefit from the insights provided by our branches around the world. Every new concept or idea is tested with the help of consumers to assess its potential.

### What conclusions can you draw after one year?

**BERNHARD IRRGANG:** We are proud of the results we have achieved so far. We have initiated a process for the Idea Factory, which we are constantly adapting, and we have already collected some ideas for further innovations. What pleases us most, however, is the team spirit that has developed out of this, characterised by creativity, motivation and solidarity among the various departments and branches. Another crucial success has been the better integration of all strategy-relevant teams in the innovation process.



The common nettle on soil with specially prepared iron fertiliser. The potentiation of metals by living plants is a pharmaceutical process that the APCC hopes to investigate more closely in the future.

## Preserving and developing knowledge

In June of 2018, Weleda AG founded the Anthroposophic Pharmacy Competence Centre (APCC). The aim of the new Competence Centre is to preserve and deepen Weleda's pharmaceutical knowledge.

Manufacturing processes play a decisive role in producing high-quality and effective pharmaceuticals from natural substances. Scientific principles and principles derived from anthroposophy are equally important in this respect. Expertise concerning pharmaceutical processes has declined in recent years, mainly due to staffing issues. The Competence Centre is now committed to systematising this knowledge and passing it on to younger generations of pharmacists. This is not only intended to benefit Weleda employees and the quality of our products. The external specialist community is also a very important target group. In addition, the basic ideas of pharmaceutical discovery and production should be communicated to a wider public in intelligible language. The APCC is also engaged in basic research relating to manufacturing processes in order to present them effectively to the outside world.

“  
We want to preserve  
and deepen existing knowledge  
and pass it on to younger  
generations of pharmacists.  
”

Dr Wolfram Engel, Head of the Anthroposophic  
Pharmacy Competence Centre



The production of metal mirrors through reduction in a liquid medium is a method that is only practised at Weleda. Metal mirrors are key medicinal products in anthroposophic treatment. It is crucial that we understand them better.

“  
One of our aspirations is to  
convey the basic ideas of  
anthroposophic pharmaceuticals  
in intelligible language.  
”

Dr Mónica Mennet-von Eiff, Head of the  
Anthroposophic Pharmacy Competence Centre

### ANTHROPOSOPHIC MEDICINE COMPETENCE CENTRE

Besides the Anthroposophic Pharmacy Competence Centre there is the Anthroposophic Medicine Competence Centre (AMCC) which has existed for several years. The AMCC provides internal support and advice on a wide range of topics for which anthroposophic medical aspects are relevant. The members of the AMCC also exchange information with anthroposophic medical practitioners through working groups, discussions and events.



## ▶ 2 Regenerative farming and biodiversity

The quality of our raw materials is particularly important to us. Our goal for organic plant-based raw materials is to increase the biodynamic proportion to 30 per cent by 2022. We are confident that this type of farming is the most sustainable. This is the cultivation method that gives back more to our environment than it takes, thanks to closed cycles with natural humus formation.

### Our commitments

Minimum average organic proportion of 80%, based on certifiable raw materials

Commitment to a more sustainable palm industry

Eight proprietary medicinal plant gardens worldwide (Germany, largest biodynamic garden in Europe; Switzerland; France; England; Netherlands; Brazil; Argentina; New Zealand), biodynamic management, habitat for plant and animal species, promotion of biodiversity

### Milestones 2018

Current status: 81 %

- ▶ Organic requirement implemented for new raw materials
- ▶ UEFT standard: new partnerships comply with organic requirements and fulfil social and ecological demands.

Participation in the Forum for Sustainable Palm Oil (FONAP), Chairmanship

Medicinal plant garden in Germany:

- ▶ In 2018, it was possible to harvest all crops despite the severe drought.
- ▶ New in cultivation: Californian poppy (*Eschscholzia californica*)

### Assessment



● Promise fulfilled ● Promise not fulfilled

### New targets for 2022

Initiative for biodynamic agriculture

Increase in the proportion of raw materials from biodynamic agriculture to 30 %

Promotion of biodiversity in projects and with stakeholders

Seed strategy and seed initiative

### Status quo 2018

Initiative launched, exploratory talks for alliances with external partners

Priorities:

- ▶ Expansion of biodynamically farmed areas (together with Demeter)
- ▶ Enhanced communication regarding the benefits of regenerative farming

Conversion from organic to Demeter quality for the following raw materials:

- ▶ Cane and beet sugar, olive oil, sunflower oil, jojoba oil
- ▶ Collaboration with UEFT (chair, representation on several committees)
- ▶ UEFT certification (supply chain management system for all raw materials in the natural and organic cosmetics area)
- ▶ Since Q4/2018 (after the start of certification) five supply chain audits according to the UEFT standard
- ▶ Biodiversity assessment in three supply chains; planting of hedges in a raw materials project

▶ Development of the Weleda seed strategy

- ▶ Support for organisations such as Initiative Biosaatgut Sonnenblume (IBS), Hortus officinarum and Zukunftsstiftung Landwirtschaft which, like Weleda, are committed to freedom from GMOs, the promotion of hybrid-free seeds and transparency in organic supply chains

### Forecast



● Target seems easy to reach ● Target seems difficult to reach ● Target seems very difficult to reach



Goodprint

Beekeeping adapted to the needs of bees: the beekeepers David Gerstmeier (pictured below, centre) and Tobias Miltenberger (right) base their work on the natural needs of bees. Christoph Möldner (left) has been supporting them with the magazine *Werde* since 2017.



## Protecting all that is important for people and nature

When World Bee Day is celebrated on 20<sup>th</sup> May, lasting change for these insects is on the agenda in Baden-Württemberg. The Free Institute for Ecological Beekeeping "proBiene" in Stuttgart would like to petition for a referendum on preserving biodiversity in the region on this date. "Sixty years ago, two million bee colonies lived here," says director Tobias Miltenberger, "while today the remaining 800,000 are particularly affected by monocultures and the intensive use of pesticides in agriculture." The beekeeper and his colleague David Gerstmeier have been running the Summtgart apiary together since 2015. Only one year later they founded the Institute, where they also teach courses on the importance of honey bees. The magazine *Werde* published by Weleda AG has been supporting them since 2017: part of each subscription fee for the quarterly publication goes to ecological projects like the BioBoden Genossenschaft and proBiene – readers decide whom they want to support. "This helps us to promote biodynamic beekeeping even more," says Miltenberger happily, who also enjoys the stimulating exchange with Christoph Möldner, editor-in-chief of the magazine. "Thanks to this cooperation, we at *Werde* are better able to raise awareness of socially relevant issues," says Möldner. "Our readers can thus actively contribute to a positive development." The next opportunity will come in June, when a special *Werde* issue on the subject of bees will be available at kiosks with a new special offer. ↵

www.probiene.de www.werde-magazin.de



Subscriptions for Future: Weleda supports the proBiene project with part of the subscription price for the magazine *Werde*, thus also helping to preserve biodiversity.

## More biodynamic raw materials

Strong and thriving medicinal plants rely on healthy soils and a rich diversity of species. This is why we actively promote biodynamic cultivation together with our partners.



Bee-friendly sunflower varieties: Weleda has been involved in seed breeding since 2005.

**30%**  
of the organic component  
is to come from  
biodynamic farming  
in future.

For decades, around 1,000 natural raw materials have formed the basis for effective and high-quality Weleda pharmaceuticals and natural and organic cosmetics. Safeguarding and fostering this treasure is the goal of our raw materials procurement and we support biodynamic cultivation worldwide through long-term partnerships with our raw material suppliers. In our Sustainability Programme for the period up to 2022 (see page 6), we have set ourselves the goal of significantly increasing the proportion of raw materials from biodynamic cultivation: to 30 per cent of the organic component.

### Demeter sunflower oil from Hungary, Croatia and Austria

The seeds for sunflowers come – also in organic cultivation – almost exclusively from large seed companies. Therefore it is often the case that only hybrids or old varieties are available and these are not up to the demands of modern, organic agriculture. To safeguard genetic resources and breed bee-friendly varieties, Weleda and Peter Kunz, a Swiss cereal cultivator, started cultivation trials with various sunflower varieties back in 2005. Many well-known companies are now involved in the project, as well as 40 to 50 small farmers who



A real all-rounder: the sugar beet (above) increases soil fertility and binds carbon dioxide. Workers in Paraguay (right) use oxen to transport the harvested cane sugar.



grow sunflowers in Hungary, Croatia and Austria. For some years now, they have been gradually converting to biodynamic farming. This is associated with a crop rotation in which sunflowers are grown on the same area only every five years. For 2019, we plan to purchase 100 tonnes of Demeter-quality organic sunflower oil.

### Local Demeter beet sugar

In southern Germany, about 20 farmers grow Demeter-certified sugar beets. The sugar beet grows in a diverse crop rotation in Bavaria and Baden-Württemberg. This plant offers many advantages: with its roots, it penetrates soil layers up to two metres deep and increases soil fertility. It also converts water into plant mass in an extremely economical and effective way. The sugar beet absorbs more carbon dioxide from the air than any other crop.

For sugar production, the sugar stored in the beet is simply extracted. At Weleda, the certified Demeter sugar is contained in various medicines.

### Demeter cane sugar from Paraguay

Since 2013, the La Felsina cooperative has been supplying Germany with Demeter-certified raw cane sugar from over 100 small farmers. The Paraguayan sugar mill was founded back in 1928. During sugar production from May to December, 280 people work in the sugar mill. An additional 300 harvesters are employed, and 50 people to transport the sugar cane. The high-quality sugar is used in the Weleda Elixir.

## IN BRIEF

### Ten bee projects

Since the start of the campaign in 2013, 3,500 school classes have worked with ProBienen. The importance of wild bees and honeybees was explained to 10,000 children and young people in beekeeping projects. The Swiss campaign was initiated by Weleda Arlesheim in cooperation with the supermarket chain Coop and three other Swiss brands.

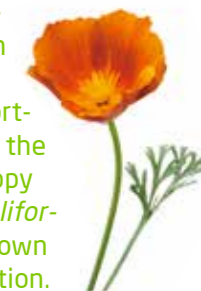
[www.probienen.ch](http://www.probienen.ch)



### Californian poppy

The new plant species has graced the Weleda medicinal plant garden in Germany since 2018.

The first cultivation was very successful, with more than 1.5 tonnes harvested in the reporting year. In 2019, the Californian poppy (*Eschscholzia californica*) will be grown for seed production.



### Biodiversity island

Since 1980, Weleda Arlesheim has leased two hectares of land on the Bruderholzhof. There, our gardeners cultivate 35 types of medicinal plants for the production of pharmaceuticals, surrounded by organically managed pastures, fields and forests. Due to its rich biodiversity, the farm has been designated a natural monument in the canton of Basel-Landschaft.

## ▶ 3 Respectful supply chain

Weleda products are based on 1,000 substances from nature. We source many natural raw materials and valuable medicinal plants from suppliers around the globe. We cooperate with more than 50 cultivation partners worldwide. The ethical sourcing of raw materials is important to us – for people and nature. Since 2018, we have been the first European brand to be certified by the Union for Ethical BioTrade.

Our commitments	Milestones 2018	Assessment
<p>Cultivation projects (approx. 50 worldwide)</p> <hr/> <p>UEBT management system for the entire supply chains of natural raw materials in the natural and organic cosmetics area</p>	<p>Support for social projects:</p> <ul style="list-style-type: none"> <li>▶ Conversion of energy supply to solar energy in Egypt (jojoba cultivation, Sekem initiative)</li> <li>▶ Protection of animals during lavender harvesting in the South of France (funding for equipment for tractors)</li> <li>▶ Support for the botanical garden in Honduras (cultivation and advice on exotic medicinal plants, also to ensure supplies for Weleda pharmaceuticals)</li> <li>▶ Cost coverage for medical emergency aid (antiserum for scorpion bites to save lives in Mexico, sesame cultivation)</li> <li>▶ Financial support for a village school in Romania (completion of the sewage system and lightning conductor)</li> <li>▶ Support for the Arnica Festival in a school in the Carpathians (appreciation of the landscape and preservation of biodiversity)</li> </ul> <hr/> <p>UEBT certification since June 2018 (for the supply chain management system for all raw materials in the natural and organic cosmetics area)</p>	<p>●</p> <hr/> <p>●</p>
<p>● Promise fulfilled ● Promise not fulfilled</p>		
New targets for 2022	Status quo 2018	Forecast
<p>Transparency regarding true costs</p> <hr/> <p>Transparency regarding the true costs for all essential plant-based raw materials (true cost accounting)</p>	<p>Successful completion of the true costs pilot project for two key raw materials (calendula and pomegranate)</p>	<p>●</p>
<p>● Target seems easy to reach ● Target seems difficult to reach ● Target seems very difficult to reach</p>		

Goodprint



Appreciative cooperation since 2011: Rik Kutsch Lojenga from UEBT with Annette Piperidis from Weleda (pictured on the right). Annette Piperidis on site at the audit of the sandalwood supplier in New Caledonia.



### With the UEBT seal for more biodiversity

Germany, 1992: the ribwort was the medicinal plant and the robin was the bird of the year. They represented a tiny fraction of the biodiversity on our planet – in a year in which it was, for the first time, recognised as being in need of protection in its entirety. In Rio de Janeiro, the United Nations adopted the Convention on Biological Diversity with a view to preserving and sustainably managing the earth's biological diversity in the future. The Dutchman Rik Kutsch Lojenga was 22 years old at the time and a student of environmental economics in Amsterdam. "That was all new," he recalls, "even the term biodiversity." Rik himself has helped to make it better known today. In 2007, he founded UEBT: the Union for Ethical BioTrade is a non-profit association



dedicated to ensuring that “raw materials are purchased with respect for people and biodiversity”. Weleda AG has been a member of the non-profit since 2011. In 2018, it was the first European company to be certified and is authorised to apply the new UEBT seal to natural and organic cosmetics products (see page 21). “Starting this year, users will thus clearly be able to see that all supply chains for the natural raw materials of our natural and organic cosmetics products comply with UEBT guidelines and have been checked accordingly,” says Annette Piperidis, Manager for Sustainable Sourcing at Weleda in Schwäbisch Gmünd. This is based on long-standing, respectful and trusting cooperation with UEBT. “We communicate on a daily basis. There is a solution for everything, which means that standards are not questioned, even for small things,” says Piperidis. “I couldn’t imagine a better approach.” Rik emphasises the shared vision of the partnership, which could not be achieved without the active support of companies. “Social sustainability encompasses far more than ‘just’ fair wages, and the protection of biodiversity also extends far beyond mere organic certification,” says Annette Piperidis, describing Weleda’s sense of responsibility. For example, in Moldova, where some of the lavender is sourced, an insurance policy was taken out to cover weather-related crop losses which had previously been borne by the pickers. In Mexico, sesame growers have access to an emergency serum for scorpion stings. At the same time, the local partner company is endeavouring to protect the 300 species of scorpion, half of which are threatened with extinction. All those involved are very willing to become engaged, even in their private lives. A farmer wanted to cut down a rare tree on his property, but said, “Now I realise there’s only a few left, I will leave it standing.”

[www.uebt.org](http://www.uebt.org)

IN BRIEF

**Calculating the true costs**

When calculating the cost of products, various factors are usually not taken into account, such as water pollution, air pollution and loss of biodiversity. Using two raw materials as examples – calendula and pomegranate – we have started to determine the actual social costs and to compare organic and conventional farming in cooperation with the company Soil & More Impacts. The balance has turned out to be slightly in favour of organic farming.

**Access and benefit sharing**

All those who derive economic benefit from genetic resources have an obligation to return part of the proceeds to the country of origin. We have therefore implemented a process to comply with global legal requirements in the sourcing of our raw materials. This access and benefit sharing system is beneficial for local people and nature.

**Solar facility for Sekem**

With financial support from Weleda, the Sekem development initiative was able to install a photovoltaic system in the Egyptian oasis of Wahat al-Bahariyya. The solar panels, 12 in all, cover the electricity requirements of the 14 permanent employees and up to 40 seasonal employees at this Sekem site and make it possible to eliminate diesel fuel.



**New certificate for ethical raw material sourcing**

In 2018, Weleda became the first European brand to be awarded the Union for Ethical Bioproducts (UEBT) certificate for ethical raw material sourcing.

This is indicated by the new seal on all Weleda natural and organic cosmetics packaging. The seal allows our customers to recognise the sustainable origin of the natural raw materials used in our products. For UEBT and Weleda, sustainability means first and foremost acting respectfully towards the people involved and nature. The UEBT standard supports companies in designing their raw material sourcing processes in such a way that they contribute to the

well-being of the people concerned and their environment. As a UEBT member, we have been applying these guidelines for the sourcing of natural raw materials since 2011. The main aim is to preserve biodiversity and to treat all partners along the supply chain equitably while paying fair prices. The certification we achieved in 2018 is a major step forward because it confirms that the raw material sourcing processes comply with UEBT ethical principles, which also provides an incentive for the future. This demonstrates that sustainability is not a goal we achieve at any one time, but a process of constant development that is supported by ongoing improvements.

Organic-quality sesame oil: we have a long-standing partnership with the supplier in Mexico.



What is UEBT and what does the new label stand for? Facts and answers can be found at [www.weleda.com](http://www.weleda.com)

**Cooperation to protect orangutans in Borneo**

Hardly any other plant-based raw material is as controversial as palm oil. Its special properties make it an important raw material for the cosmetics and food industries.

The yield per hectare of the oil palm is also much higher than that of other oil plants, and its cultivation provides income for farmers in Indonesia and Malaysia. However, the increasing expansion of oil palm plantations has resulted in a massive loss of tropical rainforest. For this reason, Weleda has for years been working for more sustainable palm oil production in the Roundtable on Sustainable Palm Oil (RSPO) and the Forum for Sustainable Palm Oil (FONAP). In 2019, we are going one step further: we are cooperating with the Borneo Orangutan Survival Foundation (BOS) and are financing the reforestation of an orangutan habitat in the Indonesian part of the island of Borneo. These large primates are in acute danger of extinction. The BOS Foundation is committed to protecting rainforests and creating new habitats for orangutans, while at the same time developing sources of income for the local population based on the sustainable use of natural resources. The cooperation between the BOS Foundation and Weleda is due to intensify beyond this first step in the course of 2019.



Together with BOS, we will create a new home for the orangutans of Borneo.

**Sustainable Beauty Award**

At the industry congress Sustainable Cosmetics Summit in Paris, Weleda was the winner in the Sustainability Leadership category.

Every year at the Sustainable Cosmetics Summit in Paris, an independent jury honours outstanding achievements in the cosmetics industry in various sustainability categories. For the third time, following 2013 and 2016, Weleda took first place in the Sustainability Leadership category in 2018, and second place in the Sustainability Pioneers category. The jury was impressed by our broad commitment to social responsibility in the areas of ecology, economy and social affairs. The award also recognises our ethical and ecological sourcing of raw materials, which we base on the global UEBT standard.



## ► 4 Sustainable sites, production and logistics

Weleda contributes to creating a sustainable and enduring world. In the environmental area, we are increasing the efficiency and effectiveness of our production sites in order to further reduce our ecological footprint. Through our environmental management, we measurably improve our environmental and climate impact. The consolidated environmental data can be found on pages 82 to 84.

Our commitments	Milestones 2018	Assessment
Waste recycling rate ≥ 98 %	Rate is 98,4 %	●
100 % of own production with electricity from renewable sources in CH, D and F	<ul style="list-style-type: none"> <li>► Partial renewal of electricity contracts</li> <li>► Photovoltaic plant in Arlesheim constructed with an output of 29 kilowatt peak</li> </ul>	●
Environmental management system: ISO 14001 and EMAS in CH and D	2018 revalidation successfully completed in D	●
		● Promise fulfilled ● Promise not fulfilled
New targets for 2022	Status quo 2018	Forecast
<b>Improvement of the environmental footprint</b>		
100 % electricity from renewable sources in all associated companies as well as contract manufacturers and packaging manufacturers	Associated companies: approximately 80 % Contract and packaging manufacturers: not fully known	●
Renewable energy share of at least 80 % for our own buildings and production facilities	Approximately 50 %	●
100 % emissions transparency for Scope 1, 2 and 3 and reduction programme	Measurement of CO <sub>2</sub> emissions: <ul style="list-style-type: none"> <li>► for Scope 1 and Scope 2 in the eco-balance analysis (annual)</li> <li>► for Scope 3 (in pilot project)</li> </ul>	●
Reduction of energy intensity by 2.5 % per year	Achieved: -9.4 % in CH, D, F	●
Increase in waste recycling rate by 2.5 % annually	Not achieved: -0.5 %	●
Reduction of potable water intensity by 2.5 % per year	Achieved: -2.5 %	●
Reduction of waste intensity by 2.5 % per year	Not achieved: +7 % in CH, D, F	●
Sustainable and future-oriented logistics and mobility concept	<ul style="list-style-type: none"> <li>► Termination of the JobRad programme at the Schwäbisch Gmünd site</li> <li>► Further development of the mobility concept for the Arlesheim site, start of initial measures, e.g. flexible parking</li> </ul>	●
		● Target seems easy to reach ● Target seems difficult to reach ● Target seems very difficult to reach

Employees Karl-Heinz Türk and Daniela Trah are planning a new workplace for their colleagues in production and logistics with a view of the three Kaiserberge mountains.



