

The Amway logo is positioned in the top left corner of the page. It features the word "Amway" in a white, sans-serif font, with a thin white underline beneath the letters. The background of the entire page is a scenic landscape featuring a large, snow-capped mountain peak in the distance, a dense forest of green trees in the middle ground, and a vast field of pink and purple flowers in the foreground.

Amway

*Amway's Commitment*

Because **We Care**

2009 Review





# Contents

Foreword, Mark Beiderwieden	4
About This Review	6
35 Years in Europe	8
Caring for the Environment	12
Opportunities and Prospects – Furthering Our Employees	14
Amway Academy – Training the Independent Sales Force	16
We Respect Experience	18
Amway’s ONE BY ONE™ Campaign	22
Contacts and Credits	28

# Foreword, Mark Beiderwieden



“It is our aim to provide a sustainable business **opportunity for everyone looking to get ahead.**”

*Mark Beiderwieden*, Senior Vice President and Managing Director, Amway Europe

## *Dear Readers,*

A company's continued success depends on a multitude of factors, such as its ability to adapt to changing circumstances and to respond quickly and innovatively to the market while working as efficiently as possible. In addition, the future of our globalized society and economy increasingly depends not only on economic success but also on environmental and social sustainability.

Direct selling companies by nature work very closely with their distributors and customers. In addition to our employees, our customers and distributors are our most important stakeholders and thus expect us to play a major role in conducting sustainable development. Many consumers have changed their behavior in reaction to the current economic conditions: as a result companies have to drive lasting change in their internal practices if they want to remain successful. Amway is rising to this challenge by improving its service levels and its business excellence. The expansion of our corporate social responsibility strategy is another example of our desire to make a lasting commitment to our staff, our sales force and society.

The 26 Amway affiliates in Europe are part of a global enterprise with an US\$ 8.4 billion turnover and more than three million independent distributors in 58 countries on five continents. The company has been a leader in the direct selling industry since its foundation in 1959. Our global headquarters in the USA have determined clear mid-term goals by publishing set targets for their ecological footprint, employee programs, developing new products and supporting community-based children's schemes through financial contributions and encouraging volunteering.

These goals reflect our tradition as a company that is environmentally conscious, our leadership in ecological farming, our responsibility to our employees and distributors, as well as our charity activities. If we want to be successful, we need a comprehensive approach towards responsibility, as these goals can only be reached when sustainable thinking becomes part of our business processes. We therefore plan, for example, to implement an environmental management system in our European facilities in the near future.

This is our first report to document Amway Europe's dedication to operating in a responsible and sustainable way. Every person working with our company – whether they're a manager, employee or distributor – has to act responsibly in his or her daily work because our success is driven by the initiative, creativity and commitment of the people who work with us and we can only succeed together. They contribute because they care.

I am proud of what we've already achieved and hope that you will enjoy our review. May you discover new and inspiring facts about Amway.

*Mark Beiderwieden*  
Senior Vice President and Managing Director,  
Amway Europe

*Taking Responsibility in Europe*

# About This **Review**

2009 was a successful year for Amway. We managed to increase our company's sustainability. We have taken steps to further environmental protection and have increased our activities in the community. It has been our guiding principle not to build systems of responsibility as a stand-alone element but to firmly root them in the Amway's corporate identity. Our sustainability activities are milestones on our path towards reaching a clear goal: we want to become one of the leading companies in the direct selling industry in terms of sustainability by 2014.



Our first statement on corporate responsibility reflects our commitment in Europe. We state for the first time our main challenges and give account of the success stories we created and of the progress we made in 2009.

Corporate responsibility is one of our key foundations and this European report will help us to integrate our sustainability strategy into our structures. In collaboration with various departments we will develop a mutual understanding of our needs and challenges and thereby establish a solid basis for our continued dedication.

It is our aim to inform our European stakeholders about Amway and also to continue our dialogue with our employees, the Amway distributors, customers and external stakeholders. Transparency is important to responsible companies and it is therefore our priority to establish channels that will maintain an open, honest and transparent dialogue. Furthermore we think it will help consumers to make informed choices and responsible decisions.

This is just the first step in our aim to expand this report annually over time. Therefore we want to encourage all our stakeholders to communicate with us and invite them to help us create this future approach together. These conversations will help us to understand the main issues that concern the stakeholders who have a particular interest in our company and allow us to outline the next steps in our CSR strategy.

*International Success*

# 35 Years in Europe

Amway is one of the most successful direct selling companies in Europe, active in 26 countries with a total turnover of US\$ 1.2 billion. More than 500,000 distributors offer their customers around 450 Amway beauty, wellness and household products. The company has more than 1,500 employees in Europe.





Amway has been operating in Europe for more than 35 years, and is currently active in 26 markets with branches in Austria, Croatia, the Czech Republic, Denmark, Finland, France, Germany, the UK, Greece, Hungary, Italy, the Netherlands, Norway, Poland, Portugal, Romania, Russia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey and Ukraine. Amway Products will soon also be available in Estonia, Latvia and Lithuania. With 260 employees, Amway's European headquarters are located in Puchheim near Munich, Germany. Part of the European headquarters is the Amway Experience Center – Munich, which informs visitors about Amway, its products and the company's business model and is spread over a floor area of more than 1,600 m<sup>2</sup>. Amway's first European Experience Center was built in 2003 in Vienna, Austria.

