

FUCHS GRUPPE

Our Sustainability Report 2019/2020





FUCHS GRUPPE

We inspire people worldwide to experience new tastes, and make eating enjoyable.

The Fuchs Gruppe is Germany's biggest spice producer, and the largest privately-owned spice company worldwide. We offer the food retail, food service and foodstuffs industry a comprehensive range of spices, culinary trends and innovative foodstuff solutions.

Our best-known brands include Fuchs, Ostmann, Ubena, Bart, Bamboo Garden and Kattus. With custom-tailored solutions and technologies, we offer the foodstuffs industry decisive advantages in the manufacture of their products. More than 3,200 people work for the Fuchs Gruppe worldwide, in nine countries on four continents.

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Foreword

Dear Readers,

Thanks to our strongly vertically-integrated business model, we have focussed ourselves intensively with sustainability issues ever since our company was founded. We have always been aware that long-term economic success goes hand-in-hand with intact ecological and stable social systems. We consider the acceptance of responsibility for the environment and society to be a part of our duty.

The continuing advancement of climate change represents an ever-greater threat to our business model. It leads to profound alterations with far-reaching ecological, social and economic consequences in the regions from which we obtain our most important raw materials. To ensure that the impacts of these changes remain as small as possible, we are committed to the most conservative handling of the environment and good agricultural practices among our crop-growing partners, we insist on the greatest possible transparency in cultivation, and we aim for the most environmentally friendly further processing. We source our most strategically important raw materials in large quantities and as unprocessed as possible, and carry out all the subsequent processing procedures in our own production facilities.

By so doing, we not only guarantee the consistent high quality of our products, but are also able to enforce our sustainability concepts along our entire value creation chain. Moreover, by using a wide variety of Corporate Citizenship projects (projects aimed at ensuring societal entrepreneurial commitment), we attempt to promote education and prosperity in the crop-growing regions that are relevant to us.

But of course, our commitment on its own is not enough. That's why we welcome the fact that the development of a sustainable lifestyle and economic framework has gained considerable momentum through Agenda 2030 and the adoption of Sustainable Development Goals (SDGs) that are recognised worldwide. We commit ourselves to these goals, and through our sustainability activities we want to contribute to the achievement of these targets. This mainly affects Good Health and Well-being (SDG 3), High-quality Education (SDG 4), Gender Equality (SDG 5), Decent Work and Economic Growth (SDG 8), Responsible, Sustainable Consumption and Production (SDG 12), Climate Action (SDG 13) and Life on Land (SDG 15).



We developed our sustainability strategy further during the past year: in particular, the topics of "Human Rights", "Packaging", "Quality Assurance and Management (Food Fraud)" and "Data Protection" acquired greater importance. We gave greater weight to these topics in the context of our Materiality Analysis, and developed corresponding targets and measures. To take our stakeholders' assessments into account as well in this respect, we also carried out a renewed extensive Stakeholder Survey Questionnaire during the past year.

With regard to our sustainability targets, you can see from this Report what we have achieved during the past two years and the aims we have set ourselves for the future. We would be delighted if, through this report, we could contribute to transparency in our sector of industry, and could further intensify the dialogue on the subject of sustainability issues. Please feel free to contact us if you have any suggestions or questions.

Nils Meyer-Pries
CEO



The Fuchs Gruppe

Who we are

The Fuchs Gruppe is Germany's biggest spice manufacturer and the world's largest privately-owned spice company. We aspire always to be in harmony with the taste of the times through our products for consumers, the food retail, the industry and gastronomy, and to enable people to enjoy good food and drink.

With our product portfolio, we offer a broad spectrum to serve our customers' widely-varying needs.

Today, the company founded by Dieter Fuchs with three employees in Dissen am Teutoburger Wald in 1952 has become a global enterprise with a workforce of around 3,200 in nine countries on four continents. Dissen has remained the company's headquarters up to the present time. The product range of the Fuchs Gruppe comprises approx. 10,000 products, and its turnover in 2020 was EUR 557 million (2019: EUR 522 million).

What is important to us

Tastes are as diverse as personalities: while one person likes an excitingly sharp flavour, another prefers it to be discreetly mild. We want our products to contribute to enabling people to give expression to their individual tastes. We want to give inspiration for novel taste experiences, and to provide our customers with enjoyment when preparing their meals.

We stand for a widely varied product range and for the highest quality. Because procurement of the majority of spices and herbs is characterised by a global supply chain, we pay special attention to the ability to trace the raw materials for our products along the entire value-added chain and back to their origin. One of our most important principles is the ability to procure as many of the spices we obtain directly from the producer as possible, un-milled, and to grind and refine then in our own

production facilities and spice mills. This is how we guarantee a consistent flavour profile for the products we offer, while at the same time preserving their valuable constituents.

As a globally operating company with the structures of a medium-sized family business and a not-for-profit foundation as the major shareholder, we feel we have a special duty to handle resources responsibly and sustainably. Therefore, we work exclusively with suppliers who accept our standards of behaviour. Among other things, these include social criteria such as respect for human rights and decent working conditions, as well as ecological criteria such as the conservation of biodiversity, protection of the environment, and the use of universally accepted plant protection agents.



Our Guiding Principles

We inspire our customers.

Our performance is better than our customers expect, and we make them successful. We know our customers and their markets, we emphasise sustainable customer relations and we stand for innovation and service.

We accept responsibility.

Our word is our bond; we stand together in admitting our mistakes, and we learn from them. We transfer responsibility clearly and explicitly. We work towards the whole company's success.

We constantly improve ourselves.

We encourage and demand new ideas and set trends in our markets. We are bold, open to innovation, and exploit the advantages of digitisation.

We lead by example.

We think beyond our own area of responsibility. We treat our staff with appreciation and respect. We talk in clear language, actively accept our own responsibility and are personally committed to the company's values and aims.

We are economically successful.

We inspire confidence through quality. We specify key figures transparently and measurably, and ensure their achievement. We have a long-term perspective aimed at success, we make careful, optimum use of resources and we understand that sustainable corporate governance is a part of success.

Our shareholders

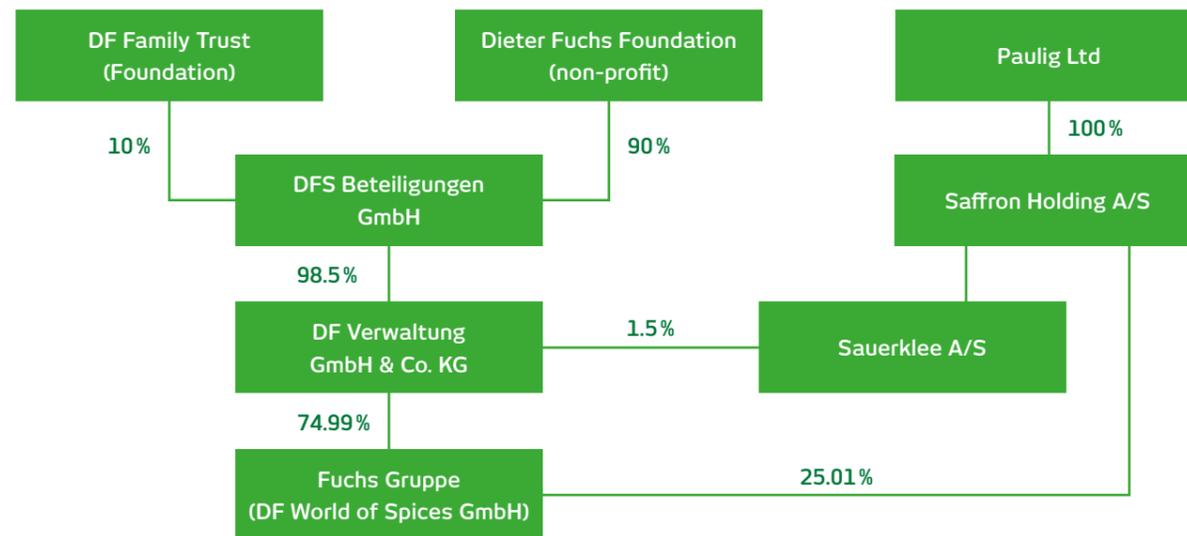
The holding company of the Fuchs Gruppe is DF World of Spices GmbH. The largest indirect shareholder is a not-for-profit foundation established by our company's founder Dieter Fuchs. Moreover, a subsidiary of the Paulig Group has a 25.01% holding in DF World of Spices GmbH, and the family foundation DF Family Trust participates in it indirectly.

The shareholder relationships ensure that a considerable proportion of the revenues earned remain in the company

and can be invested long-term for the company's future viability. This gives the company and its employees security and strong backing for dynamic further development.

The Fuchs Gruppe is administered by an Executive Management Board headed by Nils Meyer-Pries (Chief Executive Officer). The Executive Management Board is advised on strategic issues by an Advisory Board that consists of three members and meets several times a year.

The holding structure of the Fuchs Gruppe



Our business segments

To control the Company efficiently, the Fuchs Gruppe subdivides its business operations into a structure based on business units:

■ **Retail:** In the Retail business unit, we offer the international food retail, in this country and abroad, a wide spectrum of spices, herbs and herb mixtures, soups, sauces and convenience products. This business unit includes German and international brands such as Fuchs, Ostmann, Bio Wagner, Wagner, Schuhbeck, Bart or Cosmin, together with the private label business.

■ **Industry:** In our Industry business unit, we offer refined spices and herbs, mixtures, technological compounds, innovative technologies and individually tailored solutions to industrial customers worldwide. In this respect, we aim our products especially at the snack, meat and dairy industries, at the fish, convenience and baked goods industries, and at other branches of the food-stuffs industry.

FUCHS GRUPPE

Fuchs Gruppe Retail

Fuchs Gruppe Industry

A comprehensive portfolio of spices and delicatessen for the German and international retail market, together with the food service (hotel trade, restaurants, catering, canteens or bakery chains).

Technologies and solutions for the German and international food industries.



FUCHS
Taste Solutions

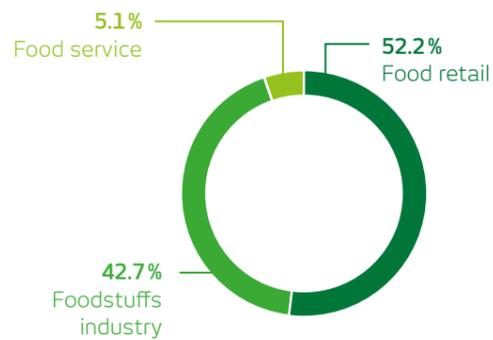


The formerly independent Retail International and Taste Innovations business units were integrated into the Retail business unit in 2020 in favour of an even stronger customer focus.

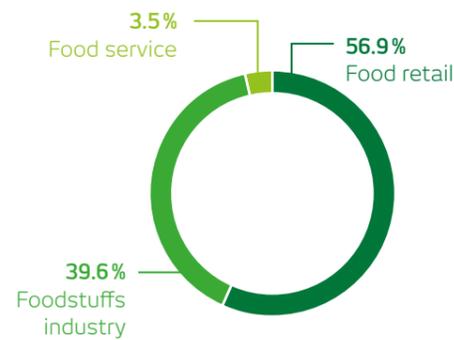
Our business units are closely interlinked, and there is an intensive exchange of information and experience between them to recognise and implement developments and trends at an early stage. For example, the retail business thereby profits from the technology competence of our industrial business, while conversely the market knowledge of our retail business is useful to the industrial business. Central service units support the operating units of our business units, e.g. in the areas of procurement or operations and facilities, to pool requirements and to achieve synergy effects.

The successful, sustainable further development of the Fuchs Gruppe is at the centre of the entrepreneurial activities. Not least the Coronavirus pandemic made us aware of how quickly markets and consumer behaviour can change, and how flexibly and dynamically companies of the future must react to them. As the Fuchs Gruppe, in the individual companies and functions we must be clear about what we stand for and why our customers and consumers, nationally and internationally, consciously make a new choice of our products once again every day. In a dynamic environment, it is more important than ever that we align ourselves clearly, define shared goals, and describe pathways that will allow us to reach these goals. We have begun a new strategic process for this purpose.

