# **FUCHS GRUPPE**

# **Our Sustainability Report**



# **CONTENTS**

This is the fourth sustainability report that the Fuchs Gruppe has published. The report contains information referring to the 2021 and 2022 financial years. The cut-off date is 31 December 2022, the closing date for copy was 31 March 2023.

As a rule, the report includes all fields of business and all subsidiaries of DF World of Spices GmbH. This sustainability report focuses on Fuchs GmbH & Co. KG with its German sites in Dissen, Melle and Schönbrunn. We have indicated the pages to which the information refers

The report was prepared in accordance with the GRI Core Option (refer to the Appendix). Our sustainability reports are published every two years. They are not externally audited.

This report uses the generic masculine to improve legibility. Any personal terms refer to all genders, unless explicitly stated otherwise.





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# **PREFACE**

Sustainability is foundational to our corporate strategy and an elementary component of our daily work. Sustainability is part of our identity. "We bring the joy of food to life!" We are convinced that the joy we obtain from good taste must be intrinsically linked to conscious choices for safe and sustainable products. Our duty is to provide transparent insight into what we do so that our customers can make a deliberate and long-term decision to buy our products. Over the last two years, we have continued to work hard on our sustainability strategy. We group our activities and goals in four areas of action that are a connecting theme of this report. Our development continues, not only in the area of sustainability. The fact that the Fuchs Gruppe is able to improve continuously is due to the commitment of our 3,200 colleagues around the world. Our constant ability to embark on new journeys is thanks to their commitment, passion and courage.

Nils Meyer-Pries // CEO

Sustainability is a significant economic factor for companies and, in addition, is becoming a defining issue of our times. In our view, long-term economic success and sustainable actions have been inextricably linked since the inception of our company. After all, we are well aware that our high-quality products and long-term business success build on healthy ecosystems and the people who work at our companies around the world. For over 70 years, our company has been synonymous with stability and the creation of longterm economic value for our customers, partners and employees. This enables us to reliably identify and satisfy consumer needs and to cultivate trusting partnerships. By joining forces, we seek not only to continue our corporate history, but also to make a contribution to social and ecological challenges. We will continue to invest in the sustainable development of our corporate group going forward.

Marco Winkhold // CFO





# **FUCHS GRUPPE**

As Germany's largest spice company, the Fuchs Gruppe is synonymous with the joy of good taste. Responsible action is firmly embedded in our self-perception and, among other things, builds on our corporate values and clearly defined principles as enshrined in our compliance policy. On the way to becoming a corporate group that now operates in nine countries on four continents, the history of our company is characterised not only by national and international growth, but also and in particular by the establishment of locations in the countries of origin where our raw materials are sourced. We have committed to the production of sustainable goods from day one. Our two Business Units (BU) Retail and Industry draw on the broad product portfolio to serve a wide variety of customer needs at both national and international level.

This chapter provides an overview of the corporate group and demonstrates how our self-perception aligns with our corporate purpose, values and compliance policy. It also summarises the company history and explains the holding and business structure.

# **CORPORATE PURPOSE**

WHAT WE STAND FOR

# We bring the joy of food to life!

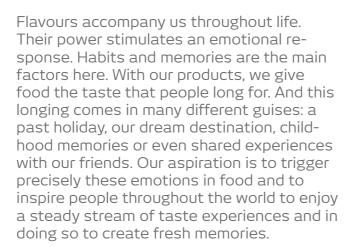




#### We create taste that consumers crave.

Flavour is the spice of life. Taste is highly individual. Our products establish an emotional, sensual bond between food and personal flavour experiences and add a unique flourish to many dishes. Supermarket shelves would be inconceivable without our strong brands, among them Fuchs, Ostmann or Bamboo Garden. We are not only a reliable partner to the food retail sector, we also accompany the hotel and eatery industries, the catering sector and large industrial customers along their path of development. To serve these needs, we are constantly embarking on journeys of discovery to provide flavoursome experiences from all four corners of the world.

#### We add emotion to food.



#### We act responsibly.

Honest sustainability throughout the supply chain is among the hallmarks of our corporate practices. After all, we are well aware that our high-quality products and long-term business success build on healthy ecosystems and the people who work at our companies and in the global supply chain. Most of our herbs and spices are sourced from a supply chain spanning the world: many of our ingredients grow in faraway countries that offer the ideal climactic conditions for farming. Our company's activities are influenced by political or economic instabilities just as much as climatic changes or social tensions. We therefore work tirelessly to conserve resources, protect the climate and improve the living and working conditions of people working throughout the supply chain. We have adopted an international climate strategy. Future success will be predicated on honest sustainability!