### Working with panoramic views

The new logistics and production buildings represent the largest and most expensive project in Weleda's history. "At present, the two divisions in Schwäbisch Gmünd are spread over five different sites," explains project manager Karl-Heinz Türk. "The new buildings will bring them together, thus simplifying our processes. We will also have more space, which we need due to our increasing sales." One of the main topics in the initial planning rounds was the arrangement of the new buildings: they will be located on a plateau in Schwäbisch Gmünd's Gügling industrial estate and will be designed in such a way that the almost 300 employees who work there will be able to look directly at the three Kaiserberge mountains of Hohenstaufen, Rechberg and Stuißen while producing natural and organic cosmetics and packaging goods for dispatch. "The view and the lighting conditions in the workplace have a major impact on whether people enjoy going to work," explains Wolfgang Michel, owner of the Michelgroup architectural



Green field with a view (from left): project manager Karl-Heinz Türk, member of the Board of Directors Andreas Jäschke, architect Wolfgang Michel, Executive Board member Alois Mayer and project participant Daniela Trah plan the new buildings together.



firm which Weleda commissioned with the planning. The employees are involved in the design of the total of four buildings, three for logistics and one for production. "In workshops, employees came up with designs for meeting spaces in the buildings," says Karl-Heinz Türk. "That was excellent teamwork, which gave us some ideas." At the employees' request, many small kitchenettes have been planned so that any food brought along can be prepared and consumed in a convivial atmosphere. A beautiful natural environment was also important to the employees. "We have set aside a lot of space to offer a habitat for a variety of plants and animals," says architect Wolfgang Michel. For Weleda, it is important that the new, climate-neutral buildings fit in with its own vision: people should feel good, and something should be given back to nature. "It should be a flagship project that is compelling above all because of its economic sustainability," explains Alois Mayer of the Executive Board. He has no doubt that "if everyone is happy at work, it pays off." ↩

IN BRIEF

**Climate-neutral in the Netherlands**

Weleda Benelux has been **climate-neutral** for several years. The companies in the Netherlands and Belgium already participated in a Soil & More Impacts project back in 2008. The Dutch company organises large composting operations worldwide.

In 2015, Weleda Benelux transferred to the **Climate Neutral Group**. It boasts the highest international standard (member of the International Carbon Reduction and Offsetting Alliance, ICROA).



Weleda Benelux supports the **Efficient Cookstoves** project in Uganda via Climate Neutral Group. The stoves require about 50 per cent less wood and produce less smoke than conventional open stoves. This is good for both the environment and human health.

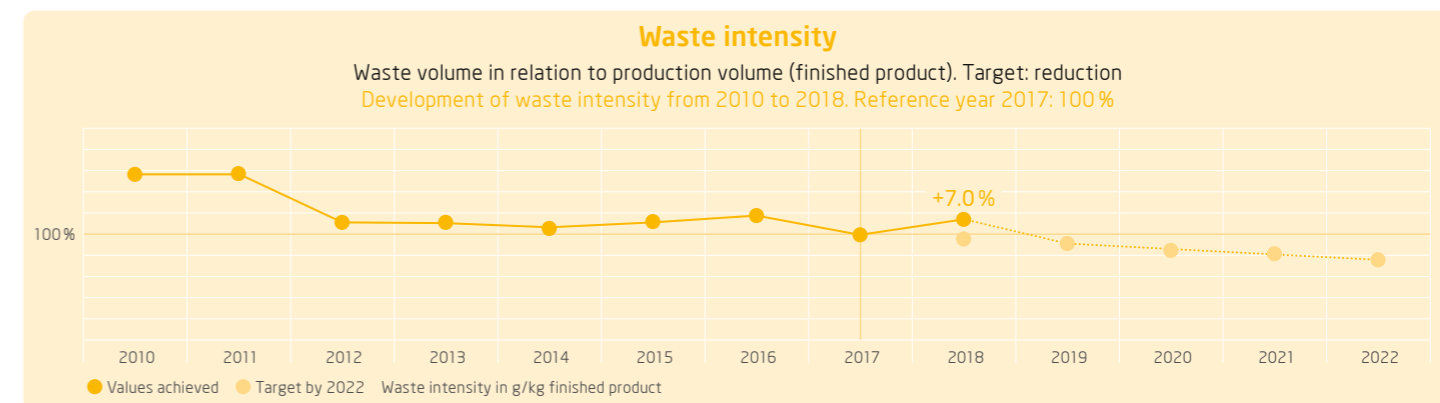
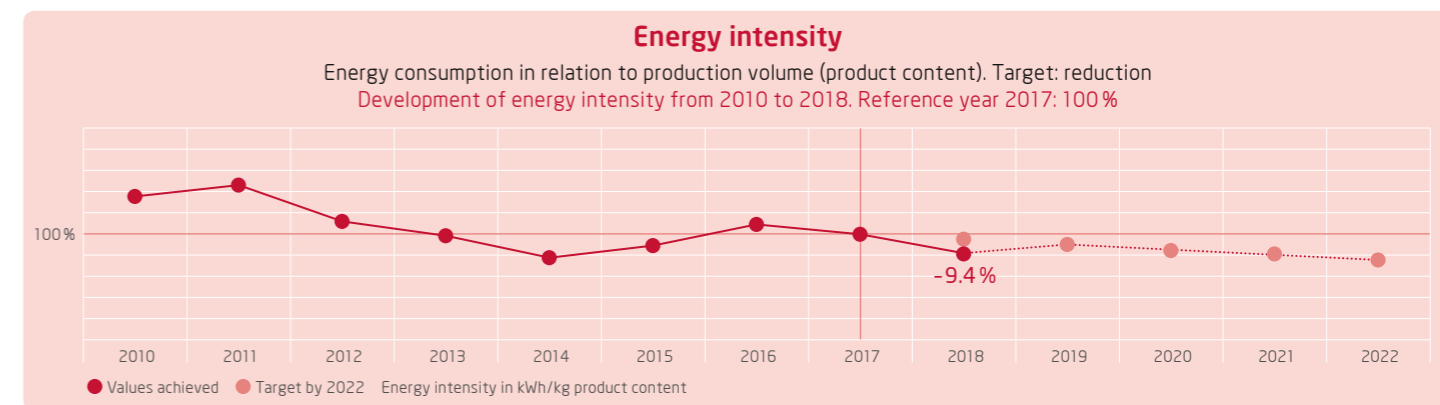
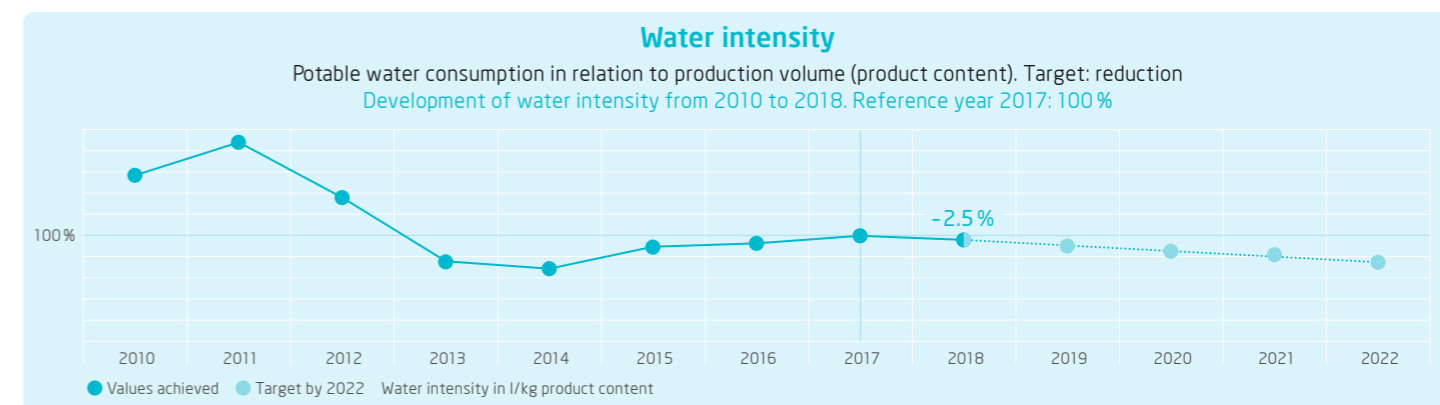
Weleda Benelux was able to offset more than 350 tonnes of CO<sub>2</sub> in the reporting year. Car travel is the largest source of CO<sub>2</sub> emissions. Therefore, only electric cars will be ordered for employees in the Netherlands and Belgium starting in 2020.

**Development of environmental indicators**

Our goal is to reduce the water, energy and waste intensity with which we manufacture our products by 2.5 per cent annually. We thus aim continuously to reduce the use of resources and the volume of waste generated so as to protect the environment and save on costs.

Intensity is crucially affected by the capacity utilisation of our facilities: the more products the facilities produce within the operating periods, the lower the intensity (improved efficiency). Capacity utilisation depends primarily on the order situation, over which we have only limited influence. We do have a direct influence on the technical facilities (energy-efficient production facilities), process control in production (lean workflows and smooth operation), formulations (cold or hot production of product content) and the avoidance of waste during production and distribution.

The following environmental indicators are essential for Weleda: the consumption of potable water and energy as well as the amount of waste in relation to the production volume of finished products and product content. The charts below show the successes to date, the current status and our targets up to 2022. The indicators refer to the manufacturing countries Switzerland, Germany and France, where the largest quantities are produced.



## ► 5 Meaningful and effective work

Weleda is a commercial enterprise and at the same time a place of human development based on common tasks. People want to engage in meaningful activities. That's our experience. And it is our belief that every individual wishes to grow and develop in the course of their lives. To encourage this, talent management will be an integral part of our human resources work from 2019.

Our commitments	Milestones 2018	Assessment
Promotion of the Weleda culture and personal and professional development	A wide range of provisions and initiatives, such as: ► Weleda Biography Days pilot project ► Intercultural seminar provision Typically German – Typically Swiss ► Work on the Weleda image of the human being in intercultural dialogue	●
Promotion of work-life balance, health and diversity at the main sites	Several initiatives, such as: ► WE CARE – reconciling work and family care	●
Commitment by and for employees	A wide range of provisions and initiatives, such as: ► Choir (CH) ► Yoga (CH, D) ► Bike-to-Weleda	●

● Promise fulfilled ● Promise not fulfilled

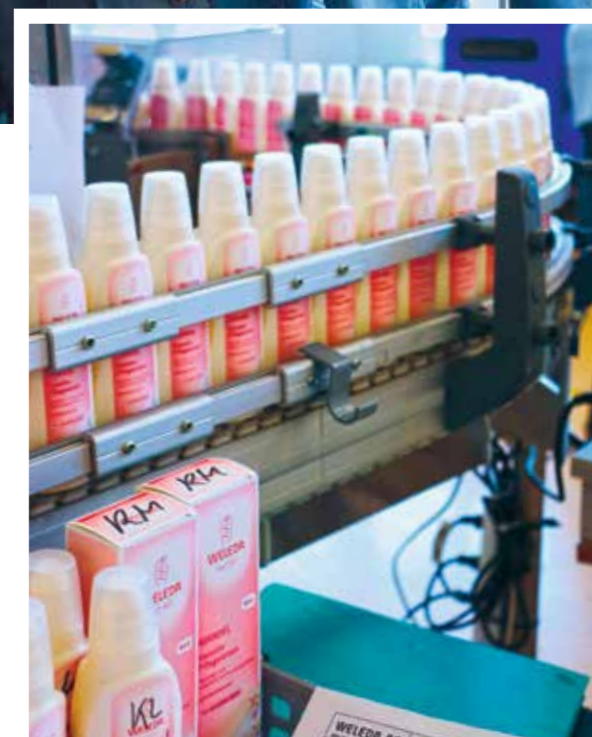
New targets for 2022	Status quo 2018	Forecast
Place for human development based on shared tasks	Successful implementation of four training events in Dornach (CH)	●
Introduction of a Global Leadership Programme	Successful implementation of the international curriculum compact Weleda Identity and Core Values	●
Worldwide development of Weleda culture and identity	Development of the Talent Management 2.0 programme	●
Talent management and strengthening of personal responsibility and autonomy in the performance-oriented community	International collegial exchange in preparation for 2019	●

● Target seems easy to reach ● Target seems difficult to reach ● Target seems very difficult to reach



### A sustainable shift model

At Weleda's headquarters in Arlesheim, Switzerland, employees make numerous products for the world market, including shower gels, deodorants and body lotions that are packaged in tubes and bottles. "Demand has now risen to such an extent that employees also operate the filling machines at night," reports Alfred Weiss, responsible for maintenance of the machines and for the entire packaging process. "That's why we've developed a new shift model." But how has it been possible to consider both the economic aspects and the needs of employees? It's simple: the employees who operate the machines on a daily basis were actively involved in developing the new shift model. The goal was to provide the staff with more creative opportunities and to incorporate a variety of perspectives. The possibility for employees to assume more responsibility is part of the company-wide initiative for collegial leadership.



Body lotions on a continuous basis: this is ensured by a diverse team working on a new shift model. From left to right: Karin Flückiger Leuenberger, Alfons Ernst, Olivier Erni, Dieter Burkhard, Clara Neumann, Gilles Bisselbach, Alfred Weiss, Eugen Nosov and Michael Stieber.



Eugen Nosov working on the filling line. He represented the needs of his colleagues in the development of the new shift model.

For this purpose, the team consisting of employees working the machines, managers and other staff experimented with new methods. The participants met at regular intervals and defined their own tasks. "The management placed complete trust in us," says Karin Flückiger Leuenberger, the responsible HR manager. "The team developed a dynamic that I have rarely experienced before." The team members set to work on an equal footing and full of energy. The previous hierarchies were not to play a role in the development of the model. "At the first meeting we were told that everyone should give their opinion," says Eugen Nosov, a filling-line employee. He asked the workforce about their wishes in order to incorporate them in the design of the shift model. "Trying the experiment with an unknown outcome required courage from all participants and was time-consuming," reports Karin Flückiger Leuenberger. "It was challenging to find a balance between profitability, legal requirements and the needs of our employees." But this was a success thanks to the openness of the team and the great commitment of everyone involved. ☺

IN BRIEF

**Recognising and promoting talent**  
**Motivated and development-minded employees** are important to us in our endeavour to continue to staff our positions and functions successfully in the future. Our employees wish to be recognised, to be involved in shaping the company, and to have prospects. For this reason, talent management will be an integral part of the annual performance review from 2019. There are two ways for managers and employees to facilitate further development:

1. In case of a **concrete wish for further development**, the possibilities are evaluated with the manager and the Human Resources department.
2. Where there is only a **general desire to develop professionally or personally**, the employee can participate in the **Weleda Biography Days**.

**Time for a break**

The **Weleda Biography Days** offer our employees an opportunity to reflect on their own professional and private lives. With the help of suggestions and exercises, a one-and-a-half-day workshop allows them to explore their life trajectories, get inspired and envision development scenarios.



“**For me, it was very valuable to take a conscious bird’s eye view of my life. I found it interesting to see that development can take place at different levels – and does not necessarily entail a professional change.**”

Ulrike Nann, consultant for natural and organic cosmetics and participant in the Biography Days

## Beyond company boundaries

The general conditions of economic life are becoming increasingly complex. To create an innovative and responsible economy, we have to work together.

Associative initiatives are needed for future-oriented ideas and their effective implementation in business practice. For this reason, we have founded an associative workshop together with other companies such as GLS Bank, Lilly Pharma and Vaude, and we meet regularly for inspiring collaborative work. The first "associative shadowing" took place in 2018 (see box). Our aim is to look beyond our own horizons and get to know other companies. We have planned an associative project for 2019: in collaboration with the ecologically oriented GLS Bank, we will be offering the first associative study programme in Germany, starting in the autumn. During their business administration course, "Rethinking Economics", at the Alanus University in Alfter, one student will gain alternating insights into GLS Bank and our company during their internship phases.

## On the path towards cooperative leadership and teamwork

The world is changing faster than ever, and so are the needs of our customers and employees.

Our organisational model is increasingly pushing up against limits. To address this, the Weleda Board of Directors decided in mid-2017 to introduce collegial leadership within the company. The aim is to establish a sustainable form of cooperation throughout the Group and to allocate management responsibilities in a purposeful manner. A team developed five guiding principles to create a shared understanding of organisational development. In various experiments, we are exploring new ways of working and testing the principles in practice. So far we have had very good experiences with this – with a lot of commitment, fun and creative results. But there is still a long way to go before collegial leadership becomes part of our corporate culture (see page 5).

## Crossing boundaries and creating connections



A department head taking part in work shadowing at another company? Johannes Prah, Head of Employee Development at GLS Bank, tried it out. For three days he shadowed Andrea Kurz, Head of Human Resources for the Weleda Group.

**How was it to slip into the role of a shadowing guest?**

The three days were a great experience. I quickly felt at home in the environment. Andrea took me to all of her appointments, which was a great show of trust. I was not, however, used to just going along and listening.

**What will you take away with you from those days?**

It was nice to see that GLS Bank and Weleda have a lot in common, especially in terms of their value orientation. I think it will continue to be important in the future to cross company boundaries and create connections despite competition. The shadowing experience at Weleda confirmed this for me.

**What will happen next with the associative shadowing?**

Andrea will visit me at GLS Bank for a few days in May. And we are already planning further shadowing experiences.

More information on GLS Bank can be found at [www.gls.de](http://www.gls.de)

**1. PURPOSE-DRIVEN**

How do we orient ourselves to make the best possible decisions for Weleda?

**2. DISTRIBUTED AUTHORITY**

How do we make decisions?

**3. EVOLUTIONARY LEARNING**

How do we learn and continue to develop?

**4. AUTONOMY IN COLLABORATION**

How do we work together?

**5. TRANSPARENCY**

How do we handle information?



## ▶ 6 Cultural and social development and relationships

We attach great importance to the cohesion of our society and the improvement of people's lives. This is why we make our social contribution in various ways: in 2018, for example, through a biodiversity week, a training programme in Brazil and a wellness workshop for women with cancer.

### Our commitments

Commitment to anthroposophic medicine

Inspiring people

"Diversity wins! Prospects for people who have experienced displacement" programme

### Milestones 2018

- ▶ Foundation of the Anthroposophical Pharmacy Competence Centre
- ▶ Commitment to shared responsibility for the anthroposophic medicine system as part of the development of the new pharmaceutical strategy

Weleda publications:

- ▶ *Weleda Nachrichten* (D-A-CH), magazine for customers and users (print run: 780,000, two issues per year)
- ▶ *PTA-Wissen* (D), trade magazine for support of the PTA (print run: 27,000, two issues per year)
- ▶ *Hebammenforum* (D), specialist magazine for the support of midwifery work (print run: 20,000, two issues per year)
- ▶ *Werde* (D-A-CH), consumer magazine (print run: 30,000, four issues per year) – support for the BioBoden and proBiene initiatives

Other countries (selected):

- ▶ *Revue Weleda* (F), magazine for customers and users (print run: 120,000, two issues per year)
- ▶ *Forum médical* (F), specialist magazine for doctors and pharmacists (print run: 15,000)
- ▶ *Sustainable Beauty* (Australia), booklet for users on Weleda's sustainable expertise (print run: 10,000)

Social media (CH, D):

- ▶ Facebook fans: 230,543, Instagram fans: 53,800

Experience Centre (D):

- ▶ Number of visitors in 2018: 25,000
- ▶ Participation in guided tours, seminars and major events

Professional events:

- ▶ Participants in 2018: 6,400

- ▶ Extension of the Prospects programme to Switzerland
- ▶ Orientation internships in CH and D – "Associative orientation weeks" offer with the Holle company
- ▶ Initiation of "lunches" for exchanging views with cooperation partners
- ▶ Provision of pre-vocational training for displaced people

### Assessment



● Promise fulfilled ● Promise not fulfilled

### New targets for 2022

Sustainable and healthy lifestyle

Communication of at least 777 Weleda "goodprints", highlighting the good deeds of Weleda employees and providing inspiration to lead a sustainable life

### Status quo 2018

Preparatory work, e.g. design of an institutional framework

### Forecast



● Target seems easy to reach ● Target seems difficult to reach ● Target seems very difficult to reach

Goodprint



## Hellfried Rödelberger takes stock

Hellfried Rödelberger put more than 30 bicycles back on the road again in 2018, working with refugees in his spare time. "Weleda has kindly made premises available to us for this purpose," says the 60-year-old, who works part-time at Weleda and is a member of the works council. He also works as a freelance director. Hellfried Rödelberger's dedication in his free time makes him a special part of Weleda. He takes a positive view of the year: because he asked colleagues to donate discarded bicycles and he made contact with a bicycle shop whose customers provided him with old bikes, he was able to help Syrians and Iranians, Afghans and Pakistanis to make their daily journeys more quickly, and thus more easily manage their everyday lives. The Swiss native, who



In the bike repair shop: Hellfried Rödelberger together with Mazyar Karami and Mohammad Fadzaied (from right to left).