To supply more than 500,000 distributors as promptly as possible, Amway founded a European logistics center in Venlo in the Netherlands. An average of 75,000 items per day are delivered directly to distributors in more than 14 countries. The local logistics centers in Poland, Hungary, Ukraine, Russia, Greece and Turkey also obtain their products from Venlo. Moreover, the Venlo logistics center sources toothbrushes and fragrances from Germany and France for markets around the world.

In Russia, the constantly growing demand for Amway Products, a growing number of distributors and the country's increasing economic development required Amway not only to be present in Moscow but also in other regions. This is why 13 Product Selection Centers were opened in 11 Russian cities and four logistics centers in Moscow, Khabarovsk, Novosibirsk and Rostov-on-Don, where Amway distributors can pick up their orders, hold meetings and participate in training courses.

In the UK, Amway took a completely new path by opening the Flagship Experience Centre (UKFEC) in London in 2008. The UKFEC is Amway's first European retail location, providing both training facilities and conference rooms for distributors.

Furthermore, almost every affiliate maintains a showroom or a smaller version of an Experience Center so that interested parties can experience the Amway product range first-hand.

#### *Amway is an active member of the Business Community*

Amway is a member of European business organizations such as the European Business Association (EBA), the Federation of European Direct Selling Associations (FEDSA), the Federation of European Direct and Interactive Marketing (FEDMA), the European Responsible Nutrition Alliance (ERNA), the American Chamber of Commerce to the European Union (AmCham EU) and the World Federation of Direct Selling Associations (WFDSA). In addition, all European markets are organized into more than a hundred national associations and organizations, from dietetic associations, cosmetics associations, personal care product councils and chambers of commerce to marketing associations and numerous business clubs. With five chairmen, two vice chairmen and six board member positions in national direct selling associations, Amway is actively contributing to shaping the direct selling industry in Europe.

## *Our Values*

Amway has defined mutual values, connecting the company with its employees and the distributors. These values define our actions and what we stand for.

**Partnership** – Amway is built on the concept of partnership, beginning with the partnership between our founders. The partnership that exists among the founding families, employees and distributors is our most prized possession. We always try to do what is in the long-term best interest of our partners, in a manner which increases trust and confidence. The success of Amway will reward all who have contributed to its success.

**Integrity** – Integrity is essential to our business success. We do what is right, not just whatever “works”. Amway’s success is measured not only in economic terms, but also by the respect, trust and credibility we earn.

**Personal worth** – We acknowledge the uniqueness created in each individual. Every person is worthy of respect, and deserves fair treatment and the opportunity to succeed to the fullest extent of his or her potential.

**Achievement** – We are builders and encouragers. We strive for excellence in all we do. Our focus is on continuous improvement, progress and achievement of individual and group goals. We anticipate change, respond swiftly to it, take action to get the job done and gain from our experiences. We encourage creativity and innovation.

**Personal responsibility** – Each individual is responsible and accountable for achieving personal goals and giving their all to help achieve corporate or team goals. By helping people help themselves, we further the potential for individual and shared success. We also have a responsibility to be good citizens in the communities in which we live and work.

**Free enterprise** – We are proud advocates of freedom and free enterprise. It’s been proven that human economic advancement can best be achieved in a free market economy.

## *The Amway Business Model – the Distributors*

By providing service and quality, Amway has established itself as one of the leading companies in the industry. This success is due to Amway employees and distributors. Amway defines itself as a partner to our sales force, the relationship being based on trust, transparency and the best possible service. Amway offers the distributors the opportunity to establish their own business by selling Amway Products. Distributors make their own decisions as to which products and how many they would like to sell. They can choose from a wide range of Amway Products to create their own portfolio. They set their own targets, based on their individual ambitions, whether full time or part time. Amway supports this step towards entrepreneurship through various training activities offered at the Amway Academy.

## *The Amway Rules of Conduct*

Amway is actively involved in the World Federation of Direct Selling Associations (WFDSA), which introduces and promotes worldwide rules of conduct for the direct selling industry. These contain strict guidelines for ethical business conduct in order to protect consumers and distributors alike. Amway’s

rules of conduct reflect these guidelines and in part even exceed the recommendations of the industry association. By signing the Terms and Conditions on the distributor application form, all distributors accept the Amway Rules of Conduct, which provide a reliable basis for the Amway-distributor relationship. They contain the rights and duties of the contracting parties and thereby protect both distributors and consumers.

As part of our consumer protection measures, we take particular care in transparently and comprehensively informing everyone involved about Amway Products. Consumer rights are further strengthened by the Amway satisfaction guarantee. This guarantee allows customers to return commodities such as creams or cleaning agents and to get their money back even if the products are used and even years after the purchase. Articles of daily use such as the iCook cooking utensils or eSpring water filter systems can be returned within 90 days without any further reasons being provided. Additionally the two-year warranty conditions apply. Data protection guidelines guarantee the secure handling of distributor and business data. The following applies to all distributors: should they choose to terminate their business relationship with Amway, they can return all resellable products to Amway.

Transparency is also the most important principle, as it allows distributors to expand their business by introducing other people to the Amway business model. Distributors are obliged to present realistic income opportunities, the required time investment and clear information on the support provided by Amway.