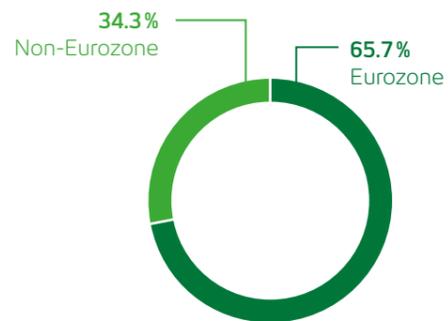
Sales revenue shares of customer groups (2019)



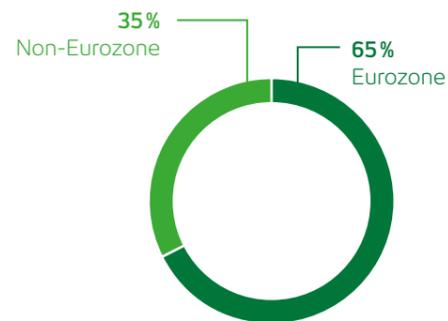
Sales revenue shares of customer groups (2020)



Regional breakdown of turnover (2019)

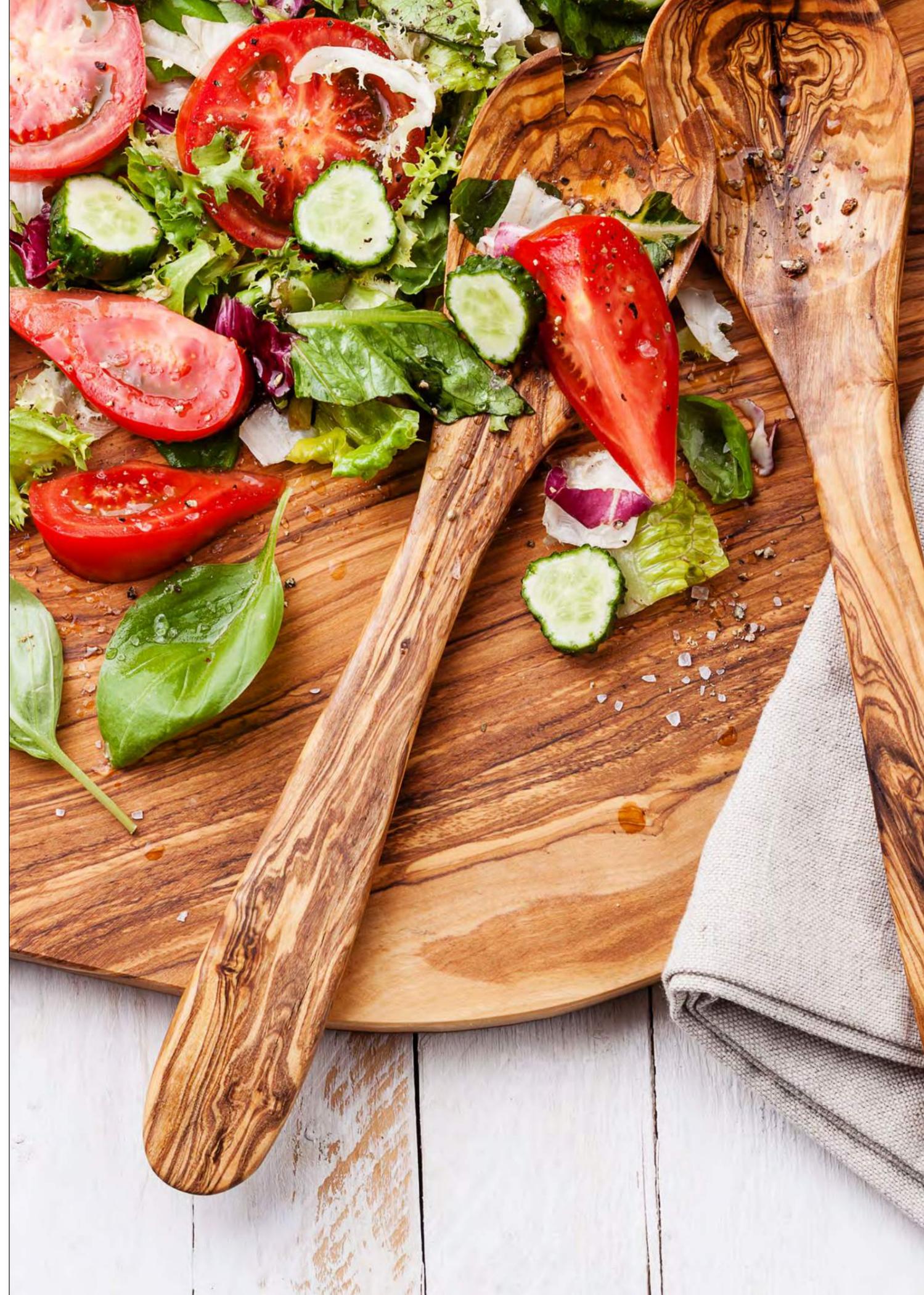


Regional breakdown of turnover (2020)



The changes in turnover shares from 2019 to 2020 are attributable essentially to the effects of the Coronavirus pandemic and changed consumer behaviour. The down-

ward trend in the industrial business is a consequence of strategic measures undertaken in view of the future orientation of this business.



Our worldwide branches

The Fuchs Gruppe and its products are represented around globe – partly through our own branches. With a total of 13 subsidiary companies, we are represented in nine countries on four continents. As well as our company headquarters in Dissen am Teutoburger Wald, we have other branches Germany at Abtswind (Bavaria), Hamlar (Bavaria), Melle (Lower Saxony) and Schönbrunn (Thuringia). We maintain further production facilities and marketing companies outside Germany in Brazil (three sites), China (two sites), France (two sites), Great Britain (two sites), Italy, Cambodia, Romania and the USA (two sites).

The people who work for us

The Fuchs Gruppe employed a total workforce of more than 3,200 staff as of 31 December 2020. Almost 43% of them are female. In 2020, most of the employees worked in Europe (nearly 77%), followed by Asia, North America and South America.



Number of employees (entire Fuchs Gruppe)	2020	2019	2018
	3,283	3,180	3,150

Proportion of employees by regions (entire Fuchs Gruppe)	2020	2019	2018
Europe	76.9%	77.7%	78.9%
Asia	11.8%	12.2%	11.4%
North America	5.8%	5.2%	5.6%
South America	5.5%	4.9%	4.1%
Totals	100%	100%	100%

Proportion of women (entire Fuchs Gruppe)	2020	2019	2018
	43.7%	44.8%	44.5%

Number of new employees and fluctuation rate (entire Fuchs Gruppe)	2020	2019	2018
Number of new employees	858	540	379
Fluctuation rate*	18.1%	15.0%	13.4%

* all departures in the period / (workforce at the start of the period + new entrants in the period)

Age structure of the employees (entire Fuchs Gruppe)	2020	2019*	2018
≤ 25 years	8.2%	9.4%	6.0%
26 – 40 years	36.3%	36.1%	35.2%
41 – 55 years	37.0%	38.2%	42.8%
> 55 years	18.5%	16.3%	16.0%

* No data are available for Bart in 2019, therefore a pro rata calculation was carried out as in 2020.



Our sustainability management

A long-term orientation

We pursue a value-oriented corporate strategy with a long-term alignment. The build-up and above all the enduring maintenance of values are more important to our shareholders than optimising short-term profitability. This business management designed for the long term and for future viability is already embedded in our shareholding structure.

Our policy has been very close to the idea of sustainability for decades, and we endeavour to think and act holistically, responsibly and multi-generationally. We are convinced that enduring economic success is impossible without acting responsibly towards the environment and society. Therefore, through our business operations, we want to contribute to a clean environment and an aware lifestyle.

A global supply chain is a characteristic feature of the procurement of spices and herbs. Transparency and traceability are central to our sustainability strategy. We want to know where the raw materials for our products come from and how they were grown, harvested and transported.

As a result of our business model, we rely on intact economic, ecological and social systems in our procurement and sales markets. Political or financial instabilities affect our company's operations and its long-term success just as much as climatic changes or social tensions. We are, therefore, very interested in the best possible maintenance and improvement of well-functioning systems.

This was also already the stance adopted by our founder, Dieter Fuchs, who pursued a long-term business orientation with great far-sightedness. He was convinced of a company's obligation towards the environment and society, and firmly embedded this world view into our corporate culture. Product responsibility vis-à-vis our customers was just as near to his heart as environmental protection and the working and living conditions of the people in our value creation and supply/delivery chain processes.

We are firmly convinced that dealing fairly with all of our business partners is one of the most important factors contributing to our commercial success. We aim to maintain long-term relationships, characterised by mutual respect and understanding, both with our customers in the retail, in industry and in the food service, and also with our suppliers and partners. Human rights issues in our global supply chain, biodiversity in our crop-growing regions, and behaviour aligned to ethics and statutory requirements play an important role in our decision-making processes.



Firmly embedded

Our values, which are embedded in our Guiding Principles, are the foundation of our understanding of sustainability. They form the basis of our Code of Conduct, which is enshrined in writing, and guide us to responsible conduct – vis-à-vis our customers, our employees, our suppliers and partners, and vis-à-vis the environment and society.

We have embedded our understanding of sustainability in a number of self-imposed obligations and guidelines. For example, we are committed to the United Nations' Guiding Principles on Business and Human Rights, to the UN Children's Rights and Women's Rights Conventions, to the Core Labour Standards of the ILO (International Labour Organisation) and to the Guidelines for Multinational Companies of the OECD (Organisation for

Economic Co-operation and Development). We strive to implement the rights stated in these resolutions and in the other resolutions and frameworks that we support, not only in our own processes, but also in those of our partners along the supply chain.

We expect and demand that our suppliers comply with our Ethical Sourcing Principles. These principles include an obligation to observe all country-specific laws and regulations, and the ban on child labour and forced labour and on discrimination and corruption. We also explicitly demand that our suppliers have suitable measures to ensure the occupational health and safety of their employees.

Supporting the German Supply Chain Act

By means of the Law on Corporate Due Diligence in Supply Chains, the German legislator bindingly governed for the first time the responsibility of German companies to respect human rights in global supply chains. We welcome this regulation, because it makes clear, uniformly standardised provisions, and contributes to transparency in the supply chain.

Sustained commitment

Our sustainability beliefs are also reflected in our promotion of various initiatives and our participation in them. Examples of these include the implementation of GAP (Good Agricultural Practice). We oblige our suppliers to comply with the GAP principles, we explain their contents, partly with our employees on the ground, and we monitor their application and observance in the crop-growing regions.

We are a member of the Sedex sustainability initiative (Supplier Ethical Data Exchange), and via this data platform we research the sustainability performance of our contract partners. We make the central data of our sustainability commitment available to our customers via this data base at the same time.

Partnerships and networks

We want to strengthen the effect of our sustainable business management, and to address sustainability topics in the foodstuffs sector through active collaboration in initiatives and trade associations. Examples of these initiatives and trade associations include the following:

- **Flocert**
As a global certification body, the company campaigns for compliance with Fairtrade Standards.
- **Sustainable Spices Initiative**
The aim of this international initiative is to sustainably restructure the spice sector's manufacturing and trading processes.
- **European Spice Association**
This trade sector association not only defines quality standards but also ensures the discussion of issues relevant to sustainability within its membership group.
- **German Food Association**
The umbrella organisation of the German Food Industry pools and represents the interests of the players in the foodstuffs industry along the entire value-added chain.
- **Trade Mark Association**
This association, independent of industry sectors, advocates a stable value framework.
- **Trade Association of the Spice Industry**
This association represents the interests of more than 90 member companies in the spice sector.