Maziyar Karami (left) and Mohammad Fadzaied repair the bike, helping to make displaced people more mobile.

grew up in Baden-Württemberg, helped refugees build cabinets and obtain beds with slatted frames during the reporting year. He advanced money and also helped an Iranian, Maziyar Karami, take up a permanent position as an aluminium welder. "My life was empty as bare earth when I came to Germany three years ago with my wife and son," Karami says. "Together we have built something and now we can enjoy the fruits." Rödelberger doesn't believe in magic formulas for successful integration. He thinks that a new start is only possible for those who receive help. "If I were to land in Syria or Iran, destitute and unable to speak the language, I'd really need support," he says. Empathy is also important in dealing with the authorities, where Rödelberger has accompanied many refugees: "The staff there must comply with their regulations," he says, "but a friendly approach can move mountains." In this way, he succeeded in getting more living space for a family from Syria, so that the three school-age children could sleep in their own room instead of with their parents. What does Hellfried Rödelberger do to compensate for his efforts? "I don't need to compensate because I get a lot back," he says. "Some people I've helped call me 'brother'. I don't need more." ↩

IN BRIEF

**Lavender labyrinth**

The Weleda lavender labyrinth in the medicinal plant garden in Schwäbisch Gmünd Wetzgau stands for detours, turning points and difficult stages in life. It allows all those who pass through to reflect on their biography.



**European Church Music**

To promote cultural life in Schwäbisch Gmünd, we support the European Church Music Festival. It is of national importance and attracts around 15,000 visitors to Schwäbisch Gmünd every year.



**Emergency and crisis education**

Weleda supports the emergency and crisis education of the Friends of Waldorf Education. Every year, the raffle proceeds from the Christmas party in Germany go to this association, whose team help traumatised people in crisis areas.



**Using a holistic approach to help women with cancer**

In 2018, Weleda North America supported the Goddess Wellness Retreat for women with cancer with a four-day event focusing on holistic well-being.

The highlight of the event was a workshop centred on the balance of body, mind and soul. A Weleda employee who had been cured of cancer led the workshop and spoke about her own experiences with the disease. The feedback from the 40 or so participants was consistently positive, with tips on skin care being particularly popular. It was touching to hear the story of a participant and her daughter, who were both suffering from cancer and took part in the Goddess Wellness Retreat together. In 2018, Weleda North America supported the family on site in their Christmas preparations so that the mother and daughter could recover from chemotherapy. The Goddess Wellness Retreat is organised by the charity Foundation for Living Beauty. The Foundation's goals and approach are consistent with Weleda's values. "Our hope is that we will continue to help women stimulate their natural self-healing powers beyond the event," says Rob Keen, Managing Director of Weleda North America. In 2019, Weleda will help the organisation increase its reach and visibility.

**Biodiversity Week**

International Biodiversity Day is held on 22<sup>nd</sup> May. As biodiversity is of great importance to Weleda, we organised a Biodiversity Week in Germany in 2018 on the topics of forests, meadows, soil and water.

The Biodiversity Week drew visitors' attention to the many dimensions of biodiversity. It also showed how species diversity can be fostered again: with guided tours through the medicinal plant garden in Schwäbisch Gmünd, the construction of an insect hotel and lectures on micro-plastics in water sources and wild plants.



Olaf Hajek's illustration provides a vivid depiction of biodiversity.

**Training programme for young people from Brazilian favelas**

Weleda Brazil maintains a partnership with the Associação Comunitária Monte Azul, an association operating in three favelas in the southern part of São Paulo.

The Monte Azul Association was founded in 1979 by a German Waldorf teacher, Ute Craemer. It arranges the renovation of dilapidated houses and huts as well as the provision of better health care and cultural offerings, such as the chance to learn how to play a musical instrument. The association is particularly involved in the training and further education of children and young people from the troubled neighbourhoods in order to give them a vocational future. This is the basis for the training programme that the association launched in coordination with Weleda in 2018. It lasts one year and features a combination of theory and practical experience. The trainees work at Weleda on four weekdays and attend vocational school on the fifth day. Four young people from the Monte Azul community worked at Weleda in 2018. After completion of the training, one of them will be employed as a warehouse clerk.

## ► 7 Management and finance

A company is commercially successful when customers truly value its service and enable it to strengthen its financial resilience as a result. We regularly receive awards for our services. We are constantly working to improve our offerings: with a customer-focused strategy and a high degree of commitment in our national agencies around the world.

### Our commitments

Value added statement

Financial resilience through corresponding equity ratio and liquidity

Ensuring future viability through investment in the development of the company

Definition of sustainability criteria for the investment of the foundation assets of the Swiss pension fund

### Milestones 2018

Ongoing continuation in 2018 (see page 37 and inside cover)

- Further increase in the equity ratio, resilience and independence of the company
- Net financial credit balance of EUR 36 million at the end of 2018 slightly below the previous year's level (cash and cash equivalents less interest-bearing financial liabilities)
- Full settlement of financial liabilities from previous years by the end of the year

Investment in many far-reaching initiatives at all levels, such as:

- Adoption of a new natural and organic cosmetics strategy with establishment of a subsidiary in South Korea
- Adoption of a new pharmaceuticals strategy
- Launch of a new business unit (Treatment Studios)
- Adoption of the Sustainability Programme for 2018 to 2022
- Investments in new filling lines
- New office building in Arlesheim
- Concretisation of planning for the largest infrastructure project in the history of Weleda (new production and logistics buildings in Schwäbisch Gmünd)
- Implementation of growth strategy in Brazil and USA

Development of draft sustainability criteria

### Assessment



Criteria are to be adopted in 2019.

● Promise fulfilled ● Promise not fulfilled

### New targets for 2022

Global B-Corp (see page 37)

Weleda and all its subsidiaries certified as B-Corp

### Status quo 2018

- Start of preliminary planning
- On a trial basis, successful completion of the B-Impact Assessment for the Brazil site

### Forecast



● Target seems easy to reach ● Target seems difficult to reach ● Target seems very difficult to reach



A place to relax: Marc van Boven (left) and Andreas Sommer worked together to bring the new Weleda Spas to life.

## Promoting creativity with collegial leadership

Relaxation, stress reduction, mindful touch – more and more people long for these things. However, wellness providers and massage therapists rarely make appointments in the evenings, and quality is not always assured. “Why don’t we take this into our own hands?” Andreas Sommer asked himself during a walk along the Baltic Sea at the beginning of 2017. “Why don’t we dare to take the leap from product to service?” Starting at the end of 2018, the time has come: In the Netherlands, three Weleda City Spas offer massages and facials based on the company’s philosophy, easily accessible in residential areas in The Hague, Rotterdam and Oegstgeest, with opening hours until 10 pm: “We have created natural treatment sites for health and beauty in harmony with people and nature. For us, this is entirely consistent with our philosophy,” says the Chief Commercial Officer. It was also consistent for Andreas Sommer to give the Managing Direc-

tor of Weleda Benelux a free hand in implementation. Marc van Boven was interested in the project. And he had already gained a lot of experience with 200 massage therapists and 350 beauticians working in the Netherlands and Belgium with specially developed treatments using Weleda body oils and care products in accordance with the lead plant rhythm (almond to evening primrose). Following the principle of cooperative leadership, Sommer therefore felt confident in handing over the process and easing the burden on himself. He only wished to be involved in risk assessment. "He gave me a lot of money and let me get on with it," Marc van Boven says happily, adding that "everything has turned out so well" because the responsibility was in a single pair of hands (his own): for the rounded reception counter, which some people see as anthroposophic, others simply as a cool design; for the floor made of sustainable oak wood, the lamps made of rice paper; for the concept of every customer being able to continue to rest quietly for a quarter of an hour – no matter whether after a relaxation massage or a sports massage. It only took ten months until the first booking was made, and the first weeks have already exceeded expectations. "Of course, the City Spas must be economically viable," says Marc van Boven, "but this is also a way of safeguarding the brand for decades to come." It can reinvent itself without losing its identity. In two years, Weleda will celebrate its 100<sup>th</sup> birthday. Perhaps its vision of being represented with a City Spa "in every city in Europe" will be partially realised by then. Two more are scheduled to open this autumn, in Stuttgart and Hamburg. 📍

📄 More information can be found at [cityspa.weleda.nl](http://cityspa.weleda.nl)



“  
I want to give our  
team the space to create  
something new.  
”  
Andreas Sommer

From relaxation massage to sports massage: the Weleda City Spas offer a holistic concept. In the picture below the Spa in The Hague.



IN BRIEF

On the path towards  
B-Corp certification



We have set ourselves the goal of achieving B-Corp certification for the entire Weleda Group by the end of 2022. We are currently reviewing the certification requirements and the options for certifying our associated companies. The first internal workshop was held at the beginning of 2019. B-Corp experts will support us in the certification process. Another workshop and an internal information event for employees are scheduled for autumn 2019. B-Corporation (B-Corp for short) is an international sustainability certification for companies. Certified companies meet the highest social and environmental standards when it comes to reconciling profit and meaningfulness. Approximately 2,600 companies are currently certified worldwide.

📄 More information about B-Corp can be found at [www.bcorporation.net](http://www.bcorporation.net)

Value added statement

We will secure our company's future viability by means of prudent, ethical business practices.

By conducting our business in a responsible way, we improve Weleda's ability to manage risk – from behaviour in the market, through environmentally relevant aspects, to relationships with employees and exchanges with all other key interest groups and stakeholders. This generates sustainable added value which can be distributed to employees (income), capital providers (distribution, interest) and charitable organisations (donations) as well as the public (taxes).

The value added statement (see inside cover page) illustrates how the economic activities of our company generate value for society: unlike the income statement, which is based on the viewpoint of the owners, the value added statement sets out the contribution made by the Weleda Group to private and public income. The value added statement shows the expenditure with which Weleda achieved its company performance and how the added value generated was distributed.

Business performance  
in million EUR

↗  
+3.2%

416.3

Business performance increased as a result of the growth in received revenues.

Value added  
in million EUR

↗  
+3.5%

175.1

After deduction of inputs

Value added per employee  
in million EUR

↗  
+0.6%

82,749

Value added per Weleda Group employee in a full-time position

Donations  
in million EUR

↘  
-8.0%

2.3

Of this amount, EUR 1.9 million went to the School of Spiritual Science in Dornach as well as to other different anthroposophic institutions.

Employees  
in million EUR

↗  
+3.1%

152.3

The added value was sufficient to generate income for the employees. Our employees are co-entrepreneurs who are involved in the performance process. Supporting and promoting a sense of personal responsibility and the way that each individual conceives of themselves is important to the company.

Shareholders  
in million EUR

→  
±0%

0.9

Pursuant to the proposal of the Board of Directors, a distribution of 7 per cent will be distributed to shareholders for 2018.

Lenders and creditors  
in million EUR

↘  
-53.8%

0.6

Repayments of financial liabilities resulted in less interest to lenders.

Taxes  
in million EUR

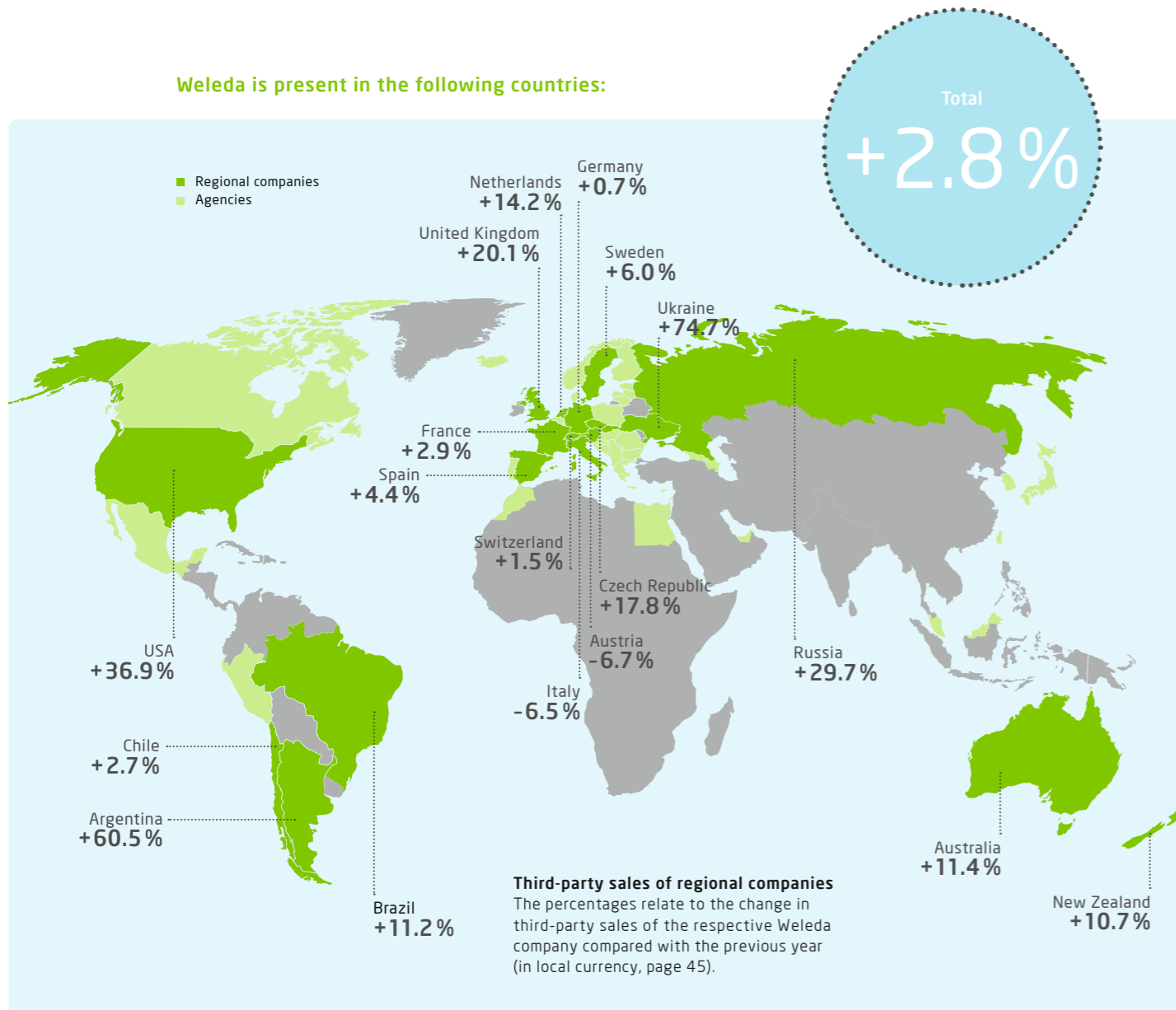
↗  
+21.7%

5.6

## Development in the markets

Our total sales exceeded EUR 412 million in 2018. As in previous years, the distribution of growth rates demonstrates how important our internationalisation is. The movements in the markets balance each other out and thus ensure stable development.

Weleda is present in the following countries:



### America

Argentina, Brazil, Canada, Chile, Mexico, Peru, USA

### Europe

Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Macedonia, Malta, Netherlands, Norway, Poland, Portugal, Romania, Russia, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Ukraine, United Kingdom

### Africa

Egypt, Morocco

### Asia

China, Hong Kong, India, Israel, Japan, Malaysia, Singapore, South Korea, Taiwan, United Arab Emirates

### Australia

Australia, New Zealand

## Weleda in the markets

The planned reduction in our dependence on the D-A-CH region of Germany, Austria and Switzerland is making progress. In natural and organic cosmetics we generated more than 80 per cent of our growth outside the German-speaking countries. The pharmaceuticals picture is similar: the current growth region is South America. Below is an overview of the developments in the individual countries and particular highlights.

### D - A - CH REGION

#### Natural and organic cosmetics

When consumers in Germany are asked to name a well-known natural and organic cosmetics brand, most of them name Weleda first. We attribute this higher brand awareness to the increased and targeted presence of our messages in television advertising. An associated willingness to buy is particularly noticeable in the important segment of chemist's shops, where sales rose by 7 per cent. Despite great efforts in pharmacies, health food shops and organic supermarkets, business there fell short of our expectations. We hope to see a revival thanks to a new partner customer concept in these outlets.

One validation of our brand work is a measurement of the 50 most relevant brands from 26 industries: in 21<sup>st</sup> place, we are the second strongest cosmetics brand in Germany in the ranking. In Austria, 2018 was a difficult year, with sales declining. We are heavily dependent on two chemist customers in Austria, who account for a large proportion of total sales. We aim to improve the situation here with a new sales strategy.

**7%**

Sales in the German chemist's market rose significantly in 2018.

### Swiss domestic market on track for success

Conditions in the Swiss market do not always make things easy for us: the pharmaceuticals market is saturated and faces governmental cost-cutting measures, while the cosmetics market is in slight decline and influenced by price comparisons with the German market.

We are therefore all the more pleased that we outperformed the market in both the pharmaceuticals and natural and organic cosmetics business in 2018. One of the growth drivers was concentration on a few over-the-counter products in market development. Sales increased in the Eye Care range, driven by the products Euphrasia and Visiodoron Malva. The Eye Care category has now become the leading indication group for us.

In the area of natural and organic cosmetics, introduction of the new Edelweiss sun protection line was mainly responsible for the success in 2018. The remaining product categories in the natural and organic cosmetics range also recorded a largely positive performance. In addition to these factors, success was also influenced by good cooperation with retailers: due to a tight budget, we continued to focus on existing customers in order to further improve our collaboration with them. The emphasis was on recommendation of our products and their visibility on the shelf. In this context, we were supported by excellent material (displays, posters, decorative material). In addition, many interested retailers attended our product training courses for them. In 2018, we thus succeeded in further enhancing retail confidence in our brand and products.



Weleda as far as the eye can see: exemplary product placement in a Coop branch in Switzerland.

**Pharmaceuticals**

In Germany, the Eye Care range performed very well, with the development of Visiodoron Malva being exemplary. The intensive market development has been successful and gives hope for the future in the important therapeutic area of "dry eyes". On the other hand, the sales development of products for the cold indication fell short of our expectations. In Austria, we were able to stabilise profitability.

FRANCE, SOUTHERN EUROPE  
AND SOUTH AMERICA REGION

**France**

In natural and organic cosmetics, we again achieved growth above the market average. While the interest of French consumers and thus the market for natural and organic cosmetics is growing, competition is also intensifying. A focus on pharmacies and specialist retailers as well as implementation of the global product range strategy have paid off.

Sales in the pharmaceuticals business declined slightly in 2018, not least due to the uncertain future of reimbursement. In the medium term, we expect

major changes in both reimbursement and formulation requirements. Weleda France is preparing to adapt its business model accordingly. This includes the introduction, in the past financial year, of controlled organic medicinal plant extracts as dietary supplements, which were well received by the market.

**Brazil**

We recorded double-digit sales growth in Brazil. It was driven by the development of over-the-counter products in pharmacy chains. Despite efforts in the field of continuing medical training, the number of on-demand medicines is declining. Natural and organic cosmetics saw increased sales.

**Italy**

Natural and organic cosmetics sales declined slightly. In 2019, we expect a positive sales boost after restructuring of the sales organisation in 2018. The focus was on direct customer relations and regional optimisation. Pharmaceuticals sales declined in 2018, as some products had to be newly approved.