Amway diligently follows up on every consumer or distributor complaint. In the event of a violation of our Rules of Conduct, a standardized process guarantees that the follow-up is conducted in a fair and transparent way. Possible measures can be warning letters, temporary sales restrictions or even termination of the contract. Amway always decides on the basis of a thorough assessment. If possible, a distributor will be given the chance to correct his or her actions. Should there be a disagreement between the distributor and the company, the distributor has the right to appeal in front of national or international review panel.

## *CSR Guidelines for Distributors in Austria*

Our goal to act responsibly doesn’t just apply to the company itself. Amway also encourages its distributors to act responsibly beyond the Rules of Conduct on a voluntary basis. In 2009 Amway Austria, in close cooperation with respACT, the Austrian business council for sustainable development, and the Austrian chamber of commerce, designed CSR guidelines for one-person businesses (this applies to about 60 percent of European businesses). The guidelines contain, for example, a self-assessment which helps entrepreneurs to assess the impact of their business on the environment, the market and society.

An important aspect of the CSR guidelines is to identify and capitalize benefits from a targeted CSR management strategy, even on a small level. These are improved business relationships, being closer to the market and customers, better conflict and crisis preparedness, and more innovative services. Personal value management is just as important for distributors because at Amway, business decisions are not

only to be made with regard to financial benefits but also with regard to one's own principles. We are planning to roll out these CSR Guidelines to all of our European affiliates.

### Supplier Code of Ethics

We take our responsibility to the supply chain seriously. The Supplier Code of Ethics of the Access Business Group, which is part of Amway's parent company Alticor and the logistics partner to all Amway markets worldwide, is binding for all suppliers and their subcontractors when entering into a business agreement with Amway. The Code contains guidelines for fair remuneration, working hours, age requirements, work and health standards, and equal opportunity. Suppliers are to present business documents and allow Access Business Group inspectors or inspectors commissioned by it to visit production sites at any time.

### The Amway Product Range

Amway offers more than 450 beauty, wellness and home care products, most of which are developed and produced in-house. More than 65 research and development and quality assurance laboratories worldwide ensure innovative and efficient products. Research results are immediately included in the product manufacturing process. In addition, feedback from customers and Amway distributors helps to continuously develop and improve our products. More than 700 scientists and half a million tests annually guarantee quality and product safety. Amway distributors are regularly trained on products. This helps to assure that customers are provided with extensive and correct product information.

### Beauty and Body Care

Amway looks back at more than 40 years of experience in the beauty segment and boasts the expertise of internationally renowned dermatologists, doctors and researchers in the form of a scientific consulting board. A market study carried out by Euromonitor places Amway Brand ARTISTRY™ among the top five worldwide luxury brands in the facial care and decorative cosmetics category, alongside Clinique™, Estée Lauder™, Lancôme™ and Shiseido™ (based on 2008 worldwide sales figures).

### Wellness – the NUTRILITE™ Food Supplements

NUTRILITE is one of the leading brands worldwide in the vitamin, mineral nutrient and food supplement category (according to a study by Euromonitor International in 2008 which was based on global revenue). Furthermore, NUTRILITE is the only global vitamin and mineral brand to grow, harvest and process plants on their own certified organic farms (based on an independent review by Euromonitor Consulting, and certified by official certification agencies in accordance with local legislation).

Amway grows the plants for the NUTRILITE products on its own farms totaling 2,555 hectares. The plants are cultivated using ecologically responsible methods in accordance with local legal standards. Natural agents are used instead of pesticides or chemical fertilizer. For more than 75 years, Amway experts have been developing innovative methods of production plant extracts which maintain their nutrients even after the production process. Every year 400,000 random samples are taken from NUTRILITE products. On average, every shipment of food supplement products has been put through 330 quality control tests.

### Around the House

Amway's household products have been biologically degradable since their introduction in 1959 and were therefore far ahead of their time. Additionally, the products are sold as concentrates in order to save resources. This has helped to avoid the transport of almost 18 million liters of water, to save fuel and product packaging, and reduce air pollution in the last 15 years.

50 years ago, Amway was one of the first companies to use biodegradable tensides. More than 30 years ago, CFCs (chlorofluorocarbons) were banned from our products even before this was legally required. All products are composed in such a way as to meet the strictest VOC (volatile organic compound) requirements in order to prevent smog. Almost all bottles are produced using percentages of recycled high-density polyethylene that exceed industry standards.

#### Around the House



Dish-washing Care



Water Filter Systems



Washing Agents



Household Products



Cooking Utensils and Silverware

#### Beauty and Body Care



Skincare, Decorative Cosmetics,  
Cosmetics Accessories



Skincare For Men



Skincare, Decorative Cosmetics



Body Care



Sun Protection



Body Care For Men



Toothpaste, Toothbrushes, Mouthwash  
and Dental Floss (Dental Care Products)



Haircare



Haircare



*Environmental Responsibility*

# Caring for the Environment

Amway has a long tradition of environmental awareness. Our very first product, a biodegradable multi-purpose cleaner, was way ahead of its time when it was launched in 1959. Today Amway continues to place great importance on environmental values. The packaging of our SA8™ laundry detergent, for example, is made of 100 percent recycled cardboard, while the plants for NUTRILITE™ food supplements are all grown, harvested and processed on Amway's own certified organic farms.