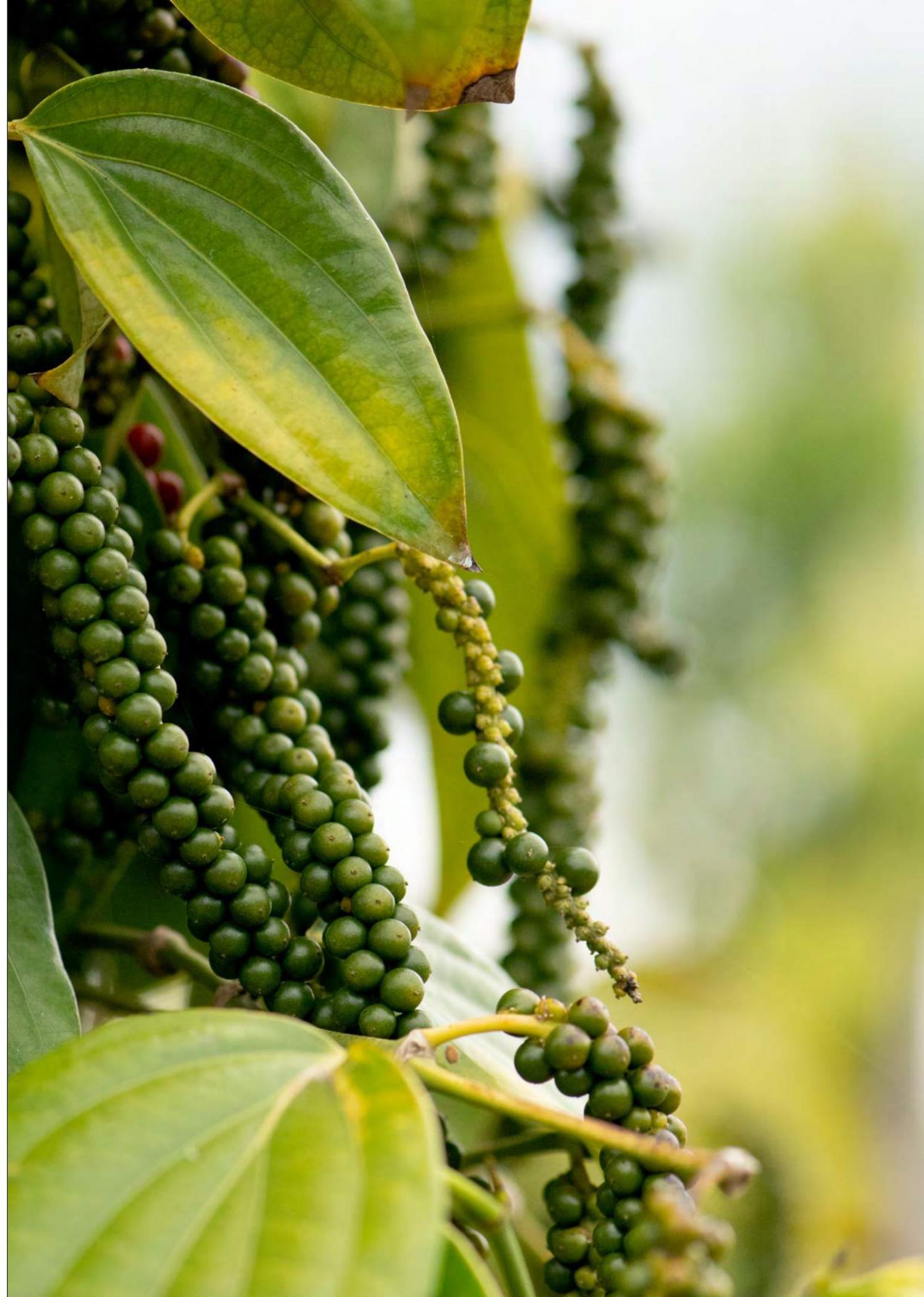
Compliance with company-wide standards and statutory regulations

We place great value on our compliance structures to prevent any possible misconduct by business partners or suppliers, and to ensure that our employees adhere to our corporate standards. In 2018, therefore, we revised our compliance standards, formulated them in a clearer, more binding way, and transferred them into a Code of Conduct that is binding throughout the Fuchs Gruppe. By obligatory training courses and information events, we make our management staff in Germany aware of our Compliance Guidelines.

Together with the further development of our Compliance Guidelines, we installed a whistle-blower system through which the employees of our company and of business partners can, at any time, report violations of the both the internal and external regulations or statutory provisions. To remove barriers and obstacles, an external Compliance Ombudsman is available to all whistle-blowers (including anonymously). It goes without saying that we exhaustively follow up any information that reaches us.

The central contents of our Code of Conduct

- a) Enquiries relating to cartel and competition law
- b) The anti-corruption clause
- c) Avoiding conflicts of interest
- d) Behaviour towards the media
- e) Social media
- f) Honorary roles
- g) Smoking ban, prohibition of the abuse of addictive substances
- h) Work environment, prohibition of mobbing (workplace bullying, harassment), sexual harassment and discrimination
- i) Environmental protection, health and safety/security
- j) Obligation to declare, obligation to comply with the Code of Conduct, contact partners, reporting duties



Affected by climate change in many ways

Climate change affects the business model of the Fuchs Gruppe in a variety of ways: an unchecked rise in temperatures results in extreme climatic events such as heat-waves, droughts, flooding or forest fires. These events can have profound consequences for the regions from which we obtain our raw materials. The growing regions could become smaller or entirely relocate – with far-reaching social and economic consequences. For example, these include loss of income for our suppliers, rural depopulation, volatile raw materials markets, quality fluctuations or reduced security of supply.

Many of our raw materials, e.g. pepper, paprika or garlic, are grown in emerging and developing countries. Our suppliers in these countries in particular often lack the resources such as capital, technology or knowledge that are needed to enable them to cope with the consequences of significant climate change. Additional ecological, social and national risks – such as water pollution, poverty or unstable political circumstances – also contribute to worsening the climate risk. A deterioration in water resources, severe price fluctuations due to extreme

weather conditions, the increased occurrence of pests and diseases and decline in labour productivity caused by climate changes would have a considerable impact on our business model and on our company group's earnings situation.

The aim of our sustainability activities is, therefore, to contribute to achieving the target adopted at the UN Climate Conference in Paris in 2015, namely limiting the rise in global warming to a maximum of two degrees compared to pre-industrial levels. Furthermore, we want to ensure, both within our company group and within our supply chain, that standards relevant to sustainability are complied with from economic and social points of view, and that our entrepreneurial activities have the smallest possible ecological impacts.

Regarding the Sustainable Development Goals (SDGs) defined by the United Nations to secure worldwide sustainable development, we contribute to achieving the following targets in particular:

and we implement the risk analysis and risk minimisation strategies of the National Action Program to safeguard universal human rights in the supply chain.

3 GOOD HEALTH AND WELL-BEING
Good health and well-being
 We promote the population's health by giving targeted support to clinics and welfare organisations and to access to medical services. We promote the health of our own employees through our wide variety of activities within the framework of our Occupational Health and Safety Program.

4 QUALITY EDUCATION
Quality education
 We support education, especially in the countries of origin, by training the local farmers in various areas, and together with selected partners we promote the training of young people. We offer our own employees a large number of opportunities for personal further qualification and training.

5 GENDER EQUALITY
Gender equality
 We take part in initiatives that prevent discrimination, and we develop programs ourselves that guarantee equal opportunities for everyone. We also promote women to management positions in our company, and we ensure a suitable work environment. We implement programs to support the professional development of minorities,

8 DECENT WORK AND ECONOMIC GROWTH
Decent work and economic growth
 We encourage economic growth along the supply chain, and we strive to achieve greater productivity and a higher employment rate. For this, we also initiate programs to increase agricultural productivity. Through the design of our supplier contracts, we contribute to fair, legal work conditions along the value-added chain, and we prevent forced and child labour. Moreover, we promote the founding of small businesses along the value-added chain.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Responsible consumption and production
 We enable our customers to make a responsible, conscious choice in relation to our products. Our aim is to reduce resource consumption in the entire supply chain (e.g. energy, transport, packaging, water consumption and wastes), to decrease food wastes in the production process, and to develop products that are responsible with regard to their constituents and to health.



Climate action
 We minimise our ecological footprint to contribute to the avoidance of global warming and thus also to lay the foundation for agriculture in the countries of origin. For this purpose, we reduce our consumption of energy, decrease the proportion of non-recyclable plastics, and campaign for the principle of a recycling economy.



Life on Land
 We advocate an intact environment and the conservation of species diversity. To this end, we familiarise increasing numbers of farmers with Global Agricultural Practices, we support initiatives for fairness and for general development (especially education), and we promote local and regional initiatives aimed at conserving species diversity.



The Sustainable Development Goals of the United Nations

In dialogue

We continue the further development of our sustainability management system. For this purpose, we have defined fixed responsibilities in the company for the essential topics of our sustainability strategy. The persons responsible for the topics are area managers, and collaborate in the further development of our sustainability strategy. They are supported by operatively active colleagues.

To set the right accents in our sustainability strategy, we seek a dialogue with our stakeholders, during which we explore their interests and opinions. Of special importance to us in this respect are our customers, employees and suppliers, together with our owners, the public, consumers and various not-for-profit organisations. The question of which stakeholder groups have which importance for us was discussed and defined in the context of developing our sustainability strategy.

Because we enlarged the list of our essential sustainability topics in 2020, another stakeholder survey was carried out in this year. It involved an online questionnaire, to which we drew our stakeholders' attention by a direct approach. We invited consumers to participate via our social media activities.

A total of 330 stakeholders reported their assessments and evaluations to us in a three-week survey period. We were very pleased with the fact that many survey participants used the opportunity to give us numerous constructive comments and ideas. Furthermore, the majority of the participants confirmed that we were setting the right priorities and were following the right course. The previous stakeholder survey took place in 2018.

Our key topics

Our sustainability activities focus on a total of 15 topics. We have summarised these in four categories:

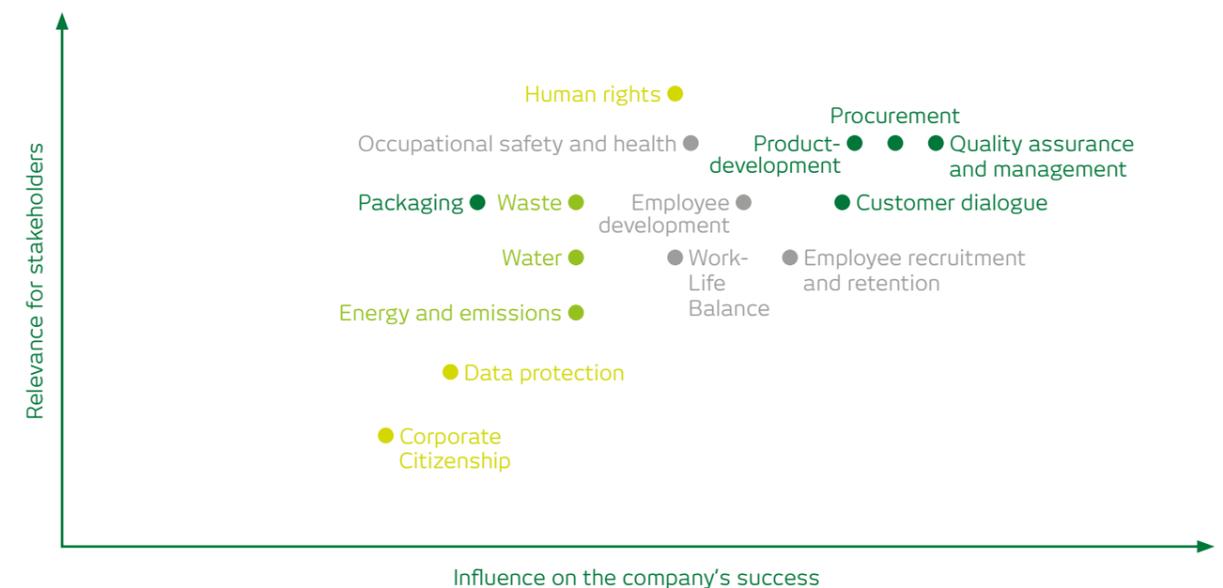
Product & supply chain responsibility	Social responsibility	Employer's responsibility	Ecological responsibility
Procurement	Human rights	Employee recruitment and retention	Energy and emissions
Quality assurance and management	Data protection	Employee development	Water
Product development	Corporate citizenship	Work-life balance	Wastes
Customer dialogue		Occupational safety and health	
Packaging			

The following changes occurred in our materiality matrix compared to the previous year:

- From the original three columns ("Our products", "Our employees" and "Our environment"), we formed four topic clusters ("Product and supply chain responsibility", "Social responsibility", "Employer's responsibility" and "Ecological responsibility").
- The topics "Employee recruitment and retention" (previously "Employer branding") and "Energy and emissions" (previously "Energy") were renamed to describe the content of the topics more accurately.
- In the topic cluster "Product and supply chain responsibility", the topics of "Suppliers and raw materials" and "Controlled cultivation" were merged to give the topic "Procurement". The cluster around the topic of "Packaging" was also augmented, because this topic has occupied us intensively in the past two years, and will also occupy us in the future.
- For the same reason, the topics of "Human rights", "Data protection" and "Corporate citizenship" were newly included in the list of essential topics. They form the topic cluster "Social responsibility".

The results of the stakeholder survey show that these changes are also endorsed by stakeholders. The Quality assurance, Controlled cultivation and Product development topics received the highest relevance in the "Product and supply chain responsibility" area. The guarantee of Human rights was especially important to stakeholders in the "Social responsibility" area. With regard to Employer's responsibility the topics of Occupational safety and health and in the area of Ecological responsibility the topic Waste achieved the highest values.

Our materiality matrix



- Product and supply chain responsibility
- Social responsibility
- Employer responsibility
- Ecological responsibility



Product and supply chain responsibility

Many of the raw materials for our products grow in distant countries because they have the best climatic conditions for cultivation there. We obtain our strategically important raw materials unground, i.e. whole or in the form of large pieces, and carry out all the subsequent processing procedures in our own production facilities.

With this approach, we follow a consistent quality management system aligned to prevention, and we are able to control all the processing procedures and steps autonomously and to exert end-to-end influence on them. Traceability of our raw materials is very important to us in this respect. We want to know exactly how the raw materials are grown, harvested and transported. This is the only way in which we can guarantee the consistently high quality of our products and can minimise the risks of falsification, while at the same time enforcing our sustainability concepts along our entire value-added chain.