**Spain**

Despite strong competition, we were able to increase sales in natural and organic cosmetics. The success factors include the successful digital marketing campaigns, further expansion of the pharmacy channel and entry into the perfumery sector. The Weleda Group has decided to close its pharmaceuticals business in Spain as of June 2019 due to low demand and regulatory obstacles.

NORTH AMERICA AND  
WESTERN EUROPE REGION

**North America**

After the groundwork for the growth strategy was laid in 2017, the North American team successfully started with reorientation of the brand in 2018. Three main growth drivers contributed to this: a customer-oriented relaunch campaign, which won an industry award for Marketing Effectiveness, a focus on creating business plans with all key customers, and growth in online trading, including via Amazon and www.weleda.com.

The North American team working hard at the calendula harvest in Schwäbisch Gmünd.



Double-digit sales growth in Brazil: over-the-counter products are showing positive development in pharmacy chains.

3

Weleda Spas were successfully opened in the Netherlands.

**United Kingdom**

Double-digit sales growth characterised natural and organic cosmetics development in the UK and Ireland. This was due to sales gains across multiple channels, including retail and online. In addition, further Weleda consultants were recruited. Pharmaceuticals sales declined due to closure of the Weleda pharmacy, reduction of the product range and discontinuation of on-demand pharmaceuticals. As a result, profitability increased significantly in the pharmaceuticals division and in the business as a whole.

**Benelux**

In 2018, Weleda Benelux had its most successful year to date. Core business in Belgium and the Netherlands grew at double-digit rates thanks to strong innovations, digital support and the expansion of shelf space. Weleda Belgium withdrew from discount and food retailing and concentrated instead on the pharmacy channel. In line with the brand's premium and consulting vision, Weleda Netherlands has also successfully opened three treatment studios that offer special Weleda facials and massages and increased the number of employees by 40.



NORTHERN, CENTRAL  
AND EASTERN EUROPE REGION

**Russia**

Despite the unstable situation in the country, sales in Russia continue to grow at double-digit rates, and market shares are increasing significantly thanks to successful marketing projects. We recorded a particularly good performance in online retailing and perfumeries. Through our participation in the biggest music festival, Afisha Picnic, younger consumers also got to know our brand.

**Ukraine**

The second operating year of the new subsidiary was successful, recording double-digit growth. The team achieved an increase in market share in pharmacies, especially in baby care. Close cooperation with doctors for our baby and pregnancy products contributed to the good results.

**Scandinavia**

Weleda Sweden has had a difficult year of consolidation. We laid the foundation for future growth with a far-reaching change in strategy. We grew only slightly in 2018. The export mar-

At the Afisha Picnic music festival in Russia, young consumers were also able to discover Weleda.

#1

Weleda is the most recommended baby care brand in the Czech Republic.

kets of Denmark and Norway grew at double-digit rates. Positive development of the Skin Food series contributed strongly to this.

**Czech Republic**

Weleda Czech Republic, including a branch in Slovakia, continues to grow at double-digit rates. In cooperation with our prominent brand ambassador and one of the leading Czech midwives, Weleda's baby care range was recommended on television in 2018.

According to a survey,<sup>1</sup> we are the most recommended baby care brand in the Czech Republic.

**Export to Central and Eastern European countries and Israel**

In 2018, we again recorded stable growth for our export markets in Central and Eastern Europe, especially in the Baltic states and the Balkans, while Israel further expanded the use of Weleda baby care products.

**ASIA, PACIFIC REGION**

**Asia**

The entire region was characterised by a high level of vitality. The change from an export model to a separate subsidiary in Korea had a negative one-off effect on turnover; at the same time, retail sales increased. Weleda was particularly successful in China: compared to the previous year, we were again able to record significant sales growth.

**Australia and New Zealand**

Despite various changes in distribution partners, Australia recorded double-digit growth. In New Zealand as well, the strategic realignment in marketing and sales paid off with a double-digit growth rate in natural and organic cosmetics.



<sup>1</sup> Nielson survey 2018



Locally developed and produced: PR event for the launch of two wild rose products sold only in Japan.

**Our first 100-per cent subsidiary in Asia: Weleda Korea**

Since June 2018, Weleda has had its own branch in the South Korean capital Seoul.

South Korea is deemed to be the fourth-largest market for cosmetics in Asia and also plays a trendsetting role in the region: whatever is popular in the southern part of the Korean peninsula today will spread to Asia tomorrow and not infrequently all over the world. We decided to set up our own subsidiary in order to work the market directly and learn intensively. Previously, Weleda was represented by a distribution partner in the South Korean market. Weleda South Korea sells only natural and organic cosmetics. Weleda currently employs three people in Seoul. The branch represents another step towards building up expertise in Asia.



The Weleda Korea team based in Seoul.



**Realignment of our marketing strategy**

After almost 100 years of existence, Weleda's values have never been more relevant than in today's constantly changing world. Our task as a brand is to make this relevance clear to our consumers. An Driessens, Global Head of Marketing at Weleda, explains the kind of strategic reorientation necessary to achieve this.

**What is the goal of the new strategic direction?**

**AN DRIESSENS:** Weleda has been a pioneer since 1921 and has built a strong brand over the last 100 years. With this strategic reorientation, we aim to ensure that our wonderful brand has a sustainable future: as a modern, relevant, differentiated brand that remains true to our roots and pursues a compelling, consumer-oriented focus.

**What is necessary to achieve this?**

**AN DRIESSENS:** The consumer must be at the heart of everything we do. We work passionately to understand our consumers better so that we can offer them the right product solutions.

**How can that be accomplished?**

**AN DRIESSENS:** There are three pillars that play a key role in driving consumer orientation: the newly formed Consumer Insights and Market Research team, the Weleda Brand Building Training and a common marketing framework (see box on the right). All this should help to ensure that Weleda remains relevant in the lives of consumers for the next 100 years.

**The three pillars of consumer centricity**

**1. CONSUMER INSIGHTS AND MARKET RESEARCH TEAM**  
Everything starts with understanding what consumers need.

That's why we set up an in-house Consumer Insights and Market Research unit in 2018. The two-person team has set itself the task of developing knowledge about consumers, shoppers, customers and markets in order to drive business decisions forward. Such data-based decision-making helps us focus on consumers and market conditions to enable business growth. The team also contributes to promoting a consumer-oriented culture throughout the company.

**2. BRAND BUILDING TRAINING**  
The Weleda Way

Besides our employees, our brand is our greatest asset. To unite our marketing and sales communities worldwide under a common marketing methodology, we have created a three-day learning event called "Brand Building: the Weleda Way". To support our ongoing transformation, we have established a brand-planning process that ensures consistent, best-in-class, joined-up thinking across our organisation. The creation of a common marketing language that combines consumer understanding and brand development to form an integrated annual plan is a major step forward for Weleda. More than 150 employees worldwide have already attended the training.

**3. MARKETING FRAMEWORK**

Another important milestone in our consumer orientation is the creation of a common marketing framework. It enables everyone in the organisation to consistently translate marketing strategies into action, always linking consumers with our brand. This helps us become more consistent across our organisation, have clear customer goals and key performance indicators and achieve a better customer experience through continuous learning. Most importantly, it is intended to allow us to make our distinctive ethos clear and relevant to consumers. This also includes design guidelines that create a shared understanding of Weleda's new image and establish a uniform identity that everyone can recognise, comprehend and trust.

## Excellent!

In 2018, we won numerous awards worldwide for our commitment. We consider these awards to be a significant appreciation of our work. They motivate us to continue on our path: for healthy nature, responsible management and effective products.



### A selection of the prizes we received in 2018

**Sustainable Beauty Award** in the Sustainability Leadership category for establishing various sustainable initiatives, including the preservation of biodiversity in raw material sourcing  
**+++ German Design Award** for excellent communication design  
**+++ Best in Beauty Award** in New Zealand for tinted lip care as best natural make-up with over 250,000 voting consumers  
**+++ Award for Best Brand for Mothers** in Russia  
**+++ 3<sup>rd</sup> place in the Brand Eins ranking** of companies with the highest reputation in Germany  
**+++ Weleda Lavender Creamy Body Wash** was named one of the best natural cosmetics products in the US by **Allure magazine**  
**+++ Fastest Growth Award** for the Weleda flagship store from e-commerce platform JD.com in China  
**+++ 2019:** at Vivaness, the largest European trade fair for natural cosmetics, we received the **Best New Product** award for our new Skin Food series.

## Third-party sales of regional companies

	Currency in 1,000	Third-party sales per company		Structure of third-party sales per company		Employees (Full-time employees)	
		2018	Change from previous year in local currency	Pharmaceuticals	Natural and organic cosmetics	2018	2017
<b>Switzerland</b>	CHF	37,401	+1.5 %	38 %	62 %	329	326
Weleda AG, Arlesheim	EUR	32,385					
<b>Germany</b>	EUR	173,125	+0.7 %	19 %	81 %	766	762
Weleda AG, Schwäbisch Gmünd							
<b>France</b>	EUR	93,365	+2.9 %	39 %	61 %	390	370
Weleda S.A., Huningue							
<b>Netherlands</b>	EUR	18,125	+14.2 %	12 %	88 %	86	70
Weleda Benelux SE, Zoetermeer							
<b>United Kingdom</b>	GBP	8,873	+20.1 %	14 %	86 %	65	58
Weleda (UK) Ltd, Ilkeston	EUR	10,030					
<b>Italy</b>	EUR	10,029	-6.5 %	36 %	64 %	39	41
Weleda Italia S.r.l., Milan							
<b>Austria</b>	EUR	10,358	-6.7 %	18 %	82 %	20	20
Weleda Ges.m.b.H. & Co. KG, Vienna							
<b>Sweden</b>	SEK	63,773	+6.0 %	9 %	91 %	23	20
Weleda AB, Stockholm	EUR	6,220					
<b>Spain</b>	EUR	8,843	+4.4 %	4 %	96 %	53	49
Weleda S.A.U., Madrid							
<b>Czech Republic</b>	CZK	97,894	+17.8 %	0 %	100 %	18	17
Weleda spol. s r.o., Prague	EUR	3,818					
<b>Russia</b>	RUB	457,712	+29.7 %	1 %	99 %	40	35
Weleda East GmbH, Moscow	EUR	6,197					
<b>Ukraine</b>	UAH	33,034	+74.7 %	0 %	100 %	15	12
Weleda Ukraine LLC, Kiev	EUR	1,049					
<b>USA (North America)</b>	USD	20,336	+36.9 %	4 %	96 %	29	29
Weleda Inc., Irvington N.Y.	EUR	17,223					
<b>Argentina</b>	ARS	84,476	+60.5 %	49 %	51 %	46	45
Weleda S.A. Argentina, Buenos Aires	EUR	2,729					
<b>Brazil</b>	BRL	43,789	+11.2 %	77 %	23 %	138	138
Weleda do Brasil Ltda., São Paulo	EUR	10,210					
<b>Chile</b>	CLP	2,201,182	+2.7 %	42 %	58 %	42	41
Weleda Chile SpA, Santiago de Chile	EUR	2,950					
<b>New Zealand</b>	NZD	4,464	+10.7 %	54 %	46 %	31	29
Weleda (NZ) Ltd, Havelock North	EUR	2,617					
<b>Australia</b>	AUD	4,738	+11.4 %	14 %	86 %	17	15
Weleda Australia PTY Ltd., Warriewood	EUR	2,999					
<b>Korea</b>	KRW	-	-	-	-	4	0
Weleda Korea Ltd., Seoul	EUR						
<b>Total</b>	EUR	412,272	+2.8 %	25 %	75 %	2,151	2,077



## General economic development in 2018 and outlook for 2019

As the Weleda Group is very closely linked with Weleda AG, this management report describes both the financial position of the Weleda Group and that of the individual company Weleda AG.

### Business performance

The Weleda Group increased total sales to over EUR 412 million in 2018. The distribution of growth rates indicates the importance of internationalisation. This has already had a positive effect on the operating result. In June 2018 Weleda Group incorporated the first subsidiary in Asia, Weleda Korea Ltd. Operating activities will start in the first quarter of 2019 (initially natural cosmetics and dental care products). Weleda opened three City Spas in Rotterdam, The Hague and Oegstgeest at the end of year 2018. The Spas, which are aesthetically and sustainably equipped, offer massages and facial treatments in accordance with Weleda's holistic philosophy.

Net result improved compared to 2017 mainly due to a better operating result. Further reduction in debt plus the generated profit led to a higher equity ratio, further improving the resilience of the company. Pioneering decisions about the future are only possible on the solid basis which was established in the last six years. Some of the most important strategic decisions for the next years are the renewal of our infrastructure with the core element of a new production and logistics site in Germany, investments in research and development, the implementation of the natural and organic cosmetics and the pharmaceuticals strategy, the development of a digital transformation strategy and the Sustainability Programme 2018–2022.

### Employees

The Weleda Group had an average of 2,116 full-time employees in 2018 (previous year: 2,057). Weleda AG had an average of 1,091 full-time employees (previous year: 1,084).

### Risk assessment

Risks are an integral part of business operations. A risk management system that enables the identification, analysis, control and monitoring of significant risks in the corporate environment is therefore particularly important for Weleda. In order to identify risks in good time and determine the appropriate action, our management regularly assesses, at Group level and at the level of Weleda AG, any significant internal and external risks that may impact the entire corporate environment. The Board of Directors discusses and approves the results of the risk assessment and any measures every six months.

### Development of sales

The net sales of the Weleda Group for the 2018 financial year amount to EUR 412.3 million (previous year: EUR 400.9 million). This corresponds to a growth rate of 2.8 per cent, or EUR 11.4 million, compared with the previous year (adjusted for exchange rate effects: 4.4 per cent, or EUR 17.5 million). This means that Weleda held up well in 2018 despite an intensely competitive market. The net sales from the individual company Weleda AG increased by 7.5 per cent or CHF 21.6 million year-on-year.

### Development of sales by markets and regions

Around 50 per cent (previous year: 51 per cent) of sales were generated in the D–A–CH region (Germany, Austria, Switzerland). Sales in this region increased slightly by 0.3 per cent to EUR 204.0 million (previous year: EUR 203.4 million). Sales in France increased by 2.9 per cent and amounted to EUR 93.4 million (previous year: EUR 90.7 million). Sales in the other regions increased by a total of 7.6 per cent to EUR 115.0 million (previous year: EUR 106.8 million). The negative exchange rate impact on sales was EUR 7.5 million.

### Development of sales in the business segments

Natural and organic cosmetics accounted for EUR 307.6 million or 74.6 per cent of global sales (previous year: EUR 292.4 million or 72.9 per cent). The sales generated by pharmaceuticals decreased to EUR 104.7 million (previous year: 108.5 million), corresponding to 25.4 per cent (previous year: 27.1 per cent) of total sales.

Global sales of the pharmaceuticals business segment decreased by 3.6 per cent in 2018 (previous year: decrease of 0.5 per cent). Sales in the D–A–CH region, which generated about 45 per cent of sales, decreased by about 2.0 per cent compared with the previous year. Growth momentum came primarily from the South America region with growth in sales of 15 per cent (adjusted by exchange rate effects). Sales in the other markets decreased by 4.3 per cent (adjusted by exchange rate effects) compared to the previous year. Global sales of the natural and organic cosmetics business segment grew by 5.2 per cent compared with the previous year (4.1 per cent sales growth in 2017). The growth regions of Western Europe, North and South America, Asia and Pacific as well as Central and Eastern Europe, including Russia and Ukraine, were pri-

marily responsible for the improvement. Sales increased by 1.0 per cent in the D–A–CH region. Sales growth in all other countries totalled 10.0 per cent.

### Operating result

The consolidated operating result (EBIT) of the Weleda Group increased, compared to the previous year, by EUR 2.4 million to EUR 21.1 million (previous year: EUR 18.7 million). The EBIT margin increased to 5.1 per cent (previous year: 4.7 per cent). The operating result (EBIT) in the separate financial statements of Weleda AG increased, compared to the previous year, by CHF 4.7 million to CHF 4.4 million.

### Result for the year

The consolidated result for the year increased by 10.5 per cent to EUR 14.3 million compared to the previous year. The financial result amounted to EUR –1.1 million and remained stable compared to the previous year (previous year: EUR –1.1 million). Due to the different profit distribution within the Group, income taxes increased to EUR 5.6 million (previous year: EUR 4.6 million). Germany accounted for the biggest share of income taxes with EUR 3.4 million (previous year: EUR 1.7 million).

The separate financial statements of Weleda AG showed a loss of CHF 0.5 million (previous year: loss of CHF 2.5 million).

### Financial and assets situation

The equity ratio of the Weleda Group again increased and amounts to 51.1 per cent (previous year: 46.7 per cent) due to the improved net result for the year and the repayment of financial debt.

Consolidated cash flow from operating activities amounted to EUR 9.1 million (previous year: EUR 29.3 million). Due to the launch of the Skin Food line at the beginning of 2019 and the corresponding preproduction there was an increase in net working capital. Cash flows from investing activities decreased, compared with the previous year, by EUR 1.6 million to EUR 11.2 million (previous year: EUR 12.8 million). Of the gross investments of EUR 11.4 million, EUR 1.5 million were invested in intangible assets, EUR 9.4 million in property, plant and equipment and EUR 0.5 million in financial assets. Around two-thirds of the investments in property, plant and equipment or intangible assets were made at the two main production sites

in Schwäbisch Gmünd and Arlesheim. Cash flow after investing activities amounted to EUR –2.0 million (previous year: EUR 16.5 million).

Financial liabilities of EUR 9.9 million (adjusted for exchange rate effects) were fully repaid (previous year: EUR 10.2 million). Cash and cash equivalents decreased by EUR 11.5 million to EUR 35.8 million at year-end. This resulted in a net financial credit balance of EUR 35.8 million (previous year: EUR 37.4 million).

Cash flow from operating activities for Weleda AG amounted to CHF 3.9 million (previous year: CHF 30.7 million) in the year under review and, after the deduction of net investments of CHF 16.5 million (previous year: CHF 15.3 million), came to CHF –12.6 million (previous year: CHF 15.4 million). Weleda AG repaid CHF 9.0 million (previous year: CHF 10.3 million) in interest-bearing liabilities in the year under review.

### Extraordinary events

In the year under review there were no significant extraordinary events.

### Research and development activities

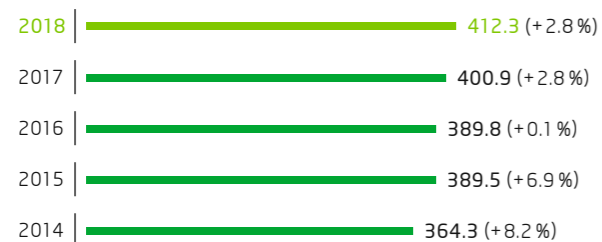
The growth of natural and organic cosmetics was mainly driven by market expansion and innovation. In pharmaceutical research, Weleda has continued to press ahead with the development of competencies. For both segments together, Weleda again invested double-digit millions in research and development this year.

### Outlook for 2019

In view of the current market conditions, planned innovation and the market presence of Weleda, we see continued good opportunities for single- to double-digit percentage growth of natural and organic cosmetics in France, the USA, Germany, Russia, Sweden and South Korea. We expect lower but positive average growth in the other countries. With regard to pharmaceuticals, we also expect to see stable sales. Due to decisions made about future developments such as further investments in research and development, implementation of the pharmaceuticals strategy, the product-mix strategy for natural and organic cosmetics, and market development outside Europe, we expect an increase in sales and a stable operating income in the coming year.