Continuing and building on this commitment is one of the pillars of Amway's corporate philosophy. We strive to ensure that our future business practices will have as little impact on the environment as possible. This involves reducing the amount of resources we consume, using renewable energies and natural materials, and avoiding pollutants. But, although corporate activities have an important role to play, Amway also believes that a key task lies in motivating staff to commit themselves to sustainability in all aspects of their lives. With this in mind, we aim to get our staff actively involved in environmental management issues at work and to ensure that they all receive regular training in environmental protection and health and safety issues. We are all responsible for the environment and we must work together to protect it effectively.

Amway promotes environmental awareness among both its production and office staff. Employees must comply with all environmental and health and safety regulations to which Amway has committed itself. We are also working to continually improve our environmental and safety performance and sustainably reduce the environmental impact of our corporate activities.

Amway's parent company in the United States has committed itself to implementing a series of innovative processes throughout the enterprise, with the goal of becoming one of the world's leading sustainable direct selling companies by the year 2014. Sustainability will be integrated into the entire corporate structure, and Amway plans to set and report regularly on ambitious goals to continuously drive progress in this regard. By 2014 Amway aims to have met the following mid-term goals: reducing greenhouse gas emissions by 25 percent, minimizing waste and ensuring full recyclability of 95 percent of waste, reducing water consumption by 10 percent and increasing the proportion of alternative energy sources it uses by 15 percent. These are all goals that Amway Europe envisages incorporating into plans for its own environmental management system.

In the 1980s Amway began tackling environmental issues and promoting ecological thinking. In 1989 the company received the United Nations Environment Programme Achievement Award in recognition of its environmental education programs and for encouraging young people to get involved. Amway's global headquarters in Ada, Michigan, are also certified by the Wildlife Habitat Council. In Europe, our Munich and Krakow sites are working towards the ISO 14001 environmental management standard. Certification is planned for 2011. Amway production facilities in Ada, Michigan, and Guangzhou, China, and our offices in Thailand have already achieved ISO 14001 certification.



## *Employee Satisfaction*

# Opportunities and Prospects – **Furthering Our Employees**

**Amway's economic success significantly depends on its employees and distributors. They need to work closely together as one team. Giving them the opportunity to grow and develop their full potential will ensure that Amway stays a sustainable business that is prepared for the future.**

It is our goal to create long-lasting working relations with our employees and to attract new, high-potential candidates. Amway therefore strives to motivate employees by offering training and development opportunities. 1,514 staff members work in 26 different European markets providing expert support for more than 500,000 European distributors who sell the Amway Products directly at the customer's home. Amway provides positions in HR, Logistics, IT, Communications, Marketing, Finance, Corporate Affairs and Sales and, for scientists, in the fields of nutrition, cosmetics and home care products.

Women in particular take advantage of the career opportunities at Amway – 43 percent of middle and upper management positions are held by women. This is also reflected in our total workforce, 68 percent of which is female. The Amway leadership team is committed to an open information policy across all levels. Employees have access to information on the Amway intranet and the opportunity to attend various meetings that provide information on the company and

on the products. European management has the opportunity to attend so-called "Fireside Chats" with the Senior Vice President of Amway Europe. Here they can exchange opinions and questions on specific topics in small groups in an informal setting.

Amway's employees spent a total of 15,906 hours attending training courses in 2009, which means that on average each employee spent 10.5 hours on enhancing his or her skills. 2,917 hours were spent on in-house training and individual coaching. Across all European Amway markets, leadership training, team building and time, complaint and project management courses have been attended. Furthermore, new employees are offered a two-day introduction class that gives them an overview of the company and its operations. Communication workshops, intercultural training and individual coaching are specifically available in Germany and Russia. English and sales training classes are additionally offered as e-learning programs. In total, more than € 560,000 was spent on employee development in 2009.

## Extracts of Amway's 2009 European Employee Review



One of the main goals of our growth-through-innovation strategy, which is designed to create a performance-enhancing atmosphere in the company, is to make Amway a first-choice, value-based employer. Our Global Learning and Development team has developed and implemented first-in-class professional education programs in collaboration with renowned organizations such as Harvard Business Publishing and the Thunderbird School of Global Management.

The Global Leadership Certification Program and the Leadership Acceleration Process (LeAP) are two of the programs currently under way. Both are to develop leadership talent within the company. Because these programs have such a targeted approach, employees must be nominated to participate. This process should guarantee that particularly high-performing employees with good development potential are identified. Both programs not only have a clear focus on performance but also combine their curricula with the values and objectives of our company. "Innovation" and a "global approach" are two of the building blocks of LeAP.

Based on examples right out of the Amway business, participants learn to work in global virtual teams and how to think and act as part of the Amway global management. Emphasis is placed less on formal learning processes than on the targeted development of talents and potentials.

It is our objective to enhance identification with our enterprise and our values on all levels by involving our employees in processes and by inviting them to actively shape our common future. A comprehensive employee review, a tool that is most actively used by our employees, shows the result of our efforts: 91 percent of our European staff participated in the survey in 2009, which equals a total number of 1,375 employees.

*Opening Opportunities*

# Amway Academy – Training the Independent Sales Force

Amway took a new approach to education in 2009. The Amway Academy offers an integrated system of professional education consisting of e-learning courses, Web presentations and personal training courses. They are part of a mid-term education strategy that consequently links self-training modules, online presentations and personal coaching. The e-learning sessions are given via Web presentation; they are aimed at providing basic knowledge and encouraging exchange among the participants. Up to 60 distributors can log into one session at a time.