Our products represent unifying aspects of life, together with an individually experienced enjoyment of their flavour. We want to contribute to ensuring the people all over the world consciously enjoy eating, and give expression to their tastes with and through our products. We want our products to correspond to our customers' needs and living environments in the best possible way. That's why we give great importance to the continuous further development of our product range, our technologies and our packaging, as well as to an intensive dialogue with our customers.



Procurement

The procurement of our raw materials has central significance in our business model, because the quality of our products depends crucially on the design of our procurement processes. This holds true both for our B2C business and for our B2B business.

We procure our raw materials, which consist in particular of spices and herbs, from around the world. Strategically, our most important spices include pepper, capsicum, nutmeg,

onions, cinnamon, turmeric, cumin, cloves and garlic. Our most important herbs are oregano and German kitchen herbs such as chives, parsley and basil. Our most significant procurement markets with regard to our spices are situated in Brazil, China, Vietnam, India and Indonesia. The herbs we purchase originate particularly from Germany, and are grown by our subsidiary ESG Herbs, which is based in Hamlar (Bavaria). Egypt and Turkey are also important procurement markets for our herbs.

Key components of our procurement strategy

In procuring our raw materials, we follow a strategy characterised by the following features:

- We work with growers, producers and suppliers who accept our standards of good conduct and our Principles of Ethical Sourcing. Among other things, these include social criteria such as respect for human rights and decent working conditions, as well as ecological criteria such as the preservation of biodiversity, environmental protection and the exclusive use of approved plant protection agents.
- We expect the growers, producers and suppliers with whom we collaborate to adhere to GAP (Good Agricultural Practice). This was defined by the International Organisation of Spice Trade Associations (IOSTA) with regard to the cultivation of spices, and is aimed at the sustainable production of safe, healthy foods. For example, GAP includes documentation of the production methods, en-

vironmentally friendly fertilising, ecologically compatible plant protection, the conservation of natural soil fertility, location-adapted cultivation and the protection of biotopes.

- We source our raw materials from growers, producers and suppliers unground, i.e. whole or in the form of large pieces, and we process and refine them in our own production facilities.
- By obtaining raw materials directly from the grower, without any intermediaries, and in a form that is as unprocessed as possible, we minimise the risk factors that enable food fraud, e.g. the potentially non-transparent trading structures of various dealers and acquisition on the spot market. Long-standing, stable relationships with suppliers and contracted farmers also create good conditions and reduce the incentives for fraud.
- With regard to our raw materials, we pay special attention to seamless traceability right back to the growing regions. We want to know the origin of every batch, and which route it took on its way to us.





Controlled cultivation

To check whether growers, producers and suppliers fully meet these requirements at the point of origin, we pursue the concept of "controlled cultivation". We want to know, especially in the case of our most important raw materials,

who produced them, under which conditions of living and working, with which auxiliary agents and on which fields, and how these raw materials were harvested and subsequently treated, packed and transported.

Traceability of our key raw materials (spices = pepper, capsicum, nutmeg, onions, cinnamon, turmeric, cumin, cloves and garlic)	2020	2019	2018
Proportion of batches we can trace back to their origin (cultivation region)	100%	100%	100%
Proportion of quantities purchased that result from long-term business relationships*	100%	100%	100%
Proportion of quantities purchased whose sub-suppliers, producers and/or exporters we know personally **	95%	92%	89%

* Business relationships of at least 3 years duration, and up to decades.
 ** And participate in a regular, direct exchange of information.

Firstly, to implement our ideas of controlled cultivation, we endeavour to achieve direct, close, long-term collaboration with our contracting partners in the cultivation regions. Secondly, in many cultivation regions we employ our own staff or authorised partners who visit our suppliers and maintain a regular exchange of information with them. The duties of these employees or partners also include informing the growers, producers and suppliers about current developments in the subject areas of cultivation, harvesting or drying, and carrying out regular training sessions in the area of quality assurance and Good Agricultural Practices (GAP). In this way, we support long-term sustainable cultivation methods at the point of origin.

As a result of this regular, direct exchange of information, we have a good knowledge of the fundamental and current challenges in the cultivation regions, and can provide support services without delay. In this way, we simultaneously obtain information about the expected quantity and quality of the harvest. This information is of the greatest importance to us, especially in challenging harvest years, to enable us to plan and develop alternative actions at an early stage. Close collaboration with our suppliers is also important to us, however, in order to maintain supplier loyalty and dependability as well as qualities. Last but not least, a long-term, trusting relationship creates security and future prospects on both sides.

The Corona pandemic has led to a situation in which our on-the-spot visits in 2020 could take place only virtually. We have also successfully carried out two audits in this way. In the coming years, we want to expand the number of our on-the-spot visits to growers, producers and suppliers again. In this respect, however, it must be borne in mind that cultivation structures and thus also the procurement structures differ from country to country and from one raw material to another. For example, whereas the cultivation of paprika in Brazil is provided by rather large production units, the spices we obtain from China, Vietnam or Cambodia are cultivated mainly by smallholder farmers. Therefore, our concept of controlled cultivation must be adapted to the respective structures of the procurement markets.

In Brazil, the country from which we source most of our pepper and paprika, we already extensively implement our concepts of controlled cultivation: for every grower or producer with whom we collaborate, we create a comprehensive data documentation containing all the relevant information about him/her, his/her fields, his/her soil and plant fertilisation measures, his/her yield and the quantities he/she has sold to us. This data collection also includes information about the contracting partner's qualification, environmental constraints and labour standards, about certifications to apply plant protection agents, and about the results of our weekly visits.

Our concept of controlled cultivation has already led to numerous improvements in our most important growing regions. These include a considerable reduction in the use of pesticides by our suppliers. The number of complaints

has also decreased significantly – despite increased quantities purchased. These effects contributed to a reduction in agricultural production costs and environmental impacts, while the producers' yield situation improved at the same time.



We coordinate our purchases through our company head office in Dissen. We pursue a uniform purchasing policy across all our locations, especially with regard to obtaining our key raw materials. Procurement takes place systematically and oriented to key figures. Our choice and assessment of suppliers takes place on this basis. We are currently carrying out development of our procurement strategy to enable a targeted expansion of our suppliers with regard to quality, traceability and sustainability.





Quality assurance and management

We give top priority to quality security and management – this applies to all our processes, both in our value-added chain and in our supply chain. Our customers should and want to be able to depend on the products we manufacturer having a reliable, constant high quality.

We have defined clear guidelines and processes to implement our high quality standards. In the first place, this includes the fact that we obtain our spices as unprocessed as possible, whole or in the form of large pieces, and directly from their origin. We carry out all the subsequent processing operations ourselves. This enables us to exercise an end-to-end influence on the quality of our products, and to implement a quality management system that is consistently aimed at prevention. It also allows us to preserve the constituents that are valuable for flavour, and we are thereby better able to maintain the flavour profile of our products.

From receipt of goods to packaged end-product, we carry out quality testing on every step of the processing operation. A specific quality testing plan describing the stip-

ulated quality assurance measures is defined for every processing step. The testing plans conform to statutory requirements and recognised international standards such as the ISO Standards, the European quality parameters of the European Spice Association and the guidelines of the German Food Code.

Quality assurance at the incoming goods point is carried out by our own works laboratory in Dissen. Every individual batch that is delivered is subjected to stringent testing. Examinations extending beyond that are carried out by accredited external laboratories with whom we have collaborated closely for many years. Products are not moved on to the next processing step until all the tests have confirmed the necessary quality requirements.

In the past two years, we expanded our activities to prevent food cheating ("Food Fraud"). For this purpose, we created the position of Supplier Quality Managers, whose task is to verify even more systematically the product characteristics we have defined, and to enforce these in our supply chain.

Food Fraud

The term Food Fraud (food deception) has become established to describe intentional food falsification to achieve commercial advantages. Food Fraud involves a deliberate violation to cheat purchasers (falsification / deception) and thereby to gain an unfair advantage (e.g. financial/commercial). This infringes EU Regulations, Article 8 (1) of Regulation (EU) No. 178/2002.

We adopt active measures to combat Food Fraud, and pursue a strategy aimed at prevention. To detect possible falsifications and to prevent them moving forward in the supply chain, we focus on:

- procuring raw materials as unprocessed as possible, and direct from the suppliers,
- knowledge of and control over the (complex) supply chain,
- internal monitoring processes and close collaboration with specialist laboratories.

Our quality management system is IFS food-certified in accordance with internationally recognised GFSI standards at the sites in Dissen, Melle and Schönbrunn (GFSI: Global Food Safety Initiative). At our locations abroad, we have established adequate management systems that are aligned to the requirements of the specific country and have corresponding certifications.

For products that are subject to the licensing requirements of the Verband Lebensmittel ohne Gentechnik e.V. (VLOG, Non-GMO Foods Association) and of the Vegetarierbund (VEBU, German Vegetarian Union), systematic processes have been introduced to implement the requirements in an optimum way. Certification audits relating to the VLOG and to award the V-label, the seal of quality for vegan and veg-

etarian products, were carried out in our company in 2020. Many of our products also display specific certifications, including halal and kosher certificates, as well as organic, Fairtrade and RSPO (Roundtable on Sustainable Palm Oil) certifications.

The sites mentioned above have also been certified in accordance with the BRC Standard since 2019. The BRC Standard was established by the British Retail Consortium (BRC) and – like the IFS Food Standard – belongs to the GFSI. Certification according to this standard makes it simpler for us to serve the British market, and enables easier harmonisation of raw materials procurement, manufacturing and capacity planning between ourselves and our subsidiary company Bart Ingredients Ltd.



Product development

The continuous further development of our product range, our products and our technologies are among the central factors for the sustained commercial success of our business model – and thus also of our sustainability strategy. We aim to create a product range tailor-made to match our customers' needs. This holds true both for our B2C and our B2B business. In this respect, we pick up trends in the food sector at an early stage, and we offer a product spectrum that serves a wide variety of needs and taste preferences.

For this reason, we continuously develop new flavour varieties and/or improve our existing recipes. Whereas the emphasis in our B2C business is mainly on developing new spice mixtures, the B2B business focuses on tailor-made solutions and concepts for food industry products.

Product development, both for the German B2C and the German B2B business, takes place mainly at our Dissen

site. The exchange of information between product development areas in the B2C and B2B segments was intensified further in 2020. This closer collaboration is aimed firstly at an easier exchange of ideas and developments, and secondly at the better utilisation of existing capacities.

Our brand managers, in cooperation with our developers, are responsible for new products in the B2C business. They analyse market trends and developments very precisely, and on this basis they develop novel product ideas and concepts in their respective teams and for their brands. Among other things, they are assisted in this work by two trained spice sommeliers.

New products* as a proportion of the entire product range or turnover of B2C brand business in Germany

Our spice brands in the German food retail (e.g. Ostmann, Fuchs, BioWagner etc.)	2020	2019	2018
New products as a proportion of the entire product range	8.4%	2.0%	12.5%
New products as a proportion of the entire turnover	7.5%	2.8%	8.6%

The large fluctuations in the proportion of new products are attributable in particular to the following events:

- 2018: Changeover of smaller articles to Clean Label, and individual campaign articles
- 2019: Product range work and individual campaign articles
- 2020: Line Extensions to Ostmann, numerous campaigns relating to Schuhbeck, Limited Edition for Fuchs, focussing on Best Performer products

Our delicatessen brands in the German food retail (e.g. Bamboo Garden, Fuego etc.)	2020	2019	2018
New products as a proportion of the entire product range	14.5%	8.2%	14.8%
New products as a proportion of the entire turnover	26.0%	4.8%	4.1%

The changes among the delicatessen brands result from the following in particular:

- 2018: Introduction of a new brand, and product range enlargement
- 2019: Introduction of the "Toro" brand, and product range optimisations
- 2020: Relaunch of various articles

* We understand "new products" to mean a novel product or a change to and/or adaptation of an existing product or recipe, or a change to and/or adaptation of packaging in a current calendar year.

Our product development is based on a systematic Stage Gate process which we introduced in 2018 and have continuously further developed for our German retail business since then.

To evaluate our (new) product concepts, we carry out product tests with consumers in close collaboration with market research institutes. If a new product concept turns out to be promising, it is defined and optimised further in the context of technical product development, and subsequently incorporated into the production process.

Moreover, we test our products in our sensory laboratory, which was established at our Dissen site in 2017. A total of 47 sensory tasting trials with our employees took place here in 2020, to examine and assess product ideas and concepts. With 1,600 participants in the sensory tasting trials, we obtained very valuable feedback about our product developments, which we were able to implement in actual product concepts.

Number of sensory tasting trials carried out

Our spice brands in the German food retail (e.g. Ostmann, Fuchs, BioWagner etc.)	2020	2019	2018
Number of sensory tasting trials	47	7	4
Number of participants	1,600	253	70

To clarify the great importance of product development in the Fuchs Gruppe internally as well, our first Innovation Day took place in 2019. The latest products and ideas, and various new product development methods, were

presented during the Innovation Day. We intend to continue this concept in the future, and to adapt it to the current circumstances.