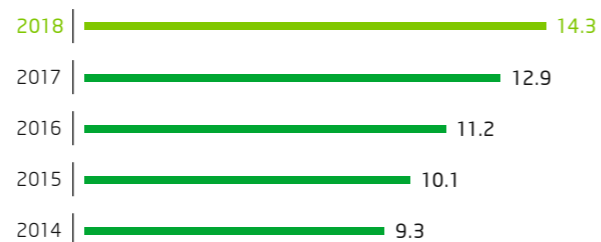
### Sales at respective year-end exchange rates

in million EUR (change from previous year)



### Result attributable to shareholders

in million EUR

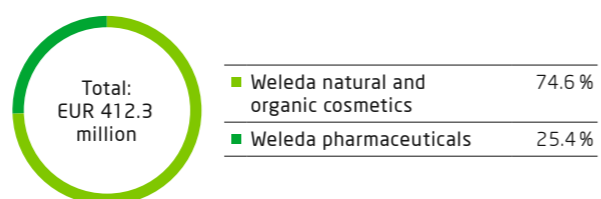


### Sales adjusted for exchange rate effects

in million EUR (change from the previous year adjusted for shift in exchange rates as at December 31<sup>st</sup> 2018)

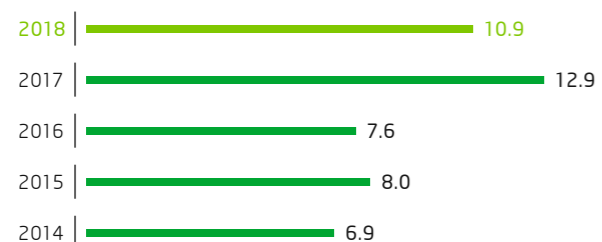


### Natural and organic cosmetics and pharmaceuticals Weleda Group



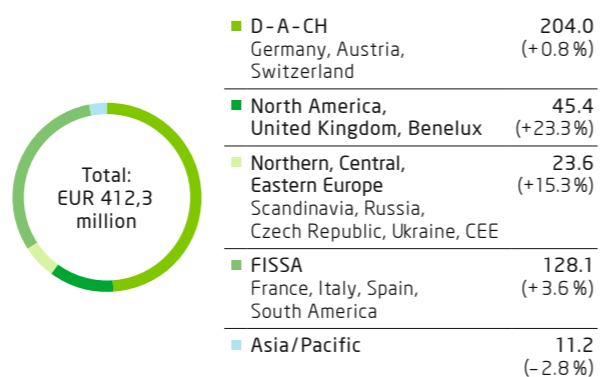
### Investments in intangible assets and property, plant and equipment

in million EUR



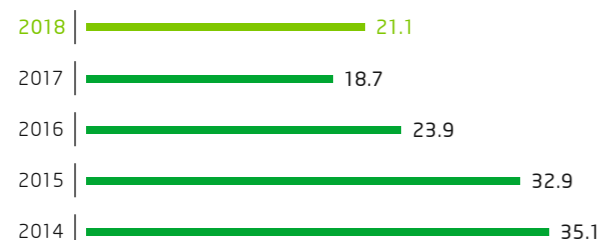
### Market performance of Weleda Group by region

in million EUR (exchange rate-adjusted changes from the previous year)



### Operating result (EBIT)

in million EUR



# Consolidated Annual Financial Report 2018

## Weleda Group

BALANCE SHEET OF THE WELEDA GROUP	50
INCOME STATEMENT OF THE WELEDA GROUP	51
CASH FLOW STATEMENT OF THE WELEDA GROUP	52
STATEMENT OF SHAREHOLDERS' EQUITY OF THE WELEDA GROUP	53
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE WELEDA GROUP	54
REPORT OF THE STATUTORY AUDITOR	66

**Statutory auditor**  
Ernst & Young AG  
Basel, Switzerland

**Contact person for shareholders**  
Paul Mackay, Chairman of the Board of Directors

**Corporate headquarters**  
Weleda AG  
Dychweg 14, 4144 Arlesheim, Switzerland  
Tel. +41 61 705 21 21  
www.weleda.com, www.weleda.ch

**Secretariat and share register**  
Sabine Lexen  
Tel. +41 61 705 22 02

**Branch in Germany**  
Weleda AG  
Möhlerstr. 3-5, 73525 Schwäbisch Gmünd  
Germany  
Tel. +49 7171 91 90  
www.weleda.de

## Balance sheet of the Weleda Group

### Assets

in 1,000 EUR

	Notes	31.12.2018	31.12.2017
<b>Current assets</b>			
Cash and cash equivalents		35,794	47,306
Trade receivables	1	64,655	61,265
Other current receivables	2	16,412	14,003
Inventories	3	63,787	53,329
Prepaid expenses and accrued income		5,179	4,554
<b>Total current assets</b>		<b>185,827</b>	<b>180,457</b>
<b>Non-current assets</b>			
Financial assets	4	1,808	1,437
Investments in non-controlling interests	4	850	806
Property, plant and equipment	4	69,966	67,418
Intangible assets	4	3,600	3,670
<b>Total non-current assets</b>		<b>76,224</b>	<b>73,331</b>
<b>Total assets</b>		<b>262,051</b>	<b>253,788</b>

### Liabilities and shareholders' equity

in 1,000 EUR

	Notes	31.12.2018	31.12.2017
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables	5	18,468	24,766
Current interest-bearing liabilities		0	9,867
Other current liabilities	6	12,184	10,692
Current provisions	7	5,575	8,511
Accrued expenses and deferred income		18,386	13,790
<b>Total current liabilities</b>		<b>54,613</b>	<b>67,626</b>
<b>Non-current liabilities</b>			
Other non-current liabilities		2,230	1,947
Non-current provisions	7	71,257	65,593
<b>Total non-current liabilities</b>		<b>73,487</b>	<b>67,540</b>
<b>Total liabilities</b>		<b>128,100</b>	<b>135,166</b>
<b>Shareholders' equity</b>			
Share capital		3,800	3,800
Non-voting share capital		7,600	7,600
Capital reserves		9,600	9,600
Retained earnings		112,749	98,006
Treasury voting and non-voting shares	8	-540	-1,102
<b>Shareholders' equity excl. non-controlling interests</b>		<b>133,209</b>	<b>117,904</b>
Non-controlling interests		742	718
<b>Shareholders' equity incl. non-controlling interests</b>		<b>133,951</b>	<b>118,622</b>
<b>Total liabilities and shareholders' equity</b>		<b>262,051</b>	<b>253,788</b>

## Income statement of the Weleda Group

in 1,000 EUR

	Notes	2018	2017
<b>Net sales of goods and services</b>	9	<b>412,272</b>	<b>400,902</b>
<b>Other income</b>	10	<b>3,786</b>	<b>2,385</b>
Change in inventories of finished goods and work in progress		6,968	3,189
<b>Total operating income</b>		<b>423,026</b>	<b>406,476</b>
Cost of materials		-97,096	-91,647
Employee income and social expenditure	11	-152,344	-147,743
Other operating expenses	12	-143,254	-138,317
Depreciation, amortisation and impairment losses on non-current assets	13	-9,281	-10,078
<b>Total operating expenses</b>		<b>-401,975</b>	<b>-387,785</b>
<b>Operating result (EBIT)</b>		<b>21,051</b>	<b>18,691</b>
Financial expenses	14	-1,413	-1,356
Financial income	15	264	249
<b>Ordinary result for the year</b>		<b>19,902</b>	<b>17,584</b>
Income taxes	16	-5,592	-4,624
<b>Consolidated result for the year</b>		<b>14,310</b>	<b>12,960</b>
<b>Attributable to shareholders of Weleda AG</b>		<b>14,267</b>	<b>12,907</b>
<b>Attributable to non-controlling interests</b>		<b>43</b>	<b>53</b>

## Cash flow statement of the Weleda Group

in 1,000 EUR

	2018	2017
Consolidated result for the year	14,310	12,960
Depreciation, amortisation and impairment losses on non-current assets	9,281	10,078
Changes in provisions	2,098	6,772
Gain/loss from the disposal of non-current assets	-38	42
Changes in trade receivables	-3,779	-986
Changes in inventories	-10,749	-1,962
Changes in other current receivables and prepaid expenses/accrued income	-3,090	-3,644
Changes in trade payables	-6,270	5,301
Changes in other current liabilities and accrued expenses/deferred income	6,434	-272
Other non-cash items	161	812
Currency and valuation influences not affecting liquidity	838	287
Share of result of associated companies	-63	-85
<b>Cash flow from operating activities</b>	<b>9,133</b>	<b>29,303</b>
Investments in property, plant and equipment	-9,429	-11,637
Divestments of property, plant and equipment	56	97
Investments in financial assets	-457	-16
Divestments of financial assets	172	79
Investments in intangible assets	-1,513	-1,307
<b>Cash flow from investing activities</b>	<b>-11,171</b>	<b>-12,784</b>
Dividend payments to shareholders/non-controlling interests	-832	-865
Cash flow from change in current interest-bearing liabilities (net)	-9,917	-8,640
Repayment of non-current interest-bearing liabilities	0	-2,351
Sale of treasury voting and non-voting shares	1,585	0
Purchase of treasury voting and non-voting shares	-9	-23
<b>Cash flow from financing activities</b>	<b>-9,173</b>	<b>-11,879</b>
<b>Total cash flow</b>	<b>-11,211</b>	<b>4,640</b>
Cash and cash equivalents at start of reporting period	47,306	43,715
Total cash flow	-11,211	4,640
Currency translation effect on cash and cash equivalents	-301	-1,049
<b>Cash and cash equivalents at end of period</b>	<b>35,794</b>	<b>47,306</b>

## Statement of shareholders' equity of the Weleda Group

in 1,000 EUR

	Company capital <sup>1</sup>	Capital reserves (agio)	Accumulated currency difference	Other retained earnings	Treasury voting and non-voting shares	Total excl. non-controlling interests	Non-controlling interests	Total incl. non-controlling interests
<b>Shareholders' equity as at January 1<sup>st</sup> 2017</b>	<b>11,400</b>	<b>9,600</b>	<b>-955</b>	<b>86,496</b>	<b>-1,079</b>	<b>105,462</b>	<b>3,348</b>	<b>108,810</b>
Result for the year				12,907		12,907	53	12,960
Dividends				-865		-865		-865
Change in treasury voting and non-voting shares					-23	-23		-23
Currency translation effect/Other <sup>2</sup>			-1,906	2,329		423	-2,683	-2,260
<b>Shareholders' equity as at December 31<sup>st</sup> 2017</b>	<b>11,400</b>	<b>9,600</b>	<b>-2,861</b>	<b>100,867</b>	<b>-1,102</b>	<b>117,904</b>	<b>718</b>	<b>118,622</b>
Result for the year				14,267		14,267	43	14,310
Dividends				-832		-832		-832
Change in treasury voting and non-voting shares including gain/loss from sale				1,014	562	1,576		1,576
Currency translation effect/Other <sup>2</sup>			283	11		294	-19	275
<b>Shareholders' equity as at December 31<sup>st</sup> 2018</b>	<b>11,400</b>	<b>9,600</b>	<b>-2,578</b>	<b>115,327</b>	<b>-540</b>	<b>133,209</b>	<b>742</b>	<b>133,951</b>

<sup>1</sup> Company capital is broken down as follows:  
6,880 registered voting shares at CHF 112.50  
3,984 registered voting shares at CHF 125.00  
3,478 registered voting shares at CHF 1,000.00  
19,000 registered non-voting shares at CHF 500.00  
There was no change in the company capital versus the prior year.

<sup>2</sup> The item Other retained earnings includes under Other a goodwill/badwill on the buyout of non-controlling interests.

## Notes to the consolidated financial statements of the Weleda Group

### General

Due to rounding, individual figures in this report may not add up exactly to the reported sum. Key figures and changes are calculated based on the exact amount and not the reported rounded amount.

### Consolidation principles

#### Accounting principles

This Annual Financial Report has been prepared in accordance with uniform accounting standards (Weleda Accounting Manual). These accounting standards comply with the provisions on commercial accounting of the Swiss Code of Obligations (article 957–963b OR).

The consolidated financial statements of the Weleda Group comply with the law and the Articles of Incorporation. Certain items of the balance sheet as well as the income statement are summarised in order to provide the reader with a better overview. These items are explained in detail in the notes.

#### Scope of consolidation

In addition to Weleda AG Arlesheim and its branch Weleda AG Schwäbisch Gmünd, 22 subsidiaries are fully consolidated within the Weleda Group statements. These companies are, without exception, Group companies and controlled by Weleda AG Arlesheim. Weleda AG has direct or indirect investments of more than 50 per cent in these companies. In the year under review Weleda Korea Ltd. was incorporated and added to the scope of consolidation. The non-controlling interest in Japan is consolidated using the equity method. The consolidated companies are listed in the notes.

#### Consolidation method

The consolidated financial statements are based on the annual statements of the Group companies as at December 31<sup>st</sup> 2018, which are prepared in accordance with the provisions of the Weleda Accounting Manual. The consolidation period is the calendar year. Capital consolidation is carried out in accordance with the Anglo-Saxon purchase method. For the fully consolidated companies, assets, liabilities, expenses and income are stated at 100 per cent. Non-controlling interests in consolidated shareholders' equity and profit/loss for the year are disclosed separately.

The carrying amounts of the parent company's investment are offset against the current shareholders' equity of the subsidiary companies. In accordance with the full consolidation method, assets and liabilities as well as expenses and income also of those companies in which a third party is involved are included in full in the Group accounts. Third parties' shares of shareholders' equity and of the results of consolidated companies are disclosed separately.

#### Currency translation

The financial statements of consolidated companies in foreign currencies are translated as follows: current assets, non-current assets and liabilities are translated at year-end rates (rate on balance sheet date), shareholders' equity at historical rates. The income statement and the cash flow statement are translated using average rates for the year. The resulting currency translation effects are booked directly in retained earnings without impacting profit and loss. The following currency exchange rates are applied:

### YEAR-END RATES

in EUR

	2018 Rates on balance sheet date	2018 Average rates	2017 Rates on balance sheet date	2017 Average rates
1 CHF (Swiss franc)	0.887	0.866	0.855	0.900
1 USD (US dollar)	0.875	0.847	0.833	0.886
1 GBP (pound sterling)	1.114	1.130	1.127	1.141
1 BRL (Brazilian real)	0.226	0.233	0.251	0.278

### Intragroup transactions, balances and intercompany profits

All intragroup transactions and balances are eliminated, as were all intercompany profits stated in the balance sheet.

### Balance sheet and valuation principles

In general, assets and liabilities are valued on an individual basis in so far as they are material and cannot be treated together as a group as is customary due to their similarity.

### Sales recognition

Sales are recognised on the transfer of risks and benefits to customers or upon provision of the service. This generally corresponds to delivery of the products.

### Current assets

Receivables and other current assets are reported at their nominal values. The general risk of loss and individual credit risk have been accounted for on the basis of value adjustments. The valuation of inventories is conducted on the basis of acquisition or production cost while observing the principle of lower of cost or market.

### Non-current assets

Acquired intangible assets are recognised at the cost of acquisition, less amortisation. Property, plant and equipment is recognised at acquisition or production cost minus depreciation. Small-value intangible assets and property, plant and equipment with a value of less than EUR 1,000 are depreciated in full in the year they are added.

Financial assets are recognised at the cost of acquisition. Equity holdings are consolidated using the equity method.

Where there are indications of non-current assets being overvalued, carrying values have been reviewed and, where necessary, adjusted.

### Liabilities

Liabilities are recognised based on their nominal value. Provisions for pension plans and similar obligations are determined based on actuarial principles. The remaining provisions cover all recognisable risks for undetermined obligations. Liabilities are recognised at the respective amount at which they are to be repaid.

### Treasury voting and non-voting shares

Treasury voting and non-voting shares are recognised at cost at the time of acquisition. The holding of treasury voting and non-voting shares is disclosed as a negative item in equity. Upon resale, the profit or loss is allocated directly to the voluntary retained earnings.

### Leasing transactions

Leasing and rental contracts are recognised on the basis of legal ownership. Accordingly, expenses as lessee are recognised on an accrual basis, whereas the leased or rented objects themselves are not recognised. The total amount of outstanding non-current rental and leasing obligations is included in the notes.

## Notes to the balance sheet and the income statement

### 1 Trade receivables

in 1,000 EUR

	31.12.2018	31.12.2017
From third parties	64,162	60,596
From companies in which a non-controlling interest is held	350	529
From shareholders	143	140
<b>Total trade receivables</b>	<b>64,655</b>	<b>61,265</b>

### 2 Other current receivables

in 1,000 EUR

	31.12.2018	31.12.2017
From third parties	16,399	14,003
From companies in which a non-controlling interest is held	13	0
<b>Total other current receivables</b>	<b>16,412</b>	<b>14,003</b>

### 3 Inventories

in 1,000 EUR

	31.12.2018	31.12.2017
Raw, auxiliary and operating materials	17,755	16,119
Unfinished products	10,637	10,284
Finished products	8,634	5,835
Trade goods	29,463	22,928
Value adjustments on inventories	-2,702	-1,837
<b>Total inventories</b>	<b>63,787</b>	<b>53,329</b>

#### 4 Non-current assets

in 1,000 EUR	Financial assets	Investments in non-controlling interests	Property, plant and equipment	Intangible assets	Total non-current assets
<b>as at January 1<sup>st</sup> 2017</b>	4,327	731	67,541	4,787	77,386
Currency translation effect	-114	-10	-2,756	-148	-3,028
Equity valuation	0	85	0	0	85
Additions	16	0	11,637	1,307	12,960
Disposals	-2,783	0	-929	-282	-3,994
Reclassification within non-current assets	0	0	-214	214	0
Depreciation, amortisation and impairment losses	-9	0	-7,861	-2,208	-10,078
<b>as at December 31<sup>st</sup> 2017</b>	1,437	806	67,418	3,670	73,331
Currency translation effect	8	4	1,117	8	1,137
Equity valuation	0	63	0	0	63
Additions	457	0	9,429	1,513	11,399
Disposals	-172	0	-253	0	-425
Reclassification within non-current assets	0	0	-8	8	0
Depreciation, amortisation and impairment losses	-10	-23	-7,649	-1,599	-9,281
<b>as at December 31<sup>st</sup> 2018</b>	1,720	850	70,054	3,600	76,224

Financial assets include non-current amounts due from third parties, securities and investments of less than 20 per cent.

Investments in non-controlling interests include investments in companies in which the Weleda Group holds between 20 and 50 per cent. Increases are due to equity valuation.

Increases in intangible assets mainly comprise software. The increase in property, plant and equipment consists primarily of investment projects as well as investment in replacements in Germany, France and Switzerland.

The largest share of the amount under Property, plant and equipment, totalling EUR 25 million (2017: EUR 24 million), relates to Switzerland. The branch in Germany accounts for EUR 16 million (2017: EUR 15 million) and Weleda France has property, plant and equipment totalling EUR 13 million (2017: EUR 12 million).

#### 5 Trade payables

in 1,000 EUR	31.12.2018	31.12.2017
To third parties	18,413	24,680
To the Group auditor Ernst & Young	55	86
<b>Total trade payables</b>	<b>18,468</b>	<b>24,766</b>

#### 6 Other current liabilities

in 1,000 EUR	31.12.2018	31.12.2017
To third parties	12,111	10,663
To shareholders	22	13
To the Group auditor Ernst & Young	51	16
<b>Total other current liabilities</b>	<b>12,184</b>	<b>10,692</b>

#### 7 Provisions

in 1,000 EUR	Pension provisions	Tax provisions <sup>1</sup>	Other provisions <sup>2</sup>	Total provisions
<b>as at January 1<sup>st</sup> 2017</b>	31,184	366	39,498	71,048
Increase	2,226	0	6,188	8,414
Utilisation	-290	-95	-1,112	-1,497
Decrease	0	0	-146	-146
Currency translation effect	-342	-40	-3,333	-3,715
<b>as at December 31<sup>st</sup> 2017</b>	32,778	231	41,095	74,105
Increase	3,255	0	6,306	9,561
Utilisation	-3,761	-5	-3,105	-6,871
Decrease	-415	0	-177	-592
Currency translation effect	-45	-23	697	629
<b>as at December 31<sup>st</sup> 2018</b>	31,812	203	44,816	76,832
<b>Of which current provisions</b>	<b>2,096</b>	<b>0</b>	<b>3,479</b>	<b>5,575</b>
<b>Of which non-current provisions</b>	<b>29,716</b>	<b>203</b>	<b>41,338</b>	<b>71,257</b>

<sup>1</sup> The item Tax provisions includes only provisions for deferred taxes.

<sup>2</sup> The item Other provisions includes, inter alia, currency provisions, provisions for strategic projects and procurement for replacements following the sale of Iscador, provisions for legal cases and provisions for jubilee and other long-service bonuses.