For an Amway distributor it is very important to get to know and understand the company's products and to learn how to run their own businesses efficiently and successfully. As they come from different educational and professional backgrounds, any training offered has to take their various levels and current situations into consideration. This means for the Academy that its training sessions have to be highly flexible in regard to timing, the type of training and how the training is offered. E-learning provides this flexibility to a great extent.

Currently, about 95 percent of the training sessions offered are traditional face-to-face classes. However, e-learning is becoming more and more popular among the distributors. The first e-learning courses were conducted in the UK in 2008. Germany, Austria and Switzerland followed suit in 2009. Ukraine, Russia and Italy are planning to implement e-learning in 2010/11. The Amway Academy collaborates with 80 freelance coaches across Europe and this number is still increasing.

The learning progress is monitored in order to allow customized offers for the individual distributor, ensuring sustainable training success. The Amway Academy is organized into four parts: a "Knowledge Center," and a "Talent Center," which offer e-learning and coaching sessions. In future we also plan to create a "Speaker Center" and a "Certification Center." The "Speaker Center" will focus on expert knowledge for multipliers; the "Certifications Center" will collaborate with external organizations in order to provide official recognition for the Amway training courses.

It is essential for the conception and development of a professional training course to interact with experts in the field, thereby gaining knowledge on the latest training developments, methods and evaluation tools. The Amway Academy has been establishing a European network in close collaboration with the European Technical Services Department and the Corporate Affairs Department. This includes close contact with companies that, just like Amway, work on the development and implementation of professional education solutions. Among these are Barilla, Allianz, Deutsche Bahn, Merck and Bertelsmann, all of whom have joined the European Corporate Learning Forum. The pan-European focus of the Academy is an essential instrument of Amway Europe's mid-term business plan. The company will invest about € 2 million towards extending Academy courses to 2013. Currently, ten e-learning courses for every national market, six live Web presentations and 50 live Web training events are being planned per year.

### *Learning Lab*

Furthermore, Amway is collaborating with the Learning Lab in Duisburg, a spin-off of the local university, which supports the development, implementation and evaluation of the Amway Academy with external experts. The Learning Lab has written a comprehensive usability report analyzing and assessing the e-learning courses given in June 2009, including case-related suggestions for improvements. Based on these results, user guidance has been optimized. With regard to the evaluation of training and coaching modules, the Academy collaborates with the Department of Psychology at Ludwig-Maximilians-University in Munich, Germany. The expert team has developed a set of questionnaires which help to continuously monitor the performance of the training courses. Other collaboration partners are the Women's Academy in Munich, J&P GmbH Recruiting Development in Munich, and international certification bodies such as Medved's Institute of Ecohygiene and Toxicology in Ukraine, the Institute of Health and Nutrition in Poland and the Moscow Institute of Nutrition in Russia.

### *Talent Center*

The "Talent Center" is a place for Amway distributors to expand their expertise. The Academy offers training classes on leadership, sales, marketing and communication. Participants have to qualify for these training courses. The content is tailored to the distributor's need with the aim of helping them to develop their full potential.

### *Certification Center*

Transparency for customers and external stakeholders is increased by certifying the skills learned. It will be the role of the "Certification Center" to provide certification for the training classes attended at the Academy. The first steps in this direction were training courses on Amway's food supplement products (NUTRILITE™), which were certified by the local nutrition science institutes in Russia, Ukraine and Poland. The German Chambers of Industry and Commerce have developed a concept for basic business knowledge for distributors in direct selling, the so-called "direct selling consultant." The course has been set up at the Educational Center of the Chambers of Industry and Commerce (IHK) in Dresden in close collaboration with Amway.

The "Certification Center" will look into further collaborations with appropriate partners to provide officially recognized certification for the Amway Academy attendees.

*Enhancing Prospects with Lifelong Learning*

# We Respect Experience

Lifelong learning has been a focus of political discussions for several years and its importance is continuing to grow. It has been widely acknowledged for its role in social and economic development as well as for its ability to generate social cohesion in a knowledge society. Lifelong learning is a process that encourages the development of knowledge, skills and values at every stage of life from early childhood to mature adulthood. It increases social interaction, considerably reduces social exclusion and improves everyone's chances of developing their talents. This in turn promotes social and professional development and enables people to participate more actively in society.

The European Commission, which has played a crucial role in the European debate over lifelong learning in recent years, has defined lifelong learning as being "all learning activity undertaken throughout life, with the aim of improving knowledge, skills and expertise within a personal, civic, social and/or employment-related perspective." Learning is therefore more than an intellectual process; it touches all spheres of life and affects individuals' roles in their community, their performance at work, their personal development and their physical well-being. Lifelong learning is about taking a different approach and adopting the attitude that it is "never too early or too late to learn."