Exclusively natural ingredients

We have used exclusively natural ingredients in our Fuchs, Ostmann, Wagner and Bio-Wagner branded products since 2020 – except where they involve purely flavours. They are free from flavour-enhancing additives and preservatives, and are also free from palm oil.

Advent spice calendar

We also set trends in the market again and again with our new products: we have offered an Advent spice calendar since 2019 – with great success. Whereas the Ostmann brand Advent calendars are available in the retail trade, we market the Fuchs brand of Advent calendar, for which its own new unique recipes were developed, exclusively via the Internet.





Dialogue with customers

Dialogue with our customers and consumers is very important to us. It contributes significantly to understanding their needs and expectations, to fulfilling these with our product range, and to conveying pleasure in their enjoyment and in good food.

In the B2B business, we provide our customers with made-to-measure solutions. These take into account firstly the specific needs of different sectors, e.g. dairy products, meat, bread and baked goods, snacks, fish, frozen products, vegetables and delicatessen. Secondly, they take account of our customers' individual requirements with regard to flavour and technological and sensory characteristics such as colour, gloss, tenderness or shelf life. Most of these customer-specific solutions are designed in close cooperation with customers, and are developed further jointly as necessary. As a result of this close collabora-

tion, we maintain a constant exchange with our industrial customers, and are informed in detail regarding their specific requirements and expectations. We understand the service we provide to mean making our industrial clients successful, i.e. meeting consumers' tastes.

We are also in very close contact with our customers in the B2C business. We also maintain discussions with the German retail trade, especially via our 200 field sales representatives. They not only arrange products on shelves we designed and manufactured ourselves, but are also available as direct points of contact in the market.

We seek direct, dialogue-oriented contact with consumers through various channels: these include principally our social media activities, our offers of information via our web pages and advertising activities in (specialist) media,

as well as further offers of dialogue such as our end-consumer service. In the past two years, we expanded further the number of dialogue channels we use, e.g. through additional social media platforms and by cooperation with bloggers. We carefully evaluate the information and suggestions from consumers that we receive through these channels, and pass them on to the appropriate specialist departments. Moreover, we regularly carry out marketing research operations to systematically determine end-consumers' wishes and needs. In the case of our product development processes in particular, we regularly employ product tests and other marketing research tools.

We aim to make complete, understandable information available to our customers for their purchase decision. That's why packages of our products carry various statements about product properties, which also include advice

on their disposal and/or recycling. In this respect, we pay strict attention to making all the legally required information available. We also offer the option to obtain further required information, especially via our end-consumer service. No infringements of regulations and/or voluntary codes of conduct in connection with our product and services information occurred in the Fuchs Gruppe in either 2019 or 2020.

Packaging

In our end-consumer business, our packages represent attractiveness at first glance, the communication of our special product advantages, and perfect use in the kitchen at home. For professional users, the emphasis is on use, storage and a need-appropriate package size. Moreover, the least possible amounts of waste and material to be disposed of, with the best possible recyclability, are of great interest for all the customer groups.

In view of efforts to achieve sustainability, the emphasis for us is also on guaranteeing food safety, hygiene, protection of the products, their uncompromised flavour and their shelf life. The properties of our products are affected by environmental influences such as the sun and heat, just as much as by the steam and moisture commonly present in kitchens. Packaging that protects against such environmental influences while preserving the unmistakable quality-determining properties of the products at the same time are therefore of critical importance to us.

Therefore, our first, short-term aim is to increase the recyclability of our products. Currently, approx. 60% of our disposable packagings are recyclable. We are making efforts to increase this proportion to 75% by the end of 2025. We achieve this mainly by changing the labelling materials, changing labelling technology and using renewable raw materials.

Today, moreover, we already offer a large number of containers for multiple use and refilling. For example, these involve refillable Ostmann brand spice mills with a high-quality ceramic grinding mechanism, and our Fuchs Dekorbox, which was developed as early as 1976, is optimised for this purpose, and has been popular for decades. Our range of refill bags is perfectly aimed at this purpose.

We manufacture a large proportion of our plastic boxes and lids for the food retail in our filling plants. This allows us to have additional sustainability initiatives. For example, by eliminating carbon black colouring granulates, we have made even black packaging reusable for the recycling process.

We work intensively to develop and market alternative packaging concepts. This faces us with big challenges, including those due to the special characteristics of our products and their volatile aromas and oils. Recycled plastic as the primary packaging for foodstuffs is not available to us in a quantity and quality sufficient to fulfil statutory purity requirements and the necessary properties. The beverage industry can already resort to using recycled plastic, because in that case the high-quality

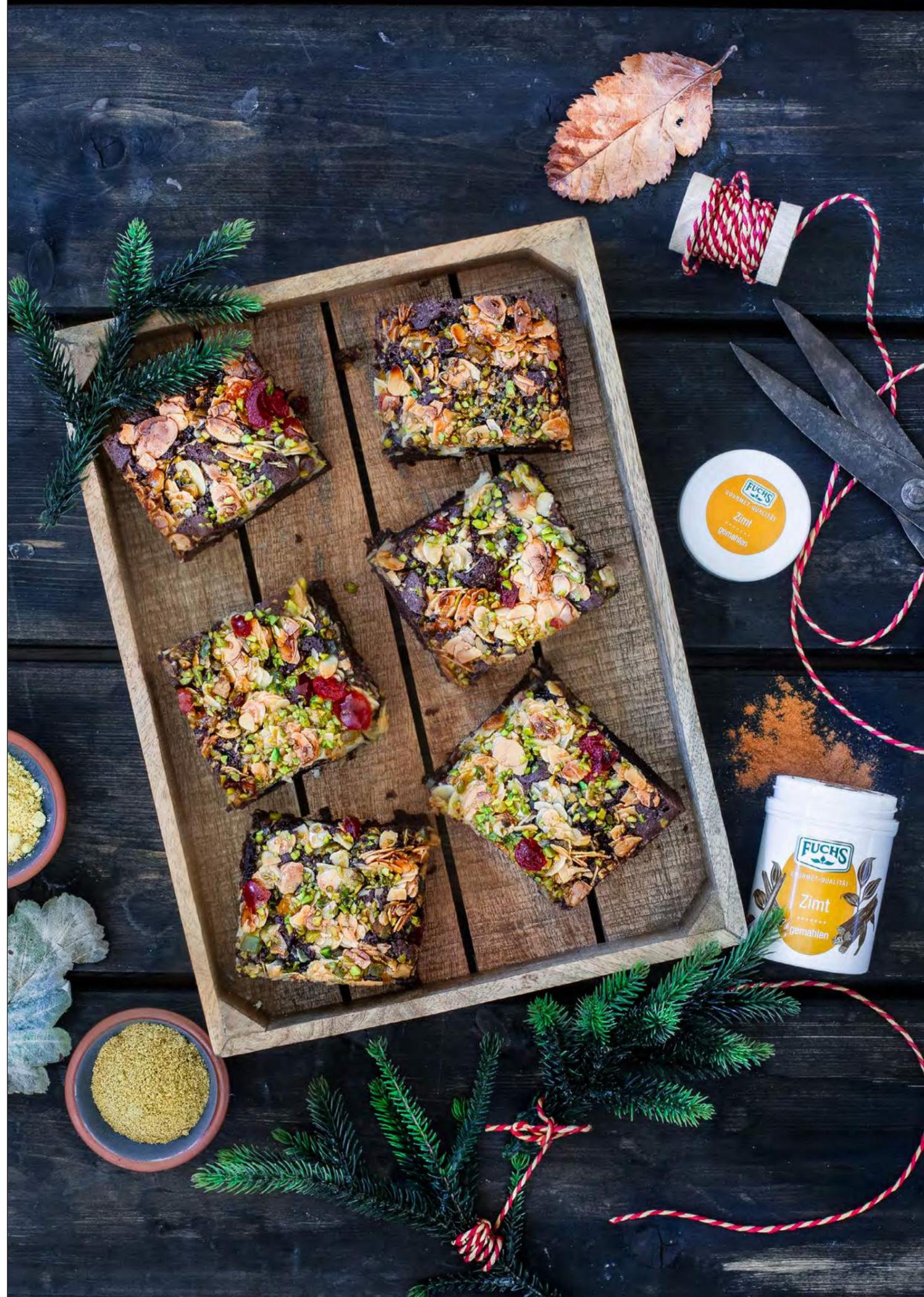
requirements are satisfied by the circulation system that already exists for single-use drinks containers.

Cork, cardboard and similar natural materials cause problems with our products with regard to air-tightness, hygiene and the retention of aromatic flavouring oils. We are therefore working intensively with several suppliers to develop packaging solutions that represent a genuine alternative for our specific products in the food retail trade. Press-on lid cardboard boxes made of composites are not an option in this respect because they consist of non-recyclable bonded materials.

We are already working on progressive steps in the labels area. Switching label materials offers an opportunity to change a higher proportion of our previous composites into recyclable packaging in accordance with progress in recycling technologies. We can reduce packaging material at the same time, since the carrier tapes on which labels are usually supplied are no longer necessary. This technological investment can reduce the occurrence of waste relating to the labels in question.

We use up to 50% composite materials in our industrial business. All the products packed in pails are sold in recyclable packaging. Reusable steel containers, which return to us in a cyclical process and are reused after cleaning, are employed for liquid products with filling quantities greater than 25 kg.

Further priorities will be specified and actions initiated in 2021, based on our analyses relating to packaging optimisation.





Social responsibility

Respect for people and their needs derives from our set of values. This holds true not only with regard to our employees but also vis-à-vis all the people with whom we are in contact.

Respect for human rights along the value-added chain is, therefore, just as self-evident for us as supporting social development projects or data protection. We want to behave in an exemplary manner and with integrity at all times in everything we do. We aspire not only to be a fair business partner but also, as far as we are able, to apply ourselves wherever grievances exist and where we recognise potentials for social improvements.

Human rights

Complying with and guaranteeing human rights is self-evident for us. We are committed to the UN Guiding Principles on Business and Human Rights, and when developing and revising our codes of behaviour and processes we align ourselves to frameworks that are accepted worldwide, e.g. the United Nations General Declaration of Human Rights, the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

We have published our stance in the form of a Declaration of Principles to Respect Human Rights 2020. We decided to take this step because we thereby give a clear signal – vis-à-vis our employees, suppliers and partners. We want to encourage them to support us in guaranteeing human rights, and to inform us immediately about any potential dangers and infringements.

Wherever we operate, we unreservedly assert ourselves to ensure respect for human rights. This holds true with regard to our own employees, to the employees of our direct and indirect suppliers and of our business partners, and to those of our customers and other stakeholders involved. At the same time, special attention is paid to safeguarding human rights in our growing regions.

Our Code of Behaviour is the foundation of all our activities to respect human rights. It comprises mandatory basic rules and minimum standards. Our management staff and our employees are obliged to comply with the basic principles formulated in the Code of Behaviour. We do not tolerate any infringements of our Code of Behaviour.

Vis-à-vis our suppliers, we demand compliance with our Principles of Ethical Sourcing. These principles include the duty to observe all country-specific laws and regulations, and to comply with the ban on child labour and forced

labour as well as on discrimination and corruption. We also explicitly require our suppliers to have suitable measures in place to ensure the occupational safety and health of their employees. Serious violations of these principles lead to a termination of contractual relationships.

We monitor in the best way possible, through our own employees or via authorised local partner companies, the observance of human rights, especially in the case of the suppliers of our most important raw materials. Vis-à-vis our suppliers, we reserve the right to carry out audit processes at any time. In Germany, we have also put in place a whistle-blower system through which employees and third parties can report breaches of human rights and applicable laws at any time. We comprehensively follow up all the information that reaches us. This system is also to be rolled out internationally from 2021 onwards.

In the context of business operations in our main plant at Dissen am Teutoburger Wald and the production sites associated with it, we use the Sedex data platform (Supplier Ethical Data Exchange). Our intention in so doing is to promote transparency with regard to social and ethical sustainability within our supply chain, and to stimulate continuous improvement.

In discussions and training sessions, and by means of information materials and campaigns, we raise the awareness of our employees, suppliers and business partners for the respect of human rights. We repeatedly address topics relevant to human rights directly among producers, especially in the crop-growing countries that are important to us, and emphatically clarify our expectations in this respect. We also join various initiatives and associations, and express our attitude in them.



Data protection

We collect, store and process large amounts of data to ensure the smooth running of our business and our processes. This affects mainly the personal data of our employees and suppliers, but also includes data about customers' processes and personnel. Data security is very important to us, because data leaks or data access problems could have considerable effects on the relationship with our employees, customers and suppliers. We have developed various processes and measures to protect it.