## 8 Treasury voting and non-voting shares

in 1,000 EUR	2018	2017
Stock of treasury voting shares as at January 1 <sup>st</sup> (in number: 195/prior year: 177)	378	355
Addition of treasury voting shares (in number: 4/prior year: 18)	9	23
Disposal of treasury voting shares (in number: 1/prior year: 0)	-4	0
Stock of treasury voting shares as at December 31 <sup>st</sup> (in number: 198/prior year: 195)	383	378
Stock of treasury non-voting shares as at January 1 <sup>st</sup> (in number: 715/prior year: 715)	724	724
Addition of treasury non-voting shares (in number: 0/prior year: 0)	0	0
Disposal of treasury non-voting shares (in number: 520/prior year: 0)	-567	0
Stock of treasury non-voting shares as at December 31 <sup>st</sup> (in number: 195/prior year: 715)	157	724
<b>Total treasury voting and non-voting shares as at December 31<sup>st</sup></b>	<b>540</b>	<b>1,102</b>

2018, 520 non-voting shares were sold at an average transaction price of EUR 3,010. Furthermore, four treasury voting shares (nominal value CHF 1,000 each) were acquired at EUR 2,165 each and one treasury voting share (nominal value CHF 1,000) was sold at a transaction price of EUR 6,704.

## 9 Net sales of goods and services

### PRODUCT GROUPS

	2018 in 1,000 EUR	2018 in %	2017 in 1,000 EUR	2017 in %
Natural and organic cosmetics	307,620	74.6	292,385	72.9
Pharmaceuticals	104,652	25.4	108,517	27.1
<b>Net sales</b>	<b>412,272</b>	<b>100.0</b>	<b>400,902</b>	<b>100.0</b>

### REGIONS

	2018 in 1,000 EUR	2018 in %	2017 in 1,000 EUR	2017 in %
D - A - CH (Germany, Austria, Switzerland)	203,957	49.5	203,370	50.7
North America, UK, Benelux	45,379	11.0	37,460	9.3
Northern, Central and Eastern Europe (Scandinavia, Russia, Czech Republic, Ukraine, CEE)	23,564	5.7	21,345	5.3
FISSA (France, Italy, Spain, South America)	128,125	31.1	126,644	31.7
Asia/Pacific	11,247	2.7	12,083	3.0
<b>Net sales</b>	<b>412,272</b>	<b>100.0</b>	<b>400,902</b>	<b>100.0</b>

## 10 Other income

in 1,000 EUR	2018	2017
<b>Total other income</b>	<b>3,786</b>	<b>2,385</b>

Other income mainly comprises rental income, insurance compensations, service revenues from the showroom Espace Weleda Paris as well as refunds from suppliers.

## 11 Employee income and social expenditure

in 1,000 EUR	2018	2017
Employee income	117,752	114,711
Social expenditure	34,592	33,032
<b>Total employee income and social expenditure</b>	<b>152,344</b>	<b>147,743</b>

## 12 Other operating expenses

in 1,000 EUR	2018	2017
Sales and distribution costs	89,912	85,199
Operating costs	20,707	20,170
Administrative costs	20,799	26,644
Contributions, levies, property and capital taxes	3,210	2,890
Other expenses	8,626	3,414
<b>Total other operating expenses</b>	<b>143,254</b>	<b>138,317</b>

Other operating expenses includes, but is not limited to, sales and distribution costs such as advertising and market communication, sales documents, material costs of sales representatives and all postal costs. Operating and administrative costs include costs for building and machine maintenance, legal and consulting costs, IT expenses and costs for third-party research as well as non-operating expenses. The item Other expenses includes donations to the School of Spiritual Science in Dornach as well as to other different anthroposophic institutions with a total amount of EUR 1.9 million (2017: EUR 2.1 million) as well as the creation of provision for strategic projects of EUR 5.5 million.



### 13 Depreciation, amortisation and impairment losses on non-current assets

in 1,000 EUR	2018	2017
Financial assets	33	9
Property, plant and equipment	7,649	7,861
Intangible assets	1,599	2,208
<b>Total depreciation, amortisation and impairment losses on non-current assets</b>	<b>9,281</b>	<b>10,078</b>

### 14 Financial expenses

in 1,000 EUR	2018	2017
Interest and similar expenses	-557	-1,314
Realised and unrealised foreign currency result, net	-856	-42
<b>Total financial expenses</b>	<b>-1,413</b>	<b>-1,356</b>

### 15 Financial income

in 1,000 EUR	2018	2017
Interest and similar income	264	249
<b>Total financial income</b>	<b>264</b>	<b>249</b>

### 16 Income taxes

Income taxes occurred mainly in Germany, Switzerland and France.

## Other information

### Full-time equivalents

The annual average number of full-time equivalents for the reporting year, as well as the previous year, exceeded 250. Changes in full-time equivalents are stated in the management report.

### Contingent liabilities and other financial obligations

in 1,000 EUR	31.12.2018	31.12.2017
Guarantees	0	100
Contingent liabilities	271	301
Fair value of derivative financial instruments	121	377

The derivative financial instruments relate to interest hedges (variable to fixed rate) in France for existing leasing obligations.

### Non-current rental and leasing obligations

in 1,000 EUR	31.12.2018	31.12.2017
Residual maturity up to 5 years	15,272	14,946
Residual maturity over 5 years	3,009	4,574
<b>Total non-current rental and leasing obligations</b>	<b>18,281</b>	<b>19,520</b>

There are rental and leasing obligations for computer hardware, vehicles and production machinery as well as buildings.

### Fee for the Group auditor Ernst & Young

in 1,000 EUR	31.12.2018	31.12.2017
Auditing services	217	202
Other services	276	181
<b>Total fee</b>	<b>493</b>	<b>383</b>

### Total amount of assets pledged or assigned to secure own liabilities and assets under reservation of ownership

in 1,000 EUR	31.12.2018	31.12.2017
Weleda Group	0	26,032

In 2018 all interest-bearing liabilities have been repaid. In this context the lenders released the assets pledged or assigned as well as the assets under reservation of ownership.

### Restricted cash

in 1,000 EUR	31.12.2018	31.12.2017
Within current assets	270	2,954
<b>Total restricted cash</b>	<b>270</b>	<b>2,954</b>

### Significant events after the balance sheet date

There are no significant events after the balance sheet date which could impact the book value of the assets or liabilities or which should be disclosed here.

### Overview of Group and holding companies

Consolidated companies	Registered office	Function	Currency	Company capital in 1,000	Capital share 2018 in %	Capital share 2017 in %
Weleda AG	CH - Arlesheim/ D - Schwäbisch Gmünd	Headquarters: incl. production, trade and services	CHF	4,750	100.0	100.0
Weleda Benelux SE	NL - Zoetermeer	Production and trade	EUR	2,269	100.0	100.0
Weleda Ges.m.b.H.	A - Vienna	No operative function	EUR	36	100.0	100.0
Weleda Ges.m.b.H. & Co. KG	A - Vienna	Trade	EUR	1,100	100.0	100.0
Weleda Trademark AG	CH - Arlesheim	Services	EUR	920	100.0	100.0
Weleda Inc.	USA - Irvington, N.Y.	Trade	USD	8,525	100.0	100.0
Weleda Italia S.r.l.	I - Milan	Trade	EUR	500	100.0	100.0
Weleda do Brasil Ltda.	BRA - São Paulo	Production and trade	BRL	27,140	100.0	100.0
Weleda Naturals GmbH	D - Schwäbisch Gmünd	Services	EUR	25	100.0	100.0
Weleda East GmbH	RUS - Moscow	Trade	RUB	10	100.0	100.0
Weleda S.A.U.	E - Madrid	Trade	EUR	685	100.0	100.0
Weleda (NZ) Ltd	NZL - Havelock North	Production and trade	NZD	169	100.0	100.0
Weleda Australia Pty Ltd	AUS - Warriewood	Trade	AUD	800	100.0	100.0
Weleda AB	S - Stockholm	Trade	SEK	2,000	100.0	100.0
Weleda (Australasia) Ltd	NZL - Havelock North	Services	NZD	1,139	100.0	100.0
Weleda Chile SpA	CHL - Santiago de Chile	Production and trade	CLP	491,321	100.0	100.0
Weleda F+E AG	CH - Arlesheim	Services	CHF	3,000	100.0	100.0
Weleda Ukraine LLC	UA - Kiev	Trade	UAH	500	100.0	100.0
Weleda Korea Ltd.	KR - Seoul	Trade	KRW	130,000	100.0	-
Weleda spol. s.r.o.	CZ - Prague	Trade	CZK	19,684	99.6	99.5
Weleda UK Ltd	GB - Ilkeston	Production and trade	GBP	1,495	98.1	98.1
Weleda S.A.	F - Huningue	Production and trade	EUR	3,400	98.1	98.1
Weleda S.A.	ARG - Buenos Aires	Production and trade	ARS	7,622	95.0	95.0
Weleda Japan Co., Ltd.	JP - Nagoya	Production and trade	JPY	10,000	35.0	35.0

The share of voting rights corresponds to the capital share.

## Report of the statutory auditor

To the General Meeting of Weleda AG, Arlesheim

### Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the accompanying consolidated financial statements of Weleda AG, which comprise the balance sheet, income statement, cash flow statement, statement of shareholders' equity and notes (pages 50 to 65), for the year ended 31 December 2018.



### Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the consolidated financial statements in accordance with the requirements of Swiss law and the consolidation and valuation principles as set out in the notes. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.



### Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements for the year ended 31 December 2018 comply with Swiss law and the consolidation and valuation principles as set out in the notes.



### Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Basle, April 15<sup>th</sup> 2019  
Ernst & Young Ltd

Daniel Zaugg  
Licensed audit expert  
(Auditor in charge)

Karina Gawron  
Licensed audit expert

## Annual Financial Report 2018

### Weleda AG

Consisting of Arlesheim headquarters and branch office Schwäbisch Gmünd

BALANCE SHEET OF WELEDA AG	68
INCOME STATEMENT OF WELEDA AG	69
CASH FLOW STATEMENT OF WELEDA AG	70
STATEMENT OF SHAREHOLDERS' EQUITY OF WELEDA AG	71
NOTES TO THE FINANCIAL STATEMENTS OF WELEDA AG	72
PROPOSED APPROPRIATION OF THE RESULT FOR THE YEAR	80
REPORT OF THE STATUTORY AUDITOR	81

## Balance sheet of Weleda AG

### Assets

in 1,000 CHF

	Notes	31.12.2018	31.12.2017
<b>Current assets</b>			
Cash and cash equivalents		10,785	17,656
Trade receivables	1	53,652	52,172
Other current receivables	2	16,207	11,111
Inventories		57,287	55,194
Prepaid expenses and accrued income		1,428	1,911
<b>Total current assets</b>		<b>139,359</b>	<b>138,044</b>
<b>Non-current assets</b>			
Financial assets	3	14,624	8,487
Equity investments	4	14,669	18,793
Property, plant and equipment		46,152	46,067
Intangible assets		3,475	4,913
<b>Total non-current assets</b>		<b>78,920</b>	<b>78,260</b>
<b>Total assets</b>		<b>218,279</b>	<b>216,304</b>

### Liabilities and shareholders' equity

in 1,000 CHF

	Notes	31.12.2018	31.12.2017
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables	5	12,497	15,497
Current interest-bearing liabilities		0	9,073
Other current liabilities	6	26,431	22,363
Current provisions	8	6,380	9,739
Accrued expenses and deferred income		6,636	8,768
<b>Total current liabilities</b>		<b>51,944</b>	<b>65,440</b>
<b>Non-current liabilities</b>			
Non-current interest-bearing liabilities	7	32,259	18,992
Non-current provisions	8	49,219	47,354
<b>Total non-current liabilities</b>		<b>81,478</b>	<b>66,346</b>
<b>Total liabilities</b>		<b>133,422</b>	<b>131,786</b>
<b>Shareholders' equity</b>			
Share capital		4,750	4,750
Non-voting share capital		9,500	9,500
Statutory capital reserves		12,000	12,000
Statutory retained earnings		3,400	3,400
Voluntary retained earnings		55,871	56,167
Treasury voting and non-voting shares	9	-664	-1,298
<b>Total shareholders' equity</b>		<b>84,857</b>	<b>84,518</b>
<b>Total liabilities and shareholders' equity</b>		<b>218,279</b>	<b>216,304</b>

## Income statement of Weleda AG

in 1,000 CHF

	Notes	2018	2017
<b>Net sales of goods and services</b>		<b>309,860</b>	<b>288,287</b>
<b>Other income</b>		<b>12,432</b>	<b>9,696</b>
Change in inventories of finished goods and work in progress		5,007	2,577
<b>Total operating income</b>		<b>327,299</b>	<b>300,560</b>
Cost of materials		-108,557	-93,614
Employee income and social expenditure		-110,851	-103,937
Other operating expenses		-90,571	-88,345
Depreciation, amortisation and impairment losses on non-current assets		-12,970	-15,066
<b>Total operating expenses</b>		<b>-322,949</b>	<b>-300,962</b>
<b>Operating result (EBIT)</b>		<b>4,350</b>	<b>-402</b>
Financial expenses	10	-1,167	-1,442
Financial income	11	216	1,240
<b>Result for the year before tax</b>		<b>3,399</b>	<b>-604</b>
Income taxes		-3,905	-1,905
<b>Result for the year</b>		<b>-506</b>	<b>-2,509</b>

## Cash flow statement of Weleda AG

in 1,000 CHF

	2018	2017
Result for the year	- 506	- 2,509
Depreciation, amortisation and impairment losses on non-current assets	12,970	15,066
Changes in provisions	1,609	2,591
Gain/loss from the disposal of non-current assets	5	56
Changes in trade receivables	- 3,134	- 1,261
Changes in inventories	- 4,086	- 2,816
Changes in other current receivables and prepaid expenses/ accrued income	- 5,009	- 3,509
Changes in trade payables	- 2,584	6,538
Changes in other current liabilities and accrued expenses/ deferred income	2,454	15,911
Other non-cash items	256	1,244
Currency and valuation influences not affecting liquidity	1,956	- 647
<b>Cash flow from operating activities</b>	<b>3,931</b>	<b>30,664</b>
Investments in property, plant and equipment	- 6,783	- 9,972
Divestments of property, plant and equipment	1	47
Investments in financial assets	- 12,047	- 4,840
Divestments of financial assets	3,434	337
Investments in intangible assets	- 1,143	- 907
<b>Cash flow from investing activities</b>	<b>- 16,538</b>	<b>- 15,335</b>
Dividend payments to shareholders	- 961	- 962
Cash flow from changes in current interest-bearing liabilities (net)	- 9,013	- 7,844
Additions of non-current interest-bearing liabilities	14,249	0
Repayments of non-current interest-bearing liabilities	0	- 2,432
Sale of treasury voting and non-voting shares	1,816	0
Purchase of treasury voting and non-voting shares	- 10	- 27
<b>Cash flow from financing activities</b>	<b>6,081</b>	<b>- 11,265</b>
<b>Total cash flow</b>	<b>- 6,526</b>	<b>4,064</b>
Cash and cash equivalents at start of reporting period	17,656	12,563
Total cash flow	- 6,526	4,064
Currency translation effect on cash and cash equivalents	- 345	1,029
<b>Cash and cash equivalents at end of period</b>	<b>10,785</b>	<b>17,656</b>

## Statement of shareholders' equity of Weleda AG

in 1,000 CHF

	Company capital <sup>1</sup>	Statutory capital reserves (agio)	Statutory retained earnings	Voluntary retained earnings	Treasury voting and non-voting shares	Total shareholders' equity
<b>Shareholders' equity as at January 1<sup>st</sup> 2017</b>	14,250	12,000	3,400	59,637	- 1,271	<b>88,016</b>
Dividends to shareholders				- 962		- 962
Result for the year				- 2,509		- 2,509
Change in treasury voting and non-voting shares					- 27	- 27
<b>Shareholders' equity as at December 31<sup>st</sup> 2017</b>	14,250	12,000	3,400	56,166	- 1,298	<b>84,518</b>
Dividends to shareholders				- 961		- 961
Result for the year				- 506		- 506
Change in treasury voting and non-voting shares including gain/loss from sale				1,172	634	1,806
<b>Shareholders' equity as at December 31<sup>st</sup> 2018</b>	14,250	12,000	3,400	55,871	- 664	<b>84,857</b>

<sup>1</sup> Company capital is broken down as follows:  
6,880 registered voting shares at CHF 112.50  
3,984 registered voting shares at CHF 125.00  
3,478 registered voting shares at CHF 1,000.00  
19,000 registered non-voting shares at CHF 500.00  
There was no change in the company capital versus the prior year.

## Notes to the financial statements of Weleda AG

### General

Due to rounding, individual figures in this report may not add up exactly to the reported sum. Key figures and changes are calculated based on the exact amount and not the reported rounded amount.

### Accounting principles

This Annual Financial Report has been prepared in accordance with uniform accounting standards (Weleda Accounting Manual). These accounting standards comply with the provisions on commercial accounting of the Swiss Code of Obligations (article 957–963b OR).

The Annual Financial Report of Weleda AG complies with the law and the Articles of Incorporation. Certain items of the balance sheet as well as the income statement are summarised in order to provide the reader with a better overview. These items are explained in detail in the notes.

### Currency translation

The accounts of the German business establishment are stated in euro and translated at year-end as follows: current assets, non-current assets and liabilities are translated at year-end rate (rate on balance sheet date), shareholders' equity at historical rate. The income statement and the cash flow statement are translated using the average rate for the year. The resulting currency translation effects are booked directly in the income statement. The following currency exchange rates are applied:

#### YEAR-END RATE in CHF

	2018 Rate on balance sheet date	2018 Average rate	2017 Rate on balance sheet date	2017 Average rate
1 EUR (euro)	1.127	1.155	1.170	1.112

### Balance sheet and valuation principles

In general, assets and liabilities are valued on an individual basis in so far as they are material and cannot be treated together as a group as is customary due to their similarity.

### Sales recognition

Sales are recognised on the transfer of risks and benefits to customers or upon provision of the service. This generally corresponds to delivery of the products.

### Current assets

Receivables and other current assets are reported at their nominal values. The general risk of loss and individual credit risk have been accounted for on the basis of value adjustments. The valuation of inventories is conducted on the basis of acquisition or production cost while observing the principle of lower of cost or market.

### Non-current assets

Acquired intangible assets are recognised at the cost of acquisition, less amortisation. Property, plant and equipment is recognised at acquisition or production cost minus depreciation. Small-value intangible assets and property, plant and equipment with a value of less than CHF 1,080/EUR 1,000 are depreciated in full in the year they are added.

Financial assets are recognised at the cost of acquisition. Equity investments are also recognised at acquisition values and depreciated over five years. Additions to equity investments of less than CHF 100,000 are fully depreciated in the year of acquisition.

Where there are indications of non-current assets being overvalued, carrying values have been reviewed and, where necessary, adjusted.

### Liabilities

Liabilities are recognised on the basis of nominal value. Provisions for pension plans and similar obligations are determined based on actuarial principles. The remaining provisions covered all recognisable risks for undetermined obligations. Liabilities are recognised at the respective amount at which they are to be repaid.

### Treasury voting and non-voting shares

Treasury voting and non-voting shares are recognised at cost at the time of acquisition. The holding of treasury voting and non-voting shares is disclosed as a negative item in equity. Upon resale, the profit or loss is allocated directly to the voluntary retained earnings.

### Leasing transactions

Leasing and rental contracts are recognised on the basis of legal ownership. Accordingly, expenses as lessee are recognised on an accrual basis, whereas the leased or rented objects themselves are not recognised. The total amount of outstanding non-current rental and leasing obligations is included in the notes.

## Notes to the balance sheet and the income statement

### 1 Trade receivables

in 1,000 CHF	31.12.2018	31.12.2017
From third parties	35,342	33,521
From associated companies	18,149	18,487
From shareholders	161	164
<b>Total trade receivables</b>	<b>53,652</b>	<b>52,172</b>

### 2 Other current receivables

in 1,000 CHF	31.12.2018	31.12.2017
From third parties	13,298	8,453
From Group companies	2,909	2,658
<b>Total other current receivables</b>	<b>16,207</b>	<b>11,111</b>

### 3 Financial assets

in 1,000 CHF	31.12.2018	31.12.2017
Loans to Group companies	14,051	8,408
Other financial assets	573	79
<b>Total financial assets</b>	<b>14,624</b>	<b>8,487</b>

### 4 Equity investments

in 1,000 CHF	31.12.2018	31.12.2017
Investments in Group companies with an interest of more than 50 per cent	14,565	18,663
Other equity investments	104	130
<b>Total equity investments</b>	<b>14,669</b>	<b>18,793</b>

### 5 Trade payables

in 1,000 CHF	31.12.2018	31.12.2017
To third parties	10,867	14,435
To associated companies	1,598	1,009
To the statutory auditor Ernst & Young	32	53
<b>Total trade payables</b>	<b>12,497</b>	<b>15,497</b>

### 6 Other current liabilities

in 1,000 CHF	31.12.2018	31.12.2017
To third parties	2,935	2,577
To Group companies	23,423	19,752
To the statutory auditor Ernst & Young	48	19
To shareholders	25	15
<b>Total other current liabilities</b>	<b>26,431</b>	<b>22,363</b>

### 7 Non-current interest-bearing liabilities

in 1,000 CHF	31.12.2018	31.12.2017
To equity investments	32,259	18,992
<b>Total non-current interest-bearing liabilities</b>	<b>32,259</b>	<b>18,992</b>

#### MATURITY

in 1,000 CHF	31.12.2018	31.12.2017
Residual maturity 1 to 5 years	20,989	0
Residual maturity over 5 years	11,270	18,992
<b>Total non-current interest-bearing liabilities</b>	<b>32,259</b>	<b>18,992</b>

All financial liabilities due within the following 12 months are disclosed in current interest-bearing liabilities.