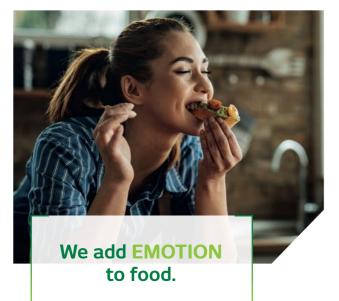
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Fuchs Gruppe

#### We lead the race.

Dieter Fuchs laid the foundation for today's Fuchs Gruppe, a highly diverse international corporation, in 1952. Innovative spirit, unconventional ideas and developments that shaped the market have made us what we are today. As the Fuchs Gruppe, we stand for many years of experience, excellent market knowledge and extensive expertise. We respond to changes, new culinary trends and the ensuing individual market and customer needs with dynamism, flexibility and a healthy portion of curiosity and courage. After all, this is the only way to satisfy the wishes of our customers with a portfolio comprising over 10,000 premium quality products and to occupy a leading position on the various markets.





Fuchs Gruppe

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# **MISSION STATEMENT**

#### HOW WE OPERATE

#### We inspire our customers.

We deliver more than our customers expect. Our goal is to ensure the success of our customers. We know our customers and their markets, trust in sustainable customer relationships and are synonymous with innovation and service.

#### We take responsibility.

We keep our word. We own up to mistakes and use them to learn. We assign responsibility clearly and unequivocally. We work for the success of our entire company.

#### We constantly improve.

We encourage and demand fresh ideas and are trend-setters on all our markets. We are bold, embrace new trends and harness the benefits of digitisation.

#### We lead by example.

We think beyond the areas for which we are directly responsible. We show employees appreciation and respect. We speak plainly, actively shoulder our own responsibility and personally stand for the values and goals of our company.

#### We are commercially successful.

Our quality is persuasive. We define transparent, measurable performance indicators and ensure that they are achieved. We view success in the long term, use resources prudently and believe that sustainable governance contributes to our accomplishments.

#### We We are commercially inspire our successful. customers. Empowerment Leadership We take We lead by responsibility. example. constantly improve. Innovation & change

# **COMPLIANCE**

#### DOING THE RIGHT THING TOGETHER

Responsible practices in the interests of the environment and society are firmly embedded in our DNA. We abide by the laws of the land and foster ethical conduct and a culture of integrity. Our common goals are to bring this culture to life and to place our values at the heart of everything we do.

The Compliance Policy we introduced in 2018 establishes the fundamental tenets of how we act within the Fuchs Gruppe and in relation to our partners, customers and society. In order to investigate and prevent misconduct, we encourage our internal and external stakeholders to speak up when they encounter unethical, illegal conduct or behaviour that violates our values.

Our employees can access a digital copy of the Fuchs Gruppe company agreement on "Compliance/Code of Conduct" at any time. Its contents apply to employees and employers alike. We organise compulsory training and information events to make managers and employees in Germany aware of our compliance policy and to provide instruction on the rules and contents.

#### Whistleblower system

The Fuchs Gruppe has installed various confidential reporting channels to submit information. They include direct contact with our compliance officer, appointed contacts in the individual departments or anonymous reports to our external compliance ombudsman.

Among the main duties of the compliance ombudsman is to maintain secure communication channels as an external contact for our employees, customers, business partners and other stakeholders to submit confidential information about potential violations of laws and policies and, in particular, about breaches of human rights and environmental obligations in connection with the activities of the Fuchs Gruppe. The compliance ombudsman is not required to follow instructions issued by our company and receives information and tips about any breaches of laws and regulations in confidence – also anonymously, if requested - and forwards them to the Fuchs Gruppe for processing.

#### Key contents of our code of conduct



- Respect for human rights
- Antitrust and competition law
- Anticorruption
- · Prevention of conflicts of interest
- Conduct towards the media
- Social media
- Honorary positions
- Ban on smoking and substance abuse
- · Climate at work, prohibition of bullying, sexual harassment and discrimination
- Environmental protection, health and safety
- · Declaration obligations, duty to comply with the code of conduct, primary contacts, reporting obligations



For more information.