Our employees, customers and other stakeholders should be able to rely on the fact that data entrusted to us is protected against misuse. Therefore, we have compiled appropriate data protection rules in the form of a guideline for the German sites, which clearly regulates our data handling and specifies responsibilities. This Data Protection

Guideline is the mandatory basis for the legally compliant, sustainable protection of the personal data of employees at the aforesaid locations and in the hands of persons working on contract.

Implementing and complying with the Data Protection Guideline is the responsibility of the Executive Boards of the various Fuchs Gruppe companies. They must also take care to ensure that management staff, employees and any third parties are informed and trained in accordance with the relevant statutory requirements on the subject of data protection.

A Data Protection Officer has been nominated according to applicable law in the context of the Data Protection Guideline. This person verifies compliance with the Data Protection Guidelines, and is responsible for coordinating data protection law topics in the respective company. An external expert consultant lawyer acts as the contact partner for issues relevant to data protection. This person also coordinates intercompany activities and projects on the subject of data protection.

We require all persons working under contract to us to promptly report, as a security incident, possible or actual endangering of the information available in Fuchs Gruppe companies, and we investigate this information. Moreover, analyses take place to reveal data protection law risks and to adopt corresponding measures to reduce them. The results of the analyses are also evaluated with regard to possible impacts on the business processes.

Certified in accordance with VdS 10000

We arranged for our information security management to be audited and certified in 2019. We are, therefore, one of the biggest companies whose IT management system is certified from the technical and organisational point of view in accordance with the German Cyber Security Standard VdS 10000.

Corporate Citizenship

We see ourselves as part of society, and thus we also feel an obligation to take action for the positive development of society. Therefore, we involve ourselves in the form of corporate citizenship projects at all our sites.

Our subsidiary companies are responsible for initiating and implementing these projects. They are in the best position to evaluate the needs and progress of the projects we sponsor. Therefore, we support mainly regional projects around our sites. This includes non-cash and cash

benefits for schools in Brazil just as much as sponsoring cultural projects in Germany.

In addition to the wide variety of corporate citizenship activities by our head office and our subsidiaries, the not-for-profit Dieter Fuchs Foundation, established in 2002 and the biggest shareholder of the Fuchs Gruppe, provides support in many social areas. The Foundation sponsors a large number of projects every year, mainly in the areas of science, education, parenting, art and culture.

University of Osnabrück: new building of the Institute for Music

Pop, jazz, classical, musical and elementary music education – the Institute for Music (IfM) at the University of Osnabrück offers a wide range of studies for instrumental music and singing. Now, the intention of a new building is to bring the Institute's previous five different sites together in the modern building. The Dieter Fuchs Foundation contributed EUR 1.25 million to finance the building project.

Aid packages for needy families

The COVID-19 pandemic and the resulting economic crisis have seriously affected many families in Brazil. TROPOC financed 150 food parcels for needy families in the surroundings of the city of Castanhal, and supported in the distribution of the parcels.

Internet security on the move

With the "Digital Natives" stage play, the OSKAR theatre group makes young people more consciously aware when handling the medium of the Internet. The Dieter Fuchs Foundation supported the theatre group jointly with the OSKAR'S Friends sponsoring organisation, thus helping to realise the stage play and the theatre's educational framework program.

Supporting schools in Brazil

Supporting educational establishments has a long tradition in TROPOC. Thus the company regularly sponsors school projects and promotes various educational measures in the regions in which it operates. In 2020, for example, TROPOC financed 100 chairs together with a drinking fountain at the State School of Education (EMMM) Doutor Fábio Luz.

Partnership with the Tomé-Açu Department of Health

TROPOC supported various health campaigns together with the Tomé-Açu Health Department in 2020. Among other things, the company donated 850 breathing masks to protect against the COVID-19 pandemic, and provided leaflets in the context of a cancer campaign. In addition, TROPOC donated 250 T-shirts for health department employees taking part in a polio vaccination campaign.





Employer responsibility

Being a food company, we are best placed to know that tastes vary at least as much as personalities: while one person likes an excitingly sharp flavour, another prefers it to be discreetly mild. Our employees are also equally diverse. For our workforce, we want to be an attractive employer who offers them employment conditions in which they can develop their full potential, because the success of our company group is attributable in particular to the commitment, know-how and qualifications of our employees worldwide.

As a company, we offer the advantages of a medium-sized business, while at the same time benefiting from the structures of a small corporate group with international operations. Flat hierarchies and short communication channels go hand-in-hand with stable, lean structures. Our company aspires to interact with our employees individually and, together with them, to find solutions that correspond to their personal life situations – WE take the responsibility! Our aspiration and motivation are to take care to ensure that our employees are proud to be part of the Fuchs Gruppe.

One of our most important aims is to internationalise our personnel policy in the years to come. To this end, we are currently developing group-wide HR guidelines that will be supplemented with country-specific regulations.

Because our personnel processes have been mainly decentrally organised up to now, the following information relates to our sites in Dissen, Melle and Schönbrunn.



Employee recruitment and retention

Our well-known brands and our international orientation make us a sought-after employer. This is apparent in the number of job applications, as well as in independent surveys, employee questionnaire surveys and employer assessments and rankings.

We explore our employees' satisfaction and success in the context of our staff appraisal interviews. We consider it important that the targets agreed with employees are conducive both to the overriding corporate goals and also to the respective departmental targets. The following topics are also discussed in staff appraisals:

- Requests for further development
- Individual development measures/ need for training/education
- Satisfaction and motivation
- Feedback to management

We also regularly ask employees for corresponding feedback, and for suggestions for improvements, at the end of the probationary period, when they leave the company and after carrying out a training session or course. We assess this information and make appropriate changes on this basis. We know from these discussions that career opportunities, the options for further development and working hours are the decisive factors that lead many employees to work for the Fuchs Gruppe.

Our employees

Employees according to employment relationship (Dissen, Melle, Schönbrunn)	2020		2019		2018	
	m	f	m	f	m	f
male (m)/female (f)						
Staff	441	253	453	256	468	257
Production employees	539	459	535	490	533	507
Totals	980	712	988	746	1,001	764
Sum totals	1,692		1,734		1,765	

Percentage of severely disabled employees (Dissen, Melle, Schönbrunn)	2020	2019	2018
	3.8%	4.3%	4.2%

Average employment with the company in years (Dissen, Melle, Schönbrunn)	2020	2019	2018
	12.37	12.28	11.99

To gain the long-term loyalty of our current employees and to recruit new talent, we want to achieve a further targeted increase in our attractiveness as an employer. Examples of measures in 2019 and 2020 included introducing "wel-

coming days" for new employees, revising the company profiles, and social platforms such as Xing, Kununu or LinkedIn, together with placing regional radio advertising.

Collective bargaining agreements and new working hours arrangements

In a constructive exchange of views with tariff partners and the works council in 2020, we agreed a collective wage contract. This gives employees additional orientation and stability.

In 2020, to take greater account of personal working hours wishes, we reduced the work times model from six to, as a general rule, five working days in the production night shift and decreased the weekly working time. The working time-frame in the administration area was made more flexible, and core working hours were significantly shortened.

We use working hours accounts to record working time. Overtime hours can be compensated by time off or also,

on request in the collective bargaining area, by a payment. Every employee is entitled to 29 days of holiday and an additional half-day each on 24th December and 31st December. To take account of our character as a family company, there is also a day of child-care leave and a nappy and wedding allowance.

This enabled smooth digital working from home, especially during the Coronavirus pandemic from early 2020 onwards. That represents a relief for many employees, because it saves travelling time and promotes work-family compatibility. In 2020, therefore, we expanded our IT programs aimed at this collaboration, and adopted corresponding rulings with the works council.

Further development of the IT infrastructure in 2020

- Provision of VPN access (Virtual Private Network) for all employees with PC access.
- Equipping all employees whose work profile allows working from home with laptops and other technical equipment such as headsets and cameras
- Introducing Microsoft 365 for all employees with PC access in Germany, and planning its further implementation across all international subsidiaries from 2021 onwards
- Opportunity for mobile work for all employees whose work profile allows it
- Offer of training for management staff on the subject of remote management
- Introduction of digital forums and exchange meetings to push forward open discussions and feedback, and for the targeted implementation of measures to support digital collaboration.
- Anonymous surveys (digital and via ballot boxes) about wellbeing during the Coronavirus pandemic, and regarding what is going well in the collaboration and where there is still a need for improvement.
- Preparation of handbooks and working manuals with practical tips and tricks on the subject of efficient digital working and remote management.

We create networks

We expanded our cooperation with schools further in the past two years. We have already given explanations of the skilled professions and their contents in schools for many years, and organised meetings with schoolchildren, teachers, our trainees and their trainers. Furthermore, we offer practical internships, future days, practical days and school holiday programs.

We offer students the supervision of scientific papers and employment as a working student and intern. We also cooperate with the University of Osnabrück, accompany scientific projects and organise works visits when possible.





Employee development

We want to meet our employees' needs for further development and qualification, and offer them a variety of prospects for their professional advancement. We are convinced that employee development makes a decisive contribution to increasing motivation and job satisfaction.

In employee development, we include the areas of training, continuing education, leadership management and knowledge and ideas management.

We offer new recruits an opportunity to take part in an internal networking group. The aim of this network is to intensify exchange, to work on shared projects, to improve collaboration between various areas of the company and to grow personally from it.

Training

To cover our need for new recruits, we give training ourselves in a variety of professions.

Skilled professions at our sites in Dissen, Melle and Schönbrunn:

Technical area

- Industrial mechanic (m/f) for mechanical and plant engineering or maintenance
- Electronics engineer (m/f) for industrial engineering
- Technical product designer (m/f)

Industrial area

- Process technologist (m/f) in the milling and animal feed industry
- Food technology specialist (m/f)
- Machine and plant operator (m/f) – food production
- Warehouse logistics specialist (m/f)

Information technology area

- IT specialist (m/f) applications development or system integration
- Dual study course (Industrial) IT (B.Sc.)

Commercial area

- Industrial business manager (m/f)
- Industrial business manager (m/f) focusing on sales and marketing
- Dual study course, Business Studies (B.A.) with integrated training to become an industrial business manager (m/f)

Number of trainees (Dissen, Melle, Schönbrunn)	2020	2019	2018
	72	80	75

When filling training places, it is important that we find job applicants that meet our needs, so as to retain their long-term loyalty. Here again, we emphasise sustained training, to cover our need for skilled employees.

As well as the necessary qualification measures leading to a skilled profession, we offer our trainees numerous supplementary opportunities for further development and commitment. For example, these include English and presentation courses, training to become an IHK (Chamber of Trade and Industry) energy and health scout, and participation in sporting and fundraising events. Moreover, we have transferred to our trainees the management of and responsibility for staff sales at the Dissen South site, and the maintenance of a herb garden.

We offer in-house and external meetings and joint projects, e.g. excursions to our sites and to third-party companies. Furthermore, individual committed trainees have an opportunity to take part in international exchange projects.

We undertake responsibility for and participate in an IHK (Chamber of Trade and Industry) cooperation project to permanently integrate trainees from third countries. The good experiences we have had with this program since 2017 have led us to participate in this project in the coming years as well.



Advanced training

The long-term, needs-appropriate qualification of our employees is important to us, to ensure they can carry out their work efficiently and sustainably. To do this successfully, we maintain an extensive training catalogue consisting of competence training and compulsory training courses.

In addition, we use a variety of individual subject-specific training measures to train our employees. We also offer retraining programs to allow career-changers to gain qualifications, e.g. retraining to become a machine and plant operator in the food production area. In this respect, we work closely with job centres and with the "bfiw (Institution for Advanced Job Training) – Education Company".

We expanded our range of e-learning modules in the past two financial years, and in many cases we organised our advanced training courses as online training or a webinar. Because of the good experience we are having with these digital further training opportunities, we will expand them further in the next few years.

Some of the training courses were still compulsory for a rather large group of our employees in 2018, and since 2019 they have been obligatory only for management staff.

The number of internal training sessions carried out in 2020 rose compared to 2019. Due to the Covid-19 pandemic and the resulting hygiene and safety measures, it was necessary to reduce the group sizes of the individual training sessions, and to divide them over several dates. The number of participants remained at a similar level. New employees were unable to take part in face-to-face training courses immediately.

At the same time, there was a reduction in external face-to-face training courses due to the Coronavirus situation in 2020, which is also reflected in the number of participants.

Number of training courses (Dissen, Melle, Schönbrunn)	2020	2019	2018
Internal further training	746	410	651
External further training	184	316	387
Totals	930	726	1,038

Numbers of participants (Dissen, Melle, Schönbrunn)	2020	2019	2018
Internal further training	4,459	4,569	5,115
External further training	628	1,756	1,623
Totals	5,078	6,325	6,738

Leadership Management

We place high demands on our management staff, because they convey our values and standards of conduct to a special extent. They act as an example to their team members, and should make demands on their employees, and encourage and motivate them. We support our management staff in this demanding role through regular training courses, individual training sessions and mandatory guidelines.