## 8 Provisions

in 1,000 CHF	31.12.2018	31.12.2017
Pension Fund	25,448	24,092
Other provisions	30,151	33,001
<b>Total provisions</b>	<b>55,599</b>	<b>57,093</b>
Of which current	6,380	9,739
Of which non-current	49,219	47,354

Other provisions comprise, among other things, currency provisions for unrealised exchange rate gains on non-current financial positions, reserves for strategic projects, restructuring liabilities for the Weleda UK Pension Fund and provisions for jubilee and other long-term service bonuses.

## 9 Treasury voting and non-voting shares

in 1,000 CHF	2018	2017
Stock of treasury voting shares as at January 1 <sup>st</sup> (in number: 195/prior year: 177)	414	387
Addition of treasury voting shares (in number: 4/prior year: 18)	10	27
Disposal of treasury voting shares (in number: 1/prior year: 0)	-4	0
Stock of treasury voting shares as at December 31 <sup>st</sup> (in number: 198/prior year: 195)	420	414
Stock of treasury non-voting shares as at January 1 <sup>st</sup> (in number: 715/prior year: 715)	884	884
Addition of treasury non-voting shares (in number: 0/prior year: 0)	0	0
Disposal of treasury non-voting shares (in number: 520/prior year: 0)	-640	0
Stock of treasury non-voting shares as at December 31 <sup>st</sup> (in number: 195/prior year: 715)	244	884
<b>Total treasury voting and non-voting shares as at December 31<sup>st</sup></b>	<b>664</b>	<b>1,298</b>

2018, 520 non-voting shares were sold at an average transaction price of CHF 3,476. Furthermore, four treasury voting shares (nominal value CHF 1,000 each) were acquired at CHF 2,500 each and one treasury voting share (nominal value CHF 1,000) was sold at a transaction price of CHF 7,742.

## 10 Financial expenses

in 1,000 CHF	2018	2017
Interest and similar expenses relating to Group companies	-736	-685
Interest and similar expenses relating to third parties	-155	-757
Realised and unrealised foreign currency losses, net	-276	0
<b>Total financial expenses</b>	<b>-1,167</b>	<b>-1,442</b>

## 11 Financial income

in 1,000 CHF	2018	2017
Realised and unrealised foreign currency gains, net	0	1,062
Interest from loans to Group companies	214	176
Interest and similar income from third parties	2	2
<b>Total financial income</b>	<b>216</b>	<b>1,240</b>



## Other information

## Full-time equivalents

The annual average number of full-time equivalents for the reporting year, as well as the previous year, exceeded 250. Changes in full-time equivalents are stated in the management report.

## Pledged or assigned assets

in 1,000 CHF

	31.12.2018	31.12.2017
Total amount of assets pledged or assigned to secure own liabilities and assets under reservation of ownership	0	23,379

In 2018 all interest-bearing liabilities have been repaid. In this context the lenders released the assets pledged or assigned as well as the assets under reservation of ownership.

## Contingent liabilities and other financial obligations

in 1,000 CHF

	31.12.2018	31.12.2017
Guarantees	0	7,723
Non-current rental and leasing obligations	3,496	3,428

In connection with the mortgage repayment the guarantee was released. Weleda AG has leasing and rental obligations for vehicles and production machinery as well as for buildings.

## Restricted cash

in 1,000 CHF

	31.12.2018	31.12.2017
Restricted cash	185	185

## Fee for the statutory auditor Ernst &amp; Young

in 1,000 CHF

	2018	2017
Auditing services	175	169
Other services	273	184
<b>Total fee</b>	<b>448</b>	<b>353</b>

## Significant events after the balance sheet date

There are no significant events after the balance sheet date which could impact the book value of the assets or liabilities or which should be disclosed here.

## Investments

	Registered office	Function	Currency	Company capital in 1,000	Capital share 2018 in %	Capital share 2017 in %
Weleda Benelux SE	NL – Zoetermeer	Production and trade	EUR	2,269	100.0	100.0
Weleda Ges.m.b.H.	A – Vienna	No operative function	EUR	36	100.0	100.0
Weleda Ges.m.b.H. & Co. KG	A – Vienna	Trade	EUR	1,100	100.0	100.0
Weleda Trademark AG	CH – Arlesheim	Services	EUR	920	100.0	100.0
Weleda Inc.	USA – Irvington, N.Y.	Trade	USD	8,525	100.0	100.0
Weleda Italia S.r.l.	I – Milan	Trade	EUR	500	100.0	100.0
Weleda do Brasil Ltda.	BRA – São Paulo	Production and trade	BRL	27,140	100.0	100.0
Weleda Naturals GmbH	D – Schwäbisch Gmünd	Services	EUR	25	100.0	100.0
Weleda East GmbH	RUS – Moscow	Trade	RUB	10	100.0	100.0
Weleda S.A.U.	E – Madrid	Trade	EUR	685	100.0	100.0
Weleda (NZ) Ltd	NZL – Havelock North	Production and trade	NZD	169	100.0	100.0
Weleda Australia Pty Ltd	AUS – Warriewood	Trade	AUD	800	100.0	100.0
Weleda AB	S – Stockholm	Trade	SEK	2,000	100.0	100.0
Weleda (Australasia) Ltd	NZL – Havelock North	Services	NZD	1,139	100.0	100.0
Weleda Chile SpA	CHL – Santiago de Chile	Production and trade	CLP	491,321	100.0	100.0
Weleda F + E AG	CH – Arlesheim	Services	CHF	3,000	100.0	100.0
Weleda Ukraine LLC	UA – Kiev	Trade	UAH	500	100.0	100.0
Weleda Korea Ltd.	KR – Seoul	Trade	KRW	130,000	100.0	-
Weleda spol. s r.o.	CZ – Prague	Trade	CZK	19,684	99.6	99.5
Weleda UK Ltd	GB – Ilkeston	Production and trade	GBP	1,495	98.1	98.1
Weleda S.A.	F – Huningue	Production and trade	EUR	3,400	98.1	98.1
Weleda S.A.	ARG – Buenos Aires	Production and trade	ARS	7,622	95.0	95.0
Weleda Japan Co., Ltd.	JP – Nagoya	Production and trade	JPY	10,000	35.0	35.0

The share of voting rights corresponds to the capital share.

## Proposed appropriation of the result for the year

### Board of Directors' proposed appropriation of the result for the year in CHF

	31.12.2018
Voluntary retained earnings (without result for the year)	56,376,988.44
Annual result for 2018	- 506,269.65
<b>Total voluntary retained earnings</b>	<b>55,870,718.79</b>

Since the statutory capital reserves and the statutory retained earnings have reached 50 per cent of the share capital, there will be no further allocation.

Provided the proposal is accepted the following distribution will be made out of the statutory capital reserves:

in CHF	per voting share	per voting share	per voting share	per non-voting share
Voting share/non-voting share (nominal)	112.50	125.00	1,000.00	500.00
Distribution (7 per cent) <sup>1</sup>	7.90	8.75	70.00	35.00

<sup>1</sup> Free of Swiss withholding tax distribution out of the statutory capital reserves

Repayments out of reserves from capital contributions (statutory capital reserves) of a corporation are not liable for withholding tax (Article 5 [1bis] VStG). Hence the distribution is made gross.

in CHF	
Statutory capital reserves before distribution	12,000,000.00
Distribution on voting share capital of CHF 4,750,000.00	332,500.00
Distribution on non-voting share capital of CHF 9,500,000.00	665,000.00
<b>Statutory capital reserves after distribution</b>	<b>11,002,500.00</b>

### Distribution payment out of statutory capital reserves

Provided the General Shareholders' Meeting approves the proposed distribution, we will pay the distribution in calendar week 26. No distribution will be paid for voting shares and non-voting shares held directly by the company at the time of distribution payment.

Weleda AG, Arlesheim, April 15<sup>th</sup> 2019  
On behalf of the Board of Directors



Paul Mackay  
Chairman



Dr Jürg Galliker  
Deputy Chairman

## Report of the statutory auditor

To the General Meeting of Weleda AG, Arlesheim

### Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the accompanying financial statements of Weleda AG, which comprise the balance sheet, income statement, cash flow statement, statement of shareholders' equity and notes (pages 68 to 80), for the year ended 31 December 2018.



### Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.



### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements for the year ended 31 December 2018 comply with Swiss law and the company's articles of incorporation.



### Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO) and that there are no circumstances incompatible with our independence.



In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Basle, April 15<sup>th</sup> 2019  
Ernst & Young Ltd



Daniel Zaugg  
Licensed audit expert  
(Auditor in charge)



Karina Gawron  
Licensed audit expert

## Resources used to produce Weleda natural and organic cosmetics and pharmaceuticals

### Energy consumption

in megawatt-hours

	2018	2017	Change in %
<b>Consumption within the organisation</b>			
Total renewable energy	16,371	15,674	+4.4
Total non-renewable energy	17,492	18,237	-4.1
<b>Total</b>	<b>33,863</b>	<b>33,910</b>	<b>-0.1</b>
<b>Consumption of non-renewable fuels</b>			
Natural gas	15,312	16,090	-4.8
Heating oil	522	400	+30.6
Fuels	56	65	-14.3
<b>Total</b>	<b>15,890</b>	<b>16,554</b>	<b>-4.0</b>
<b>Consumption of renewable fuels</b>			
Biogas	980	1,035	-5.3
<b>Energy consumption of electricity, heating and cooling</b>			
<b>Non-renewable</b>			
Electricity	1,342	1,415	-5.2
Heating and cooling	204	201	+1.3
Nuclear energy	48	57	-16.8
Other forms	9	9	-1.5
<b>Total non-renewable</b>	<b>1,602</b>	<b>1,682</b>	<b>-4.8</b>
<b>Renewable</b>			
Solar energy	2,445	1,948	+25.6
Wind energy	726	565	+28.4
Geothermal energy	1	2	-45.8
Hydropower	10,654	10,603	+0.5
Biomass-based intermediate energy	1,458	1,521	-4.1
<b>Total renewable</b>	<b>15,285</b>	<b>14,638</b>	<b>+4.4</b>
<b>Total</b>	<b>16,887</b>	<b>16,321</b>	<b>+3.5</b>
<b>Energy sources produced</b>			
Electricity	144	111	+30.0
Thermal heat	30	0	+100.0
<b>Energy sources sold</b>			
Electricity	38	111	-65.9

### Emissions

in tonnes of CO<sub>2</sub> equivalents

	2018	2017	Change in %
<b>Direct emissions</b>			
Emissions from production of hot water, heat and steam <sup>1</sup>	3,866	4,236	-8.7
Fugitive emissions <sup>1</sup>	107	25	+325.0
<b>Total</b>	<b>3,973</b>	<b>4,261</b>	<b>-6.7</b>
<b>Indirect emissions</b>			
Electricity, etc.	1,302	1,417	-8.1
<b>Total</b>	<b>5,275</b>	<b>5,678</b>	<b>-7.1</b>

<sup>1</sup> Values for 2017 updated compared to previous year (extended database)

### Water consumption

in cubic metres

	2018	2017	Change in %
<b>Water withdrawal</b>			
Water from public water supply	103,438	96,880	+6.8
Ground water	81,555	90,418	-9.8
Rainwater, collected directly and stored	4,507	5,541	-18.7
<b>Total</b>	<b>189,500</b>	<b>192,839</b>	<b>-1.7</b>

### Purchased materials

in tonnes

	2018	2017	Change in %
<b>Raw materials<sup>1</sup></b>			
Renewable	5,071	4,977	+1.9
Non-renewable	304	296	+2.7
<b>Total</b>	<b>5,375</b>	<b>5,274</b>	<b>+1.9</b>
<b>Packaging<sup>1</sup></b>			
Renewable	2,225	2,194	+1.4
Non-renewable	4,359	3,791	+15.0
<b>Total</b>	<b>6,584</b>	<b>5,985</b>	<b>+10.0</b>
<b>Advertising material<sup>1</sup></b>			
Renewable	1,129	724	+56.0
Non-renewable	263	214	+23.1
<b>Total</b>	<b>1,393</b>	<b>938</b>	<b>+48.5</b>
<b>Operating material<sup>2</sup></b>			
Renewable	65	54	+20.4
Non-renewable	96	103	-7.0
<b>Total</b>	<b>161</b>	<b>157</b>	<b>+2.4</b>

### Purchased materials

in tonnes

	2018	2017	Change in %
<b>Semi-finished products and bulk goods<sup>2</sup></b>			
Renewable	53	40	+ 33.3
Non-renewable	2	2	+ 33.0
<b>Total</b>	<b>56</b>	<b>42</b>	<b>+ 33.2</b>
<b>Trade goods<sup>2</sup></b>			
Renewable	359	227	+ 57.7
Non-renewable	376	239	+ 57.2
<b>Total</b>	<b>735</b>	<b>467</b>	<b>+ 57.4</b>
<b>Proportion of renewable materials<sup>3</sup></b>	<b>8,901</b>	<b>8,216</b>	<b>+ 8.3</b>
<b>Proportion of non-renewable materials</b>	<b>5,401</b>	<b>4,646</b>	<b>+ 16.3</b>
<b>Total</b>	<b>14,303</b>	<b>12,862</b>	<b>+ 11.2</b>

<sup>1</sup> Predominantly determined by direct measurement (invoices and ERP system). In case of doubt, classification as non-renewable.

<sup>2</sup> Estimates based on purchases and their material composition. In case of doubt, classification as non-renewable.

<sup>3</sup> The drinking water used as raw material is not taken into account here as the water input is already included in the water consumption. Otherwise, the share of renewable materials would be significantly higher.

### Waste quantities

in tonnes

	2018	2017	Change in %
<b>Normal waste</b>			
Composting	39	46	- 16.9
Reuse	46	51	- 9.9
Recycling	772	695	+ 11.0
Recovery	8	6	+ 22.0
Incineration or use as fuel	424	381	+ 11.4
Landfill	24	22	+ 6.6
Other disposal	46	33	+ 39.3
	<b>1,358</b>	<b>1,235</b>	<b>+ 9.9</b>
<b>Hazardous waste</b>			
Recycling	7	9	- 19.5
Recovery	13	7	+ 87.2
Incineration or use as fuel	51	78	- 34.7
Other disposal	43	16	+ 163.6
	<b>114</b>	<b>111</b>	<b>+ 3.4</b>
<b>Total</b>	<b>1,473</b>	<b>1,346</b>	<b>+ 9.4</b>

## Employees of the Weleda Group

### Employees of the Weleda Group at a glance

as at December 31<sup>st</sup> 2018

	Region D-A-CH <sup>1</sup>	Western Europe <sup>1</sup>	Northern, Central and Eastern Europe <sup>1</sup>	North America <sup>1</sup>	South America, Italy, Spain <sup>1</sup>	Asia/Pacific <sup>1</sup>	Total
Number of female employees	928	417	86	21	238	56	1,746
Number of male employees	495	152	16	8	102	16	789
<b>Total number of employees</b>	<b>1,423</b>	<b>569</b>	<b>102</b>	<b>29</b>	<b>340</b>	<b>72</b>	<b>2,535</b>
<b>Total number of managers</b>	<b>225</b>	<b>102</b>	<b>21</b>	<b>15</b>	<b>54</b>	<b>11</b>	<b>428</b>
<b>Nature of employment</b>							
Full-time employees	870	377	85	28	307	19	1,686
Part-time employees	553	192	18	1	33	53	850
Of whom female part-time employees	485	169	17	1	31	43	746
Of whom male part-time employees	68	22	1	0	2	10	103
<b>Employment by age group</b>							
Up to 30 years of age	238	84	18	<sup>2</sup>	78	<sup>2</sup>	418
31 to 50 years of age	770	316	76	<sup>2</sup>	217	<sup>2</sup>	1,379
51 to 60 years of age	349	138	5	<sup>2</sup>	32	<sup>2</sup>	524
Over 60 years of age	66	31	3	<sup>2</sup>	14	<sup>2</sup>	114
<b>Total number of newborns</b>	<b>62</b>	<b>12</b>	<b>6</b>	<b>0</b>	<b>11</b>	<b>4</b>	<b>95</b>

<sup>1</sup> Explanation of regions:

D - A - CH: Germany, Austria, Switzerland

Western Europe: France, UK, Benelux (Netherlands, Belgium)

Northern, Central and Eastern Europe: Sweden, Russia, Czech Republic (incl. Slovakia), Ukraine

North America: USA

South America, Italy, Spain: Argentina/Chile, Brazil, Italy, Spain

Asia/Pacific: Australia, New Zealand, South Korea (excluding Japan, as minority holding)

<sup>2</sup> Employment by age group cannot be disclosed for legal reasons.

Differences in the total values result from different data sources and legal bases in the respective countries.

## GRI indicators index

In our reporting on corporate responsibility, we also refer to the internationally recognised guidelines of the Global Reporting Initiative (GRI, Sustainable Reporting Standards 2016) and thus make our performance transparent. The following table shows where information on the indicators can be found in the previous chapters.

### Standard disclosures

Index		Page
102-1	Name of the organisation	Titel
102-2	Activities, brands, products, and services	1, 8-13
102-3	Location of headquarters	1, 90, U3
102-4	Location of operations	90
102-5	Ownership and legal form	1
102-6	Markets served	38
102-7	Scale of the organisation	1
102-8	Information on employees and other workers	85
102-8-a	Total number of employees as either head count or full-time equivalent (FTE), with the chosen approach stated and applied consistently	85
102-8-b	Total number of employees by contract type and full-time and part-time status of employees based on the definitions under the national laws of the country where they are based	85
102-8-c	Total number of employees by employment (full-time and part-time) and gender-divided	85
102-9	Supply chains	18-21
102-10	Significant changes to the organisation and its supply chain	2, 18-21
102-11	Precautionary Principle or approach	89
102-14	Statement from senior decision-maker	3-4
102-16	Values, principles, standards, and norms of behaviour	5, 89
102-18	Governance structure	3-4, 89
102-50	Reporting period	U3
102-51	Date of most recent report	U3
102-52	Reporting cycle	U3
102-53	Contact point for questions regarding the report	U3
102-54	Claims of reporting	1-2, U3
102-55	GRI content index	86
102-56	External assurance	66, 81

### Economic metrics

Index		Page
201-1	Direct economic value generated and distributed	Inside cover page, 37
203-1	Infrastructure investments and services supported	Inside cover page,
203-2	Significant indirect economic impacts	34-42

### Environmental metrics

Index		Page
301-1	Materials used by weight or volume	83-84
302-1	Energy consumption within the organisation	82
302-3	Energy intensity	25
303-1	Water withdrawal by source	83
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	22-25
304-2	Significant impacts of activities, products, and services on biodiversity	14-21
304-3	Habitats protected or restored	14-21
305-1	Direct (Scope 1) GHG emissions	83
305-2	Energy indirect (Scope 2) GHG emissions	83
306-2	Waste by type and disposal method	84

### Social metrics

Index		Page
405-1	Diversity of governance bodies and employees	85
413-1	Operations with local community engagement, impact assessments, and development programme	22-25, 30-33
417-1	Requirements for product and service information and labelling	8-13

The Global Reporting Initiative was founded in 1997 by the Coalition of Environmentally Responsible Economies (Ceres) and the United Nations Environmental Programme (UNEP).

Detailed information can be found online at [www.globalreporting.org](http://www.globalreporting.org)

## Our contribution to the Sustainable Development Goals

We have aligned the actions we have taken so far with the Sustainable Development Goals published in 2015 by the United Nations. This enhances transparency and traceability as well as safeguarding nature and the needs of our cultivation partners. The Sustainable Development Goals were compiled by the United Nations and aim to transform the world by 2030. They include 17 global goals with 169 subsidiary targets.