Politicians have also taken a leading role in supporting and funding lifelong learning. When European heads of govern-

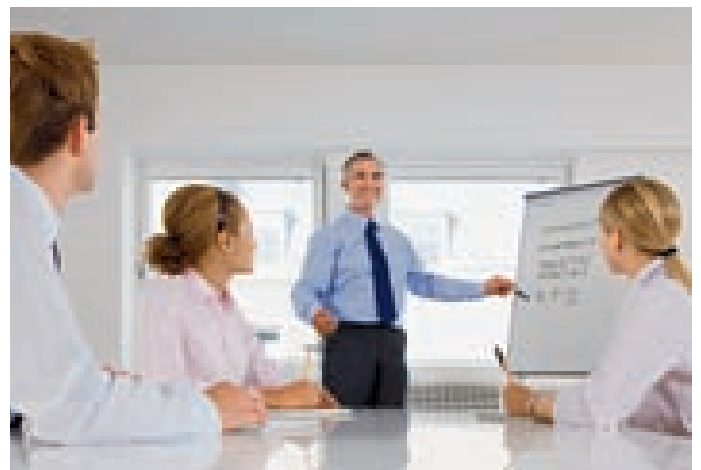
ment drew up the Lisbon Strategy at a special summit in March 2000, they launched a program aimed at turning the EU into the world's most dynamic and competitive knowledge-based economy within ten years. Fundamental to this were the benchmarks set out in a then-new Europe-wide education program: the Lifelong Learning Programme (LLP). The program comprised the Comenius (school education), Erasmus (higher education), Leonardo da Vinci (vocational training) and Grundtvig (adult education) initiatives and called upon member states to reform their national education systems. Lifelong learning remains a core aspect for the Europe 2020 strategy, the successor to the Lisbon process.

Given the challenges that have arisen as a result of demographic change, such as the shortage of qualified labor, and



*We at Amway ask: How can we enhance lifelong learning in this company? By valuing people, respecting their experience and supporting their ambitions.*

the shift from an industrial economy to a knowledge and information-based society, the educational system needs to adapt. Lifelong learning in non-formal and informal learning situations will promote national and European competitiveness and equip people of all ages and all educational backgrounds for a successful future. Alongside governments and universities, NGOs and businesses play a crucial role in this process by providing flexible training options for all stages of adult life. In contrast to formal learning at schools, universities and similar institutions, non-formal learning describes education without certification or certification that is not broadly recognized by society. Employees use internal training systems, learn through seminars and conferences or develop additional skills through day-to-day work. To make the most out of these learning situations, to motivate employees, and





*Through our programs, we give employees and distributors the chance to find and develop their vocation ...*

to strengthen equity and access to further education, a European framework is needed. Amway supports this transformation process by strengthening the internal training systems, respecting experience and supporting recognition of informal learning.

The OECD has published a study in which recognizing informal learning is described as being an important instrument for providing better access to education and qualification, and therefore equal opportunities for everyone.

Many leading companies have recognized the rising importance of lifelong learning and are developing their own national and EU-wide training models which support the efforts being made in government policy and aim to raise the aware-

ness and acceptance of non-formal learning among the general public. Amway has joined them by setting up the Amway Academy and creating its own European training concept. It has created an information and education system which will enable the distributors to improve their sales skills and develop their business models.

#### *The Amway Academy*

Amway's distributors come from many different backgrounds and their training needs to take their different levels into consideration in order to make sure it is useful and successful. Therefore the Amway Academy aims to tailor their training program to individual situations, needs and schedules. One tool for achieving this is to offer online and offline learning materials while at the same time taking into account the inter-



*... with personalized training programs, e-learning and by supporting their experience.*

national nature of our business and our huge number of locations across the world.

In addition to collaborating with universities, agencies and corporate universities, the Amway Academy has also been a member of the European Corporate Learning Forum (ECLF) since 2009. The ECLF is an association of top management executives from the 200 largest European businesses who have taken on the responsibility of promoting large-scale learning, change and reorganization initiatives at the international level. The aim of the forum is to exchange opinions and approaches in order to develop shared methods and strategies for shaping and providing learning opportunities in businesses and organizations. Demographic change, growing unemployment and cost considerations are pushing more

and more businesses to take a closer look at staff training. By setting up the Academy, Amway has taken an important step towards training the Amway sales force. Its Europe-wide training program provides a basis for corporate-based knowledge transfer at national, regional and local level. Given the importance of the topic, it is our aim to stimulate social and political discussions on the issue of lifelong, non-formal and informal learning.



*Supporting the Future*

# Amway's ONE BY ONE™ Campaign

Corporate citizenship has been an important part of our corporate philosophy ever since the foundation of Amway in 1959. Amway employees and distributors have been engaging in volunteering activities.

Amway's ONE BY ONE Campaign for Children was initiated in 2003 in order to coordinate the various charity programs that had been set up in the different markets and countries and with the aim of concentrating efforts on supporting disadvantaged children. ONE BY ONE supports children by providing them with all they need to live, learn, achieve and play. The objective of the campaign is to support children worldwide and help them live better lives. Our commitment encompasses a range of projects in the areas of education, health improvement and cultural advancement. Affiliates, employees and distributors are active in all the countries where Amway operates. More than seven million children worldwide were supported by the ONE BY ONE Campaign between 2003 and 2009. The Center for Corporate Citizenship of the U.S. Chamber of Commerce honored our commitment by awarding Amway's parent company Alticor the Corporate Citizenship Award in 2005.