We offer future management staff an opportunity to take part in a management triathlon: during an 18-month programme, they receive inter-company training in three disciplines: self-management, staff management and organisation management. The programme comprises several modules, focussed on problems with high practical relevance, and is carried out in cooperation with an external institute.

To cover the large demand for further development of our management staff, we developed an additional training package that obliges our management staff from 2019 onwards to complete at least three training courses from this package each year – including on each occasion one workshop on the mission statement and one training session on the subject of compliance.

Our aim is to create a learning organisation in which change is seen as a normal situation, and there is an agile response to both internal and external stimuli. Our management staff acquire special importance here again.

Knowledge and ideas management

We have established an in-house Wiki at the Dissen and Wellingholzhausen sites to make the most comprehensive possible knowledge available to our employees. It contains numerous pieces of information that are essential when processing tasks. They include, for example, process explanations, project management instructions, webinars, forms and an employee self-service. The offering, which is divided up into multi-site and site-specific information, is being continuously expanded and constantly kept up to date. Employees' job descriptions have also been embedded there since 2019, to increase transparency with regard to responsibilities.

In 2019 and 2020, we expanded the ideas management at our Dissen North, Dissen South and Melle sites, and newly introduced it at the Schönbrunn site. In the context of this ideas management scheme, any employee – under their name or anonymously – can submit ideas to improve working procedures and environments.

The criteria included savings achieved, technical and financial feasibility, the promotion of occupational safety/health / hygiene / quality management, simplifications achieved in the work procedure, and qualitative effects on the working environment.

Knowledge and ideas management	Dissen/Wellingholzhausen		Schönbrunn	
	2020	2019	2020	2019
Entries received	20	45	7	11
Award-winning ideas	3	5	2	4



Work-Life Balance

Our activities in relation to work-life balance focus on making our working time models more flexible. For this purpose, we expanded the rules for trust-based working hours, for part-time working and for mobile working in the past two years.

As a certified family business, it is important to us that we give consideration as far as possible to the family situations of our employees. In this respect, we are confident that basically an individual solution is preferable to a standardised model. This affects child care just as much as the wish for a sabbatical, a doctoral thesis project or a voluntary service commitment: We are receptive to our employees' ideas, and together with them we will develop concepts that correspond to their personal ideas and life situations.

We contribute financially to our employees' childcare. Moreover, we offer various schemes to enable our staff to achieve a better combination between their private life and their professional duties. These include various

health offerings and active breaks, as well as seminars on the topics of time management or coping with stress. In the past few years, we also had our kitchens rebuilt in the canteens we operate ourselves, and will make another significant investment in 2021 to allow us to offer our staff a bigger selection of healthy dishes in a pleasant atmosphere and greater flexibility – especially with regard to the needs of shift working.

Together with the Caritas Association of Osnabrück Diocese, we set up an anonymous telephone counselling service in the summer of 2020 to support our employees in coping with their worries and needs. Nine counselling sessions were carried out in the second half-year of 2020.

The demand for offers of part-time working has decreased slightly. Throughout the Group, 6.3% of our workforce took advantage of part-time working contracts in 2020 (previous year: 6.4%). At our Dissen, Melle and Schönbrunn locations, the total proportion at the end of 2020 amounted to 7.4% (previous year: 7.7%).

Employees according to full-time and part-time working (Dissen, Melle, Schönbrunn)	2020		2019		2018	
	m	f	m	f	m	f
Full-time	963	603	966	635	977	647
Part-time	17	109	22	111	24	117
Totals	980	712	988	746	1,001	764

At our German sites in Dissen, Melle and Schönbrunn, 40 employees commenced parental leave in 2020. In the same year, 37 staff returned from parental leave. So as not to allow their connection with the company to break

off, we regularly stay in contact with our employees taking parental leave through invitations to works events and by using the Staff News.

Start of and return from parental leave (Dissen, Melle Schönbrunn)	2020	2019	2018
Start of parental leave	40	41	39
Return from parental leave	37	38	30

A family-friendly employer

We have done a lot in the past few years to enable our employees to achieve a better combination of their family and professional duties. In 2020 we received the "Family-friendly Employer in the Osnabrück Region" quality seal for our family-friendly corporate culture.

Occupational Safety and Health

It is absolutely essential that we maintain and promote the health of our employees. No task is so important or urgent that it can be allowed to lead to the neglect of occupational safety or health aspects.

Occupational safety

The fact that we pursue a "Zero Accident Policy" is self-evident. To reach this target on a long-term basis, we aim to reduce reportable accidents by at least 20% each year in the future.

Since 2015, our occupational safety precautions have led to an overall reduction in the number of reportable occupational accidents at our sites in Dissen, Melle and Schönbrunn in the period from 2015 to 2020.

Numbers of occupational accidents (Dissen, Melle, Schönbrunn)	2020	2019	2018	2017	2016	2015
Number of workplace accidents*	38.4	36.3	35.1	38.0	40.4	45.2
Average number of days lost after a reportable accident	17.3	14.0	19.3	17.0	18.3	20
Commonest consequences of an accident (e.g. bruising, contusions, cuts etc.)	Bruising / contusion	Cuts	Bruising / contusion	Bruising	Bruising / cuts	Cuts

* Rate per 1,000 persons
 = reportable occupational accidents (unfit for work > 3 days) / number of employees (see above) * 1,000

In our occupational health and safety committee, we examine and improve the effectiveness of our workplace safety concept. Our occupational safety expert is very important in this respect. In Dissen this is a staff position reporting directly to the management, and in Schönbrunn we work together with an external partner. The occupational safety expert supports the Executive Board, management staff and project leaders on all safety issues, and indicates possible improvements in workplace safety. For this purpose, among other things, she makes regular tours of inspection – alone or together with management staff, the Works Council and the works doctor - notes potential weak points and develops suggested solutions. Comprehensive inspection reports of the inspection tours are prepared and are submitted to the responsible personnel and to the management. When necessary, action plans are also developed to deal with identified deficiencies.

We have developed hazard assessments for each of our workplaces, and have prepared operating instructions for every plant. An extensive updating of the hazard assessments is planned for 2021. Employees in accident-prone areas have personal protective equipment and are trained accordingly. We systematically investigate every accident, and ensure as far as possible that it cannot occur again.

We see central success factors in the enforcement of a "safety-first culture" and in constantly raising our employees' awareness of occupational safety issues. Therefore, we regularly raise the occupational safety regulations as an issue both in the production area and in administration. In this respect, in 2020, we focussed on the dangers of working at height and/or on ladders. In 2021 we will address in particular the dangers relating to tripping accidents and falls. In the employee appraisal discussions, we also inform employees about compulsory training.

We require every employee to immediately report potential hazards and infringements of the occupational health and safety regulations. In addition, in Dissen in 2020, we introduced an accident reporting system in which we document near-accidents, unsafe conditions and work associated with potential hazards.

Supervisors have a special role to play in ensuring compliance with and the implementation of our workplace safety rules: we expect them not only to have internalised them, but also to live them out and constantly draw the attention of their team members to their importance. Therefore, management staff receive special training about

workplace safety issues, and their attention is regularly drawn to their special responsibility. In 2020 we adopted measures that embed the topic of occupational health and safety even more strongly in managers' awareness. For example, these measures included "awareness sessions" in Dissen, in which all the production supervisors took part and in which the Fuchs Gruppe's understanding of occupational health and safety protection was made clear to them. Occupational safety also plays an important role in the annual appraisal interviews of staff with management responsibility, and in budget planning.





Health management

In addition to our occupational safety concept, our health management also aims at preventing work-related health hazards, at avoiding working methods involving health risks and at reducing health-impairing effects. We also aim to give information about healthy life and work strategies and to encourage these.

A steering group at each of the Schönbrunn and Dissen locations, composed of staff from various departments, our safety expert, the works council/staff committee and the management, is responsible for the continuous further development of our health management. A separate operational health management project for sales representatives was also started in the autumn of 2020.

The overarching goal of our activities is to increase our employees' satisfaction with our health management. For this reason, we carried out employee survey question-

naires in Schönbrunn in 2019 and in Dissen and Melle and in the field sales service in 2020.

The most important measures in our health management include improving the ergonomics, lighting and ventilation at the workplaces and in the workrooms. In conjunction with ergonomics experts, we carry out inspection tours and briefings and, for example – insofar as necessary and desirable – we obtain lifting appliances at our production plants, adjustable-height desks and ergonomic swivel chairs. Workplace analyses focusing on ergonomics took place at our Dissen North and South sites and at Melle in 2019 and 2020 – in cooperation with the AOK (the German general health insurance scheme). The payment of a prevention grant in Schönbrunn is a health promotion incentive. The grant is earmarked for specific purposes, and can be taken up to use health-promoting measures from an offer catalogue.

In the autumn of 2020, in cooperation with the AOK, we carried out for the second time a questionnaire survey about company healthcare management (BGM) among all the colleagues in Dissen and Melle. The three topic segments: Stress Factors, Attitude to Work and to the Company, and the Subjective State of Mind of Participating Fuchs Gruppe Employees in Germany form the basis on which to initiate corresponding measures – entirely faithful to our guiding principle: We constantly improve. We take very seriously the potential for improvement from the viewpoint of our employees and their suggestions, and we implement the latter in corresponding measures (e.g. in a healthier diet, stress management courses and collective after-work sport programs).

Full-coverage analyses of the work situation are planned for the future. Through these, we aim to find out where improvement potential exists – including with regard to physical stresses. An analysis of this kind was already carried out in the wet area at our Dissen site in 2019.

We expanded our offer to cope with psychological stresses in 2020. Together with the Osnabrück Caritas Association, we set up a hotline to support employees in emergency situations. Employees can make use of this hotline anonymously if they need support in relation to private or professional challenges.

In addition, we expanded our programme of sport, nutrition and relaxation courses to include preventive health. This also includes offerings such as the "Active Pause", the "After Work Work-out", Life Kinetics courses or sports groups. Because large parts of our sports offering were scarcely possible in 2020 due to the Coronavirus pandemic, we made online videos with athletic exercises to do at home available to our employees during this period of time.

Following the event in 2018, we again organised a Health Day in 2019, with a very large and good response, and also carried it out for the first time at our Schönbrunn site. 2020 was the first year in which we invited the Trade and Goods Logistics Professional Associations' (BGHW) showtruck to visit us to provide our employees with information about hands-on activities relating to occupational safety and health protection topics in on-site transport and logistics. A similar campaign is planned for 2021, whose focus will be on the topic of tripping and slipping hazards and traffic safety.

The moving app was rolled out for the field sales service. This app is a smart digital coach and is ideal to keep oneself fit irrespective of location, and to always return to a relaxed state.

Since 2018 we have offered our employees an option to lease company bicycles. There is a very large demand for this offer, which has led to ever more employees using a bicycle to travel to work, and additional bicycle racks have been installed. We have been certified by the ADFC (German National Cyclists' Federation) as a "bicycle-friendly employer" since 2020.

We draw attention to these offers via the Intranet, where there is also information on the subjects of "Movement in Everyday Life", "Addiction" and the "Computer screen workplace". The activities of the steering group and the measures developed in the context of occupational health management are also described on the Intranet, and are designed to raise awareness of the subject of health at the workplace.

An exceptionally good cycling culture

Anyone who comes to work on a bicycle not only does something good for the environment, but also for their own health. That's why we are encouraging cycling through leasing offers, weatherproof shelters and the offer of a wide variety of information. For these activities, we were awarded the distinction of "Cycling-friendly Employer" by the General German Cycling Club (ADFC) in 2020.



Ecological responsibility

As a spice manufacturer, an intact environment is especially important to us, since many of our raw materials grow only under specific climatic conditions. Due to climate changes or environmental pollution, the quality of our raw materials can deteriorate severely, which in turn has a negative impact on our entrepreneurial operations. Therefore, the conservation and protection of the environment, together with the careful use of resources, are crucially important to us.

We need energy and water in particular to enable us to produce the products and services we offer. Wastes also arise. These subject areas are, therefore, among the central fields of action of our sustainability strategy.

Our current information systems do not yet allow us to provide consistent, valid group-wide figures for energy, water and wastes. Therefore the following statements refer exclusively to our German sites in Dissen, Melle and Schönbrunn, and to our subsidiary company ESG Kräuter (ESG Herbs).

We plan to collect group-wide data for energy, water and wastes for future years. Existing data collection and recording systems will be internationalised for this purpose, and the data to be collected will be defined in detail so as to have a consistent, comparable data base available.