# HISTORY OF THE FUCHS GRUPPE

#### ESTABLISHED IN DISSEN, NOW WORLD-BEATERS

The company that Dieter Fuchs established with three employees in a small rented room in Dissen am Teutoburger Wald, Lower Saxony, in 1952 has since grown into Germany's largest spice company with 15 subsidiaries in nine countries on four continents. The road there was paved by innumerable bold decisions with a keen understanding for popular needs and the wishes of the market.

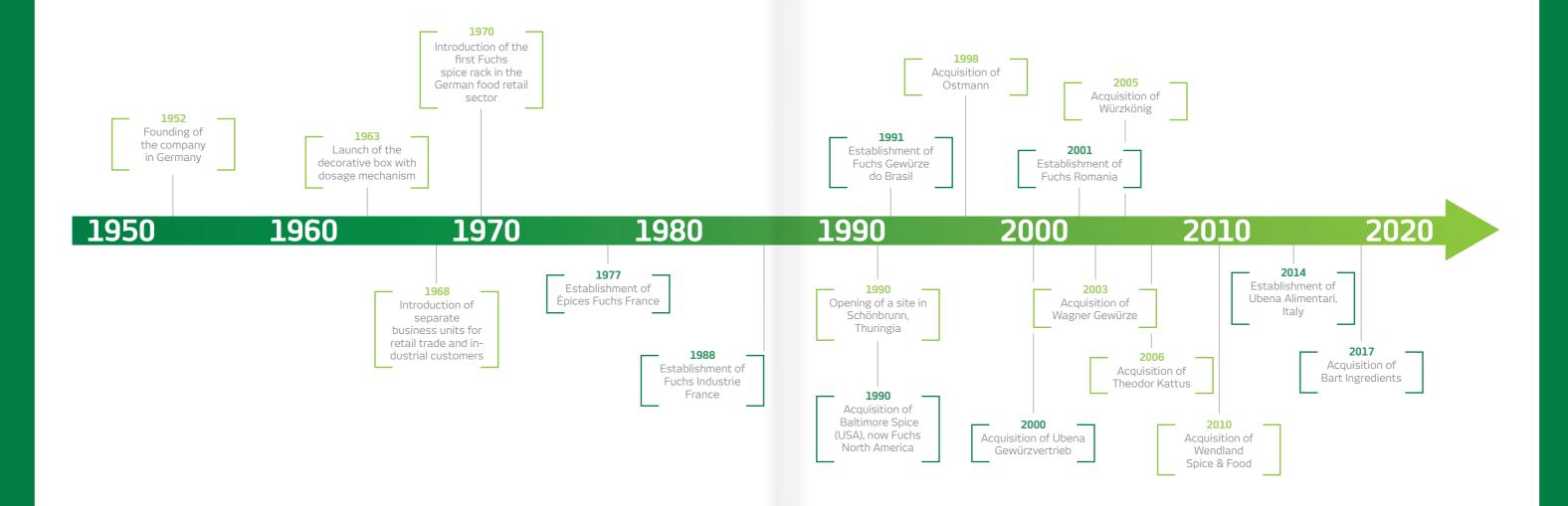
#### National development

As early as the 1960s, Dieter Fuchs divided the company into two business units serving customers from the food retail segment and the industrial sector. This structure has remained essentially unchanged to this day. The following years are widely accepted to have shaped the spice market: Dieter Fuchs launched the decorative box for spices in 1963. What makes it special: the characteristic dosage mechanism that is still used today.

He introduced the first spice racks – which are still made by the in-house carpentry workshop – to supermarkets in 1970. The acquisition of Ostmann Gewürze in 1998 marked yet another milestone in the Fuchs Gruppe's development. The integration of Ubena, Wagner Gewürze and Wendland Spice & Food brought further growth to the company. The takeover of Theodor Kattus in 2006 added the world taste segment to the corporate portfolio. Today, Bamboo Garden, Fuego and Escoffier also belong to the Fuchs Gruppe's product range.

# Penetration of international sales markets

The first international sales office was opened in France in 1977, paving the way for the Fuchs Gruppe's penetration of additional sales markets. This was followed by the establishment of other international locations in Brazil (1991), Romania (2001) and Italy (2014), as well as the acquisition of Baltimore Spice (1990, USA, now Fuchs North America) and Bart Ingredients (2017, UK) to serve the markets directly.



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National development

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Fuchs Gruppe

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