	<ul style="list-style-type: none"> <li>- Compliance with social criteria along our raw material supply chains (e.g. annual negotiations on cost-based prices, supplements for organic cultivation, guaranteed minimum income pursuant to the UEBT standard)</li> <li>- Planning security for smallholders through long-term contracts</li> <li>- Financial support for individual social projects within the raw material supply chains</li> </ul>		<ul style="list-style-type: none"> <li>- Products do not contain microplastics and other persistent or water-polluting substances</li> <li>- Production: investing greatly in effective and efficient water management and highly efficient equipment in production facilities</li> <li>- Avoidance of contributing pesticides to ground water by making maximum possible use of raw materials from organic cultivation</li> <li>- Social projects such as building a well in Uganda</li> <li>- In regions with water scarcity, seeking options for resource-conserving irrigation in cultivation</li> <li>- Access to clean drinking water for all involved along our raw material supply chains pursuant to the UEBT standard</li> </ul>		<ul style="list-style-type: none"> <li>- Sustainable products for the good of people, in harmony with nature</li> <li>- Natrue certification of all natural and organic cosmetic products manufactured in Switzerland and Germany</li> <li>- Increasing the proportion of recyclate in natural cosmetics packaging</li> <li>- Effective and efficient use of resources and reduction of waste in production (e.g. recycling around 98 per cent of waste), deployment of environmental management systems at main sites</li> <li>- Circular economy in our own biodynamic medicinal plant cultivation</li> <li>- Inspiration through visitor's centre and gardens, events and publications</li> </ul>
	<ul style="list-style-type: none"> <li>- Preserving rural life by supporting small enterprises</li> <li>- Promotion of site and soil quality with raw materials from organic farming, biodynamic agriculture and controlled wild collection</li> <li>- Use of non-GMO seeds only</li> <li>- Social projects with raw material suppliers</li> <li>- Guaranteeing food security in cultivation and collection regions pursuant to the UEBT standard</li> </ul>		<ul style="list-style-type: none"> <li>- Effective and efficient energy management in production (e.g. switch to LED)</li> <li>- Manufacturing our products using renewable energy and own photovoltaic system</li> <li>- Construction of new buildings according to sustainable standard (e.g. new build in Arlesheim)</li> </ul>		<ul style="list-style-type: none"> <li>- Our biodynamic garden as an example of resistant, sustainable agriculture and closed material cycles</li> <li>- Transparency regarding company emissions and measures for reduction</li> <li>- The prudent use of natural resources along raw material supply chains in cultivation and wild collection pursuant to the UEBT standard</li> </ul>
	<ul style="list-style-type: none"> <li>- Promoting anthroposophic medicine and therapeutic diversity as well as medicine free from antibiotics</li> <li>- Variety of programmes for employees to strengthen resilience</li> <li>- Educating customers on health through publications and events</li> <li>- Ensuring health and safety along our raw material supply chains pursuant to the UEBT standard</li> </ul>		<ul style="list-style-type: none"> <li>- Ensuring compliance with internationally recognised social and environmental standards in the supply chain pursuant to the UEBT standard</li> <li>- Progressively increasing financial resilience and future viability of the company</li> <li>- Weleda as a "place of human development based on shared tasks" with wide range of measures and offers for employees</li> <li>- Guided by our vision and mission for the benefit of people and nature</li> </ul>		<ul style="list-style-type: none"> <li>- Products without microplastics and other persistent or water-polluting substances</li> </ul>
	<ul style="list-style-type: none"> <li>- Social projects to support education in our raw material supply chains</li> <li>- Various programmes for employees and trainees/students</li> <li>- Cooperations with universities and other institutions of higher education</li> <li>- Voluntary Ecological Year</li> <li>- Ensuring equality between men and women along our raw material supply chains pursuant to the UEBT standard</li> <li>- Award of contracts to Haus Lindenhof for the employment of people with disabilities</li> </ul>		<ul style="list-style-type: none"> <li>- Supporting growers in establishing local infrastructure</li> <li>- Promoting the independence of our suppliers</li> <li>- Start-up and failure financing for individual suppliers</li> <li>- Investment in own infrastructure</li> </ul>		<ul style="list-style-type: none"> <li>- Organic or biodynamic farming or certified wild collection account for &gt;80 per cent of raw materials</li> <li>- Active efforts to improve both soil fertility and biodiversity in projects with farmers pursuant to the UEBT standard</li> <li>- Support for seed initiatives; no use of GMO seeds</li> <li>- Active and political engagement on the topic of palm oil</li> </ul>
	<ul style="list-style-type: none"> <li>- Promotion of equal rights among both our suppliers and our employees</li> <li>- High proportion of women and women in management positions</li> </ul>		<ul style="list-style-type: none"> <li>- Ensuring compliance with ILO standards through supply chain management system pursuant to the UEBT standard</li> <li>- The "Diversity wins! Weleda creates prospects for people who have experienced displacement" programme and the active promotion of diversity</li> </ul>		<ul style="list-style-type: none"> <li>- Respectful dealings with suppliers and increasing transparency through the supply chain management system pursuant to the UEBT standard</li> <li>- Global governance guidelines</li> <li>- As an anthroposophically inspired company, supporting and promoting the guiding principles as a contribution to a fair, diverse and peaceful world</li> </ul>
	<ul style="list-style-type: none"> <li>- Actively working with the communities in which Weleda is based</li> <li>- Promotion of rural living within the supply chain</li> </ul>		<ul style="list-style-type: none"> <li>- Active member of numerous health and sustainability initiatives and associations</li> <li>- Global cooperations with manufacturers and farmers</li> </ul>		

## Certifications of Weleda countries

Weleda actively pursues environmental management and works to improve social and working conditions. Independent experts have confirmed compliance with internationally recognised standards by awarding the following certifications.

### Switzerland

Weleda AG  
Dychweg 14  
4144 Arlesheim  
Switzerland  
Tel. +41 61 705 21 21  
www.weleda.ch

Certified in accordance with ISO 14001 and EMAS/Verified Environmental Management



### Germany

Weleda AG  
Möhlerstr. 3-5  
73525 Schwäbisch Gmünd  
Germany  
Tel. +49 7171 91 90  
www.weleda.de

Certified in accordance with ISO 14001 and EMAS/Verified Environmental Management, D-135-00032, certified in accordance with audit berufundfamilie



### Italy

Weleda Italia S.r.l.  
Via del Ticino 6  
20153 Milan  
Italy  
Tel. +39 02 487 70 51  
www.weleda.it

Certified in accordance with SA8000 (Social Accountability Standard)



### France

Weleda S.A.  
9, rue Eugène-Jung  
68331 Huningue Cedex  
France  
Tel. +33 38 969 68 00  
www.weleda.fr

Certified in accordance with ISO 14001

### Since 2018

UEBT certification for our management system for raw material sourcing of natural raw materials

Weleda was among the first two brands worldwide to receive the new UEBT certification "Sourcing with respect" in 2018. This label guarantees that biodiversity is preserved and used sustainably in the cultivation, harvesting and further processing of the plants. Weleda is also committed to treating all supply chain participants fairly and paying fair prices.



## Transparent and solid business management

Weleda places great value on a transparent management structure and an open communication culture. The rules for good corporate governance are laid down in the company's articles of association and organisational regulations.

### Control and risk management

The primary objective of risk management is to ensure the long-term survival of the company – as a basis for further development. Risk reporting to the Audit Committee and the Board of Directors takes place half-yearly. The material content and elements of Weleda's Group-wide risk policy have been documented and described in a comprehensive control and risk management system (KuRS).

The Audit Committee is a fundamental element of the management structure, with responsibility for compliance with Weleda's corporate governance.

### Audit Committee

#### Members

Two members of the Audit Committee, Dr Jürg Galliker (Chairman) and Dr Andreas Jäschke, are also members of the Board of Directors. With Dr Patrick Scarpelli, partner at cctm AG in Basel, an external specialist is also represented.

#### Tasks

The function of the Audit Committee is to provide effective support to the Board of Directors in monitoring corporate governance. This includes:

- monitoring the integrity of financial reporting and the Group's internal control system as well as monitoring compliance with legal and internal regulations
- monitoring the independence and performance of the independent external auditors (auditors and Group auditors) and the internal auditing department

## Weleda worldwide

## Switzerland

Weleda AG  
Dychweg 14  
4144 Arlesheim  
Switzerland  
Tel. +41 61 705 21 21  
www.weleda.ch  
www.weleda.com

Weleda Trademark AG  
Dychweg 14  
4144 Arlesheim  
Switzerland  
Tel. +41 61 701 16 92

## Germany

Weleda AG  
Möhlerstr. 3-5  
73525 Schwäbisch Gmünd  
Germany  
Tel. +49 7171 91 90  
www.weleda.de

## Argentina

Weleda S.A.  
Ramallo 2566  
C1429DUR Buenos Aires  
Argentina  
Tel. +54 11 4704 4700  
www.weleda.com.ar

## Australia

Weleda Australia Pty Ltd.  
Unit 16 No. 2 Daydream Street  
Warriewood 2102  
(Access via Daydream Street)  
Australia  
Tel. +61 2 9997 5171  
www.weleda.com.au

## Austria

Weleda Ges.m.b.H. & Co. KG  
Hosnedlgasse 27  
1220 Wien  
Austria  
Tel. +43 1256 60 60  
www.weleda.at

## Benelux

Weleda Benelux SE  
Platinastraat 161  
2718 SR Zoetermeer  
Netherlands  
Tel. +31 79 363 13 13  
www.weleda.nl  
www.weleda.be

## Brazil

Weleda do Brasil Laboratório  
e Farmácia Ltda.  
Rua Brigadeiro Henrique  
Fontenelle 33  
Parque São Domingos  
CEP 05125000  
São Paulo  
Brazil  
Tel. +55 11 3648 8388  
www.weleda.com.br

## Chile

Weleda Chile SpA  
Evaristo Lillo 78, Of. 41  
Las Condes  
Santiago de Chile  
Chile  
Tel. +56 02 240 2700  
www.weleda.cl

## Czech Republic

Weleda spol. s r.o.  
Lidická 336/28  
150 00 Praha 5  
Czech Republic  
Tel. +420 257 315 888  
www.weleda.cz

## France

Weleda France S.A.  
9, rue Eugène-Jung  
CS 20152 -  
68331 Huningue Cedex  
France  
Tel. +33 38 969 68 00  
www.weleda.fr

## Italy

Weleda Italia S.r.l.  
Via del Ticino 6  
20153 Milano  
Italy  
Tel. +39 02 487 70 51  
www.weleda.it

## Japan

Weleda Japan Co., Ltd.  
Ebisu IS building 4F 1-13-6  
Ebisu, Shibuya-ku  
Tokyo 150-0013  
Japan  
Tel. +81 3 5447 3891  
www.weleda.jp

## New Zealand

Weleda (NZ) Ltd  
302 Te Mata Road  
P.O. Box 8132  
Havelock North 4157  
New Zealand  
Tel. +64 6 872 87 00  
www.weleda.co.nz

## Russia

Weleda East LLC  
Bolshaya Polyanka 7/10 str.3  
119180 Moscow  
Russia  
Tel. +7 495 545 4285  
www.weleda.ru

## Slovakia

Weleda spol. s r.o.  
organizačná zložka  
(branch of Weleda Czech Republic)  
Dúbravčická 1/3600  
84102 Bratislava - Dúbravka  
Slovak Republic  
Tel. +421 905 815 829  
www.weleda.sk

## South Korea

Weleda Korea Ltd.  
KJ Tower (14<sup>th</sup> floor)  
Bongeunsa-Ro 207, Gangnam-gu  
Seoul 06109  
Republic of Korea  
Tel. +82 70 7700 7472  
www.weledakorea.co.kr

## Spain

Weleda S.A.U.  
Calle Manuel Tovar 1  
28034 Madrid  
Spain  
Tel. +34 91 358 03 58  
www.weleda.es

## Sweden

Weleda AB  
Ludvigsbergsgatan 20  
11823 Stockholm  
Sweden  
Tel. +46 85 515 18 00  
www.weleda.se

## Ukraine

Weleda Ukraine LLC  
Kyrylivska str. 6  
04080 Kiev  
Ukraine  
Tel. +380 44 333 7108  
www.weleda.ua

## United Kingdom

Weleda UK Ltd  
Heanor Road  
Ilkeston  
Derbyshire  
DE7 8DR  
United Kingdom  
Tel. +44 11 5944 8222  
www.weleda.co.uk

## USA

Weleda North America  
(Weleda Inc.)  
1 Bridge Street  
Suite 42  
Irvington  
N.Y. 10533  
USA  
Tel. +1 800 241 1030  
www.usa.weleda.com

The Annual and Sustainability Report 2018 of the Weleda Group and Weleda AG is available in English and German. The German version is binding.

Weleda AG produces its Annual and Sustainability Report on a yearly basis. The last report produced was the Annual and Sustainability Report 2017 of the Weleda Group and Weleda AG.

Date of publication  
May 14<sup>th</sup> 2019

Issued by  
Weleda AG  
Dychweg 14  
4144 Arlesheim  
Switzerland  
www.weleda.com

Editors  
Michael Brenner  
Martin Cadosch  
Rebekka Dubach  
Dr Nina Dziaizko  
Stefanie Eichler  
Anette Engel  
Birgit Frank  
Andrea Freund  
Charlotte Gollnick  
(project management)  
Florian Gürtler  
Murat Haner  
Dr Isabella Heidinger  
Tobias Jakob  
Pierre Kappler  
Marcel Locher  
Susi Lotz  
David Oechsle  
Patricia Pécourt  
Annette Piperidis  
Bas Schneiders  
Stefan Siemer  
Theo Stepp (editorial responsibility)  
Michael Straub  
Sonja M. Thiele (picture editor)  
Michaela von Teuffel  
Laura Elena Wickert

Proofreading  
Claudia Marolf, Bachenbülach

Photos  
Cover:  
Getty Images/Harold Lloyd  
proBiene  
Portraits and goodprints:  
Ingrid Hertfelder  
Anne Morgenstern  
Pwagenblast – Eigenes Werk,  
CC BY-SA 3.0  
Regina Recht  
André van den Bos  
Board of Directors and  
Executive Board:  
Anne Morgenstern  
Report:  
b-corp  
GLS Bank  
Olaf Hajek  
Hartmut Hientzsch  
iStock  
Bernd Jonkmanns  
Anja Kerth  
Michelgroup  
Annette Piperidis  
Pirouette Photography  
proBiene  
proBiene.ch (Flugschnaisa)  
pronatec AG  
Sekem Farm Ägypten  
Sonja Thiele  
Weleda Archiv

Illustration  
Anja Stiehler-Patschan/  
Jutta Fricke Illustrators

Design  
Anzinger und Rasp,  
München

Printed by  
Druckerei Lokay e.K.  
Königsberger Str. 3  
64354 Reinheim

Paper  
Vivus 89, 100% recycled  
from waste paper  
Der Blaue Engel certification  
RAL-UZ 195  
EU Ecolabel

Contact for questions  
regarding the report  
Theo Stepp  
Corporate Communications  
Tel. +49 7171 919-178  
tstepp@weleda.de

Art. no. 00085517 (CH)  
Art. no. 50264700 (D)



WKG  
Dieses Druckerzeugnis wurde mit  
dem Blauen Engel ausgezeichnet

www.blauer-engel.de/uz195





## Involvement in organisations

We are committed to issues that align with our values. These include integrative medicine, fair trade, biodiversity and the promotion of intercultural understanding. Below is an overview of the most important associations and initiatives Weleda is working with in Germany and Switzerland.

### **Assoziation ökologischer Lebensmittelhersteller (Association of Organic Food Processors – AöL)**

Participation in the sustainability working group; engagement for organic, humane and sustainable foodstuffs

### **B.A.U.M. e. V.**

Member since 2002; the largest corporate network for sustainable business in Europe, with well over 500 members

### **Cancún Business and Biodiversity Pledge**

Signatory of the Declaration of Commitment to the Convention on Biological Diversity (CBD) for the protection and sustainable use of biodiversity; signatory of the Convention on Biological Diversity at the 13<sup>th</sup> Conference of the Parties (COP 13)

### **Charta der Vielfalt (Diversity Charter)**

Signatory of the corporate initiative to promote diversity in companies and institutions which has already been signed by over 2,750 companies and public bodies; patron: German Federal Chancellor Angela Merkel

### **Consumer Goods Forum**

Global Association for Retailers and Producers, Focus Fast Moving Consumer Goods (FMCG)

### **Dachverband Anthroposophische Medizin in Deutschland (Umbrella Association for Anthroposophic Medicine in Germany – DAMiD)**

Active member; joint platform for professional associations in anthroposophic medicine and manufacturers of anthroposophic pharmaceuticals

### **Dachverband Komplementärmedizin (Umbrella Association for Complementary Medicine – DAKOMED)**

Active member; engaged in promoting the political recognition of complementary medicine in the Swiss healthcare system

### **Demeter Germany and Demeter Baden-Württemberg**

Active member; cultivation association for biodynamic agriculture

### **European Coalition on Homeopathic & Anthroposophic Medicinal Products – ECHAMP**

Active board member; active involvement in European manufacturer's association and commitment to the development and availability of homeopathic and anthroposophic medicinal products

### **Forum for Sustainable Palm Oil – FONAP**

Chair of the executive board; objective: to significantly increase the proportion of segregated, certified palm oil and palm kernel oil or their respective derivatives in the German, Austrian and Swiss markets

### **Forum Rezyklat**

German initiative from retailers and manufacturers to reduce plastic waste and promote recycling management

### **Getreidezüchtung Peter Kunz (Peter Kunz Cereal Cultivation – GZPK, Association for Crop Development)**

Active member; financial and analytical support for the cultivation of open-pollinated self-reproducing sunflowers; cultivation of suitable varieties for sustainable agriculture

### **Hortus officinarum, Association for Biodynamic Seeds of Medicinal Plants**

Financial support and provision of infrastructure for the biodynamic breeding and propagation of medicinal plants; board member

### **Hufelandgesellschaft (Umbrella Organisation of the Medical Associations for Naturopathy and Complementary Medicine)**

Sponsoring member; engages with policymakers, public authorities and science and research institutions on behalf of natural and complementary medicine

### **Kneipp-Bund (Kneipp Association)**

Member; federal association for the promotion of health and the prevention of diseases

### **NATRUE**

Founder member of the international, non-profit association of natural cosmetic manufacturers; mission: to protect and promote natural and organic cosmetics for the benefit of consumers worldwide. Working at political level for the promotion of natural cosmetics

### **Netzwerk Kräuter (Herb Network)**

Founding member and CFO; association to promote the cultivation of medicinal, aromatic and cosmetic plants. Information platform for the exchange of information on cultivation, processing, research and advice

### **Netzwerk Unternehmen integrieren Flüchtlinge (Network of Companies to Integrate Refugees)**

Involvement in the Germany-wide network; initiative of the Association of German Chambers of Commerce and Industry (DIHK), supported by the German Federal Ministry for Economic Affairs and Energy, to integrate refugees in German enterprises

### **öbu – Swiss Business Council for Sustainable Development**

Member and supporter of political initiatives; counts around 360 companies, organisations and institutions among its members and supports them to further develop their sustainability management

### **Runder Tisch der Charta der Vielfalt zur Flüchtlingshilfe (Round Table of the Diversity Charter to Assist Refugees)**

Involvement in the German nationwide company network

### **Schweizer Initiative für Anthroposophische Medizin (Swiss Initiative for Anthroposophic Medicine – SIAM)**

Active member; joint platform for professional associations, foundations, clinics, training centres and pharmaceutical manufacturers of the anthroposophic medical movement

### **Sustainable Leadership Forum (SLF)**

Founding member of the work and discussion platform for pioneers of sustainable corporate development together with B.A.U.M. and the Leuphana University of Lüneburg's Centre for Sustainability Management (CSM)

### **SVKH (Schweizer Verband für komplementärmedizinische Heilmittel)**

Active board member for the interests of the manufacturers of complementary medicine and herbal medicinal products in Switzerland; works on the appropriate legislation regarding these medicinal products

### **Union for Ethical BioTrade (UEBT)**

Full member and chair of the board of directors; strengthening fair trade and maintaining biodiversity in raw materials sourcing

### **Wir zusammen (We together)**

Signatory of the initiative of German industry to support the integration of refugees in Germany