Energy and emissions

In the past business year, we needed a total of 16,494,700 kWh of electricity and 46,490,140 kWh of gas at our German locations in Dissen, Melle and Schönbrunn and at ESG Herbs. Energy consumption has decreased, mainly as a result of efficiency measures in the areas of lighting and compressed air. For example, these include renewing a compressed air station at the Dissen North site (saving: approx. 42,629 kWh), a new exhaust ventilation system in the wood technology at the Melle site (saving: approx. 74,526 kWh), changing over to LED lighting at the Melle site (saving: approx. 64,749 kWh) and the use of electric lawnmowers. Energy efficiency also rose further as a result of investment in modern equipment, e.g. new electric motors.

The production conditions and measures to raise energy efficiency are to some extent very dissimilar at our individual sites. Therefore, we consider our energy demand for each location. To determine our specific energy values, we calculate the production volume produced

using one kilowatt-hour of energy. Since we measure production volume as weight or pieces – depending on the product – we use the term “Production Unit” for this purpose.

Significant changes in specific energy consumption occurred, especially at our sites in Dissen South and Melle, and at ESG Herbs: the value in Dissen South reduced because the underlying production volume decreased. The background is the cessation of production for dip bowls, large numbers of which were produced at this site for a customer. At the Melle site, on the other hand, a considerable improvement in specific energy consumption occurred in the past three years, due to a changeover from heating oil to gas. Heating oil has no longer been used as an energy source at the Melle site since 2020 – as has been the case at all other German sites for several years. A production line fire occurred at ESG Herbs in 2019. Therefore the figures for this year are not comparable with those of the previous year.

Dissen South: Energy consumption trend (kW/h)	2020	2019	2018
Electricity	3,277,701	3,358,337	3,808,661
Gas	22,689,654	23,487,112	23,915,950
Totals	25,967,355	26,845,449	27,724,611

Dissen South: Specific energy consumption trend (Production units / kW/h)	2020	2019	2018
Electricity	34.186	51.065	45.937
Gas	4.938	7.302	7.316
Totals	39.124	58.367	53.253

Dissen North: Energy consumption trend (kW/h)	2020	2019	2018
Electricity	2,466,748	2,570,928	2,793,615
Gas	3,532,890	3,563,785	3,441,040
Totals	5,999,638	6,134,713	6,234,655

Dissen North: Specific energy consumption trend (Production units / kW/h)	2020	2019	2018
Electricity	15.748	15.471	17.294
Gas	10.996	11.161	14.040
Totals	26.744	26.632	31.334

Melle: Energy consumption trend (kW/h)	2020	2019	2018
Electricity	651,448	656,612	717,137
Gas	922,363	986,976	0
Totals	1,573,811	1,643,588	717,137

Melle: Specific energy consumption trend (Production units / kW/h)	2020	2019	2018
Electricity	8.940	8.235	6.093
Gas	6.314	5.479	0
Totals	15.255	13.714	6.093

Schönbrunn: Energy consumption trend (kW/h)	2020	2019	2018
Electricity	7,816,906	7,351,049	7,379,967
Gas	4,230,804	4,311,845	3,880,036
Totals	12,047,710	11,662,894	11,260,003

Schönbrunn: Specific energy consumption trend (Production units / kW/h)	2020	2019	2018
Electricity	104.025	95.203	87.187
Gas	192.199	162.307	165.833
Totals	296.225	257.510	253.020

ESG Herbs: Energy consumption trend (kW/h)	2020	2019	2018
Electricity	2,281,897	3,275,172	2,875,109
Gas	15,114,429	25,342,869	15,925,794
Totals	17,396,326	28,618,041	18,800,903

ESG Herbs: Specific energy consumption trend (Production units / kW/h)	2020	2019	2018
Electricity	0.737	0.632	0.673
Gas	0.111	0.082	0.122
Totals	0.848	0.713	0.795

With the measures undertaken in previous years to reduce our energy demand, we are convinced that we have already achieved very high energy efficiency at our sites. The majority of the plants and machines at our disposal have leading technology, and we have reached a very high level of sensitivity at our sites in handling the resources we need. We want to reduce specific energy consumption by a further two percent by 2021 compared to the 2018 financial year. Various investments are planned to achieve this target: thus new compressed air stations are to be set up, additional photovoltaic plants installed and modern steam sterilisation processes introduced. Moreover, the installation of a new production line that will replace the old line and will significantly increase energy efficiency is planned at ESG Herbs in 2021.

The energy management systems at our sites in Dissen, Melle and Schönbrunn are certified in accordance with ISO 50001. Therefore, we continuously measure and analyse our energy consumptions, prepare annual energy reports, and discuss in various committees the options and measures to reduce our energy demand. To ensure our employees also contribute to the highest possible energy efficiency, we continue to regularly raise their awareness when handling resources in day-to-day work.

Since 2016, we have also exercised greater influence on energy efficiency in our supply chain: for example, we require our suppliers to employ resources responsibly and to pay careful attention to using only a small amount of energy. This requirement is a component of our supplier selection process, and enters into the design of contracts with our suppliers.

CO ₂ emissions according to energy carriers (t)	Dissen South	Dissen North	Melle	Schönbrunn	ESG Herbs	Totals
Electricity						
2019	1,346.69	1,030.94	263.30	2,947.77	1,313.34	6,902.04
2020	1,314.36	989.17	261.23	3,134.58	915.04	6,614.38
Natural gas						
2019	5,167.16	784.03	217.13	948.61	5,575.43	12,692.36
2020	4,991.72	777.24	202.92	930.78	3,325.17	10,227.83

Fuel consumption trend for vehicles (litres)	Dissen South		Schönbrunn	ESG Herbs
	Diesel	Petrol	Diesel	Diesel
2019	703,499	0	1,595	172,241
2020	561,162	40,211	2,117	152,773

CO ₂ emissions from vehicles (t)	Dissen South		Schönbrunn	ESG Herbs
	Diesel	Petrol	Diesel	Diesel
2019	1,829	0	4	448
2020	1,459	92	6	397



Water

We need water in our production operation for two particular reasons: as a constituent of many of our products, and to clean our production plants.

We consumed a total of 136,461 cubic metres (m³) of water at our Dissen, Melle and Schönbrunn sites and at ESG Herbs in 2020. Thus our water demand decreased

by 10.9% compared to the previous year (153,084 m³). The background to this are changes in the order situation together with new pumps in the production facility, which ensure more efficient cleaning of the plants. The exceptionally large consumption of water at ESG Herbs in 2019 was the result of a production line fire and the consequential effects arising from it.

Dissen, Melle, Schönbrunn and ESG Herbs: Water consumption trend (m ³)	2020	2019	2018
Dissen South	107,424	120,534	120,534
Dissen North	10,703	10,557	10,557
Melle	7,331	7,072	7,072
Schönbrunn	5,195	5,182	5,182
ESG Herbs	5,808	9,739	9,739
Totals	136,461	153,084	153,084

Dissen, Melle, Schönbrunn and ESG Herbs: Specific water consumption trend (production units/m ³)	2020	2019	2018
Dissen South	1,043.07	1,422.78	1,440.66
Dissen North	3,629.50	3,767.69	4,673.74
Melle	794.45	764.63	391.68
Schönbrunn	156,526.82	135,052.49	105,700.35
ESG Herbs	289.47	212.44	289.89
Totals	162,283.31	141,220.03	112,496.32

We aim to reduce our specific water consumption (base year 2018) by a further 2% by 2021. To achieve this target, we will work in particular on the efficiency of our cleaning systems in the next few years. A factor that is very helpful in this respect is that we can use special software to measure water demand directly at the numerous demand points in the production unit at our biggest production site in Dissen-South. If the limit values we have defined at the water meters we have installed are exceeded, the system automatically triggers warning signals that we can specifically investigate.

We obtain the water we need from municipal suppliers. About 20% of it acts as a component of our products and for raising steam. The remaining approx. 80% is used for cleaning purposes. Our aqueous effluent is only slightly contaminated, with a biological oxygen demand (BOD) of less than 700 mg/l, and its level of contamination corresponds to that of private households. We therefore discharge the aqueous effluent into the municipal sewer system. At our Schönbrunn location, we use our own biological treatment plant to purify the water.

Wastes

Large volumes of waste arise every year during the manufacture of our products. At each site, this waste is carefully sorted to ensure it can be recycled using the best methods in each case. A challenge in this respect is that our raw materials are delivered in very different packaging materials and package units.

A very large amount of waste arose at the Dissen South site in 2020. This was caused by above-average number of special disposals.

Dissen South: Waste volume trend (t)	2020	2019	2018
Waste for disposal	0	0	3.66
Waste for recycling	2,460.75	1,440.35	994.7
Total waste	2,460.75	1,440.35	998.36
Of which hazardous waste	4.43	5.55	4.73

Dissen South: Specific waste volume trend (Production units / t)	2020	2019	2018
Total wastes	45,535.01	119,063.86	175,246.42

Dissen North: Waste volume trend (t)	2020	2019	2018
Waste for disposal	0	0	0.62
Waste for recycling	458.56	453.04	536.47
Total waste	458.56	453.04	537.09
Of which hazardous waste	1.22	0.87	1.08

Dissen North: Specific waste volume trend (Production units/t)	2020	2019	2018
Total wastes	84,714.22	87,796.95	89,952.22

Melle: Waste volume trend (t)	2020	2019	2018
Waste for disposal	0	0	7
Waste for recycling	743.03	754.73	872.24
Total waste	743.03	754.73	879.24
Of which hazardous waste	6.87	3.47	7.54

Melle: Specific waste volume trend (Production units / t)	2020	2019	2018
Total wastes	7,838.36	7,164.78	4,969.68

Schönbrunn: Waste volume trend (t)	2020	2019	2018
Waste for disposal	4.3	13.84	0.95
Waste for recycling	1,554.54	1,219.10	1,223.29
Total waste	1,558.54	1,232.94	1,224.24
Of which hazardous waste	0.08	1.88	4.53

Schönbrunn: Specific waste volume trend (Production units / t)	2020	2019	2018
Total wastes	521,742.67	567,620.49	525,581.41

ESG Herbs: Waste volume trend (t)	2020	2019	2018
Waste for disposal	0	0	0
Waste for recycling	457.89	255.51	373.71
Total waste	457.89	255.51	373.71
Of which hazardous waste	0	0	0

ESG Herbs: Specific waste volume trend (Production units / t)	2020	2019	2018
Total wastes	3,671.76	8,097.17	5,177.98



The high recycling rate we achieve with our wastes is possible only because our employees are highly aware of the intrinsic value of wastes, and we have strictly followed the waste separation principle for many years. The volume of "unclean" waste resulting from incorrect sorting of waste has decreased continuously in the past few years. New employees receive appropriate training and instructions. Employees who need to handle hazardous waste are specially trained. To minimise the risks when handling hazardous waste, we also collaborate closely with an external hazardous waste agency.

We update our waste targets annually, and review them with our specialist disposal contractor in order to discuss corresponding measures in our team meetings. The overriding aim is to continuously optimise the disposal process, and to find solutions to prevent waste from

arising in the first place. Together with the raw materials purchasing department, we also work on sustainable packaging containers. One of the focal points in the past year was the implementation of the new Commercial Waste Ordinance.

We regularly carry out tours of inspection at our sites, during which we check the state of the disposal routes and plants (e.g. presses, tanks, containers) and discuss improvement options. We also repeatedly encourage our employees to develop ideas and suggestions to reduce our waste volumes and to further increase our useful recycling rate. An annual waste report informs the executive management about the volumes and types of waste that have arisen, the costs associated with disposal, and the measures developed to optimise our waste streams.

General information

The present Report is the third Sustainability Report of the Fuchs Gruppe. The information relates to the 2019 and 2020 business years. The reference date is 31 December 2020, and the editorial deadline was 30 June 2021. Our most recent Sustainability Report was published in December 2019.

Basically, the reporting included all the business units and all the subsidiaries of DF World of Spices GmbH. However, our data situation does not yet allow us to provide valid data from all of our business units. Therefore, the majority of the key figures shown here relate to our German sites in Dissen, Melle and Schönbrunn and to our subsidiary ESG Kräuter (ESG Herbs). We have identified the sites to which the information relates in each case.

This Report was prepared in conformity with the GRI Standards: "Core" Option. When presenting the Report's

contents, we adhered to the Reporting Principles defined by the GRI Standards to specify the contents of the Report – Inclusion of Stakeholders, Sustainability Context, Materiality and Completeness – and to the Reporting Principles to define the Report's quality – Accuracy, Balance, Intelligibility, Comparability, Reliability and Up-to-Dateness.

There were no significant changes in the organisation and its supply chain compared to the previous year. However, a rearrangement of the business fields was undertaken in 2019. Moreover – as described in the section "Our sustainability management" – the materiality matrix underwent further development. There were no other considerable changes compared to the previous year.

Our Sustainability Report is published every two years. The Report was not examined by external auditors.

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