#### *Amway Globally*

Amway employees and distributors support in particular children's causes in their local area. The company encourages this commitment by granting employees one day off per year to support organizations such as kindergartens, hospitals, schools and orphanages. During the past six years, employees and distributors have already invested more than 1.3 million hours. And at the same time Amway, its employees and distributors have donated a total of more than US\$ 112 million to charity programs.

#### *Amway in Europe*

In 2009 all Amway fundraising and donation activities provided funds totaling more than US\$ 2.8 million. Employees and distributors invested around 40,000 hours in voluntary services such as cooking and cleaning for the Ronald McDonald House Charities in Germany, reading to children in the Buzzi hospital in Milan and supporting orphans in Ukraine.



## Amway in Europe for UNICEF

Since 2001 Amway in Europe has been supporting UNICEF, the United Nations Children's Fund, under the umbrella of the global ONE BY ONE Campaign. Amway employees and distributors have helped to raise around € 6 million to support UNICEF projects – € 940,000 in 2009 alone.

### *Kilifi, Kenya (2006 to 2008).*

Every year about three million children – mainly in developing countries – die from diseases that could have been prevented by a simple vaccination. Less than US\$ 20 is required to vaccinate a child against six diseases that are often deadly for children under the age of five, including malaria, diarrhea and diseases of the pulmonary tract. Between 2006 and 2008 Amway supported a UNICEF project in collaboration with the Kenyan government in the coastal region of Kilifi. The child mortality rate in Kilifi used to be well above the country average. The project's goal was to improve health services to children and their mothers and thus reduce the child mortality rate. After the second year of the joint project, positive results started to show: the vaccination rate for children under one year and pregnant women rose from 40 percent in 2006 to 84 percent at the end of 2008. This project was the basis for transforming Kilifi from one of the least developed regions to one of the best supplied with health services.



## "Brick by Brick," started in 2009

Amway and UNICEF started a new pan-European project in 2009: "Brick by Brick" supports the setup of preschools in the Van Province in Anatolia, the eastern region of Turkey. Preschools are very important for early child development and play an essential role in children's social, emotional, linguistic and cognitive formation. They lay the foundation for later learning at school and help children on their first steps towards successful integration into wider society.

In Turkey only ten percent of all five-year-old children can attend preschool and in the low-income Van Province it is even worse. There are two major reasons for this marginal percentage. The first hurdle is that attending preschool depends on the financial situation of the child's family. Considering that more than a quarter of all 15-year-olds in Anatolia live in low-income households, this is a major problem. The second hurdle is the low number of existing preschools in the region.

This is where "Brick by Brick" started. Amway Europe donated more than US\$ 600,000 to the project in 2009 to fund the building of a preschool for 200 children. In doing so, Amway wants to give disadvantaged children access to education early on, so they can enjoy equal opportunities once they are enrolled at school. This brighter start in life is designed to set these children on the path to a brighter future, offering them more opportunities in life. That is why Amway will continue its activity in 2010 and plans to build more preschools.



## Additional Initiatives

In addition to the "Brick by Brick" campaign, in 2009 Amway supported 14 UNICEF projects in Russia, Romania, Croatia and Slovenia as well as two additional projects in Africa and 19 local projects in European countries – ten of which focused on education and nine on health.

In Russia for instance, Amway supported the UNICEF project, "Child's Smile," which focuses on sustainably improving the quality of social, educational and health services for disadvantaged children in the Russian Federation. The money donated is primarily used to build and equip facilities targeted at children's needs in social and health centers. In 2009 28 indoor and three outdoor playgrounds were built in 27 Russian towns as well as one mobile playground which, built into a minivan, can travel to remote areas in the Altai region. More than 22,000 children benefit from this new infrastructure.

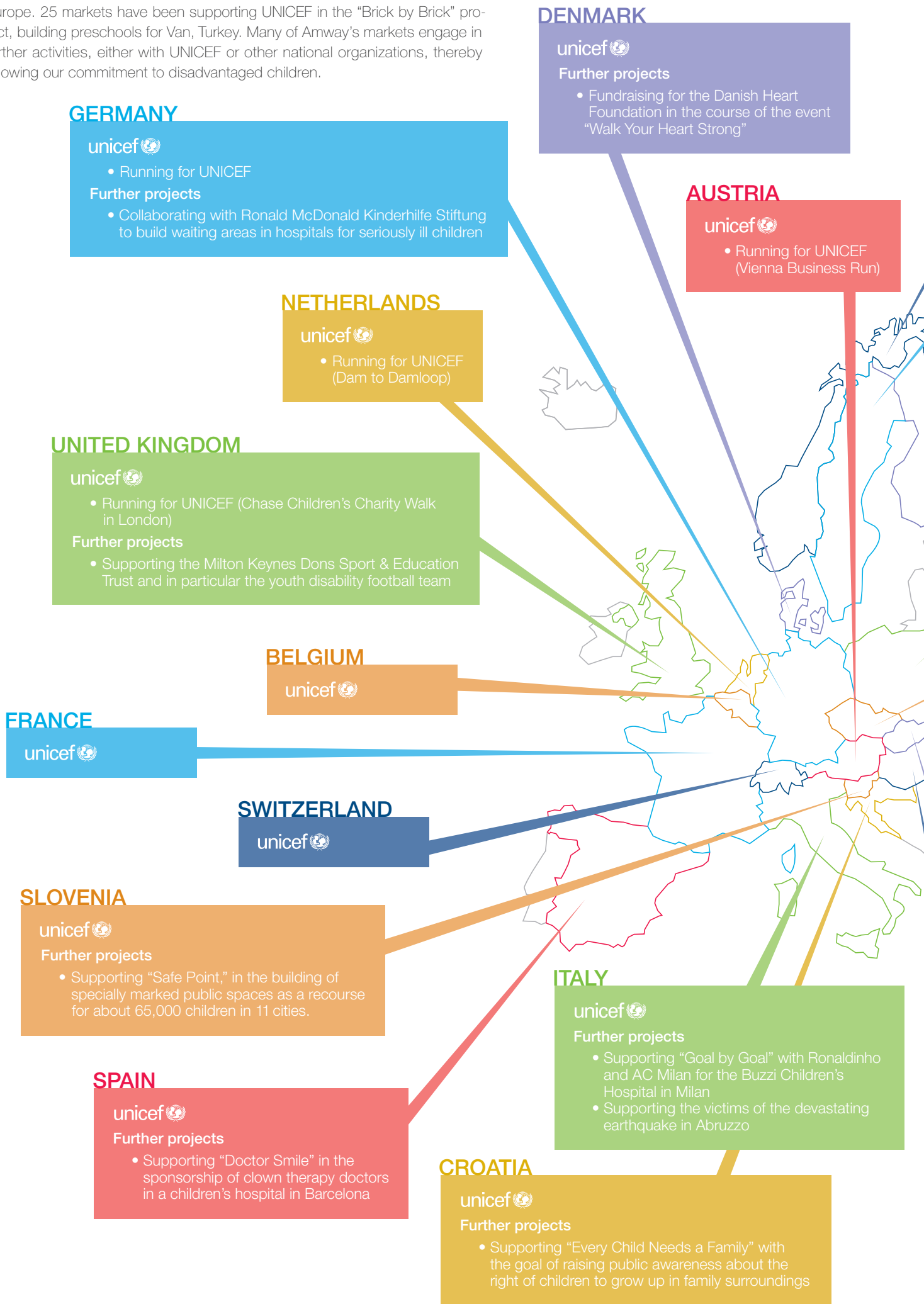
"Child's Smile" was short-listed in the category "Best programs to support a philanthropic society" of the corporate social responsibility research awards organized by the NGO Donors Forum, the leading business daily Vedomosti and PricewaterhouseCoopers all over Russia. "Child's Smile" was elected third among 16 different projects submitted under that category.

## Social Reintegration of Orphans

The programs supported in Ukraine create success stories as well. Amway started collaborating with the charity organization "Edinstvennaya" in early 2004 and became a strategic partner in the program "Road to Success," which was designed to reintegrate orphans into society before they leave school. Amway Ukraine, its distributors and employees have donated more than € 110,000 to the project over the last three years. In addition they have made in-kind donations of about € 14,000 and invested about 15,000 volunteer hours to work with pupils in the orphanages. "Road to Success" has also won funds which were granted by Amway headquarters in the US on the occasion of Amway's 50th anniversary, part of a US\$ 5 million anniversary fund worldwide. An overview of Amway ONE BY ONE activities in Europe can be found on the following pages.



This map presents an overview of Amway's corporate citizenship activities in Europe. 25 markets have been supporting UNICEF in the "Brick by Brick" project, building preschools for Van, Turkey. Many of Amway's markets engage in further activities, either with UNICEF or other national organizations, thereby showing our commitment to disadvantaged children.



**NORWAY**



**SWEDEN**



**FINLAND**



- Running for UNICEF (Naisten Kymppi Run)

**POLAND**



**Further projects**

- Supporting “Alarm Clock Clinic” in the provision of long-term rehabilitation to children suffering from neurological disorders
- Fundraising for the “Help Your Choking Child” education campaign

**RUSSIA**



- Fundraising for “Child’s Smile,” which improves the quality of health, social and educational services for vulnerable children in the regions of the Russian Federation

**CZECH REPUBLIC**



**Further projects**

- Collaborating with the “Kolecko” charity fund
- Supporting disabled children’s outdoor activities for Prague Disabled Children Asylum

**UKRAINE**



**Further projects**

- Supporting “Road to Success,” a project that prepares orphaned children for life in society before school graduation
- Running for the Center of Cardiology and Cardiosurgery (Chestnuts Run)

**ROMANIA**



- Fundraising for the “Parent Friendly Centre,” a project that will contribute to preventing abandonment in maternity hospitals

**GREECE**



**Further projects**

- Supporting “The Smile of the Child,” an association that shelters, protects, feeds and gives medical treatment to orphans and to abandoned or abused children

**SLOVAKIA**



**Further projects**

- Supporting the “Arabeska” charity fund for mentally disabled children and youngsters
- Organizing a children’s outdoor day for “Votum” Disabled-Children’s Asylum

**HUNGARY**



- Running for UNICEF (Budapest Half Marathon)
- Supporting the organization of “Global Handwashing Day”

**TURKEY**



# Amway

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Serviceplan Public Opinion  
GmbH & Co. KG, Berlin

*Photos*  
Amway GmbH, Puchheim  
Getty Images, Munich

*Prepress*  
Appel Grafik Berlin GmbH, Berlin

*Printed by*  
Pinsker Druck und Medien GmbH,  
Mainburg

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September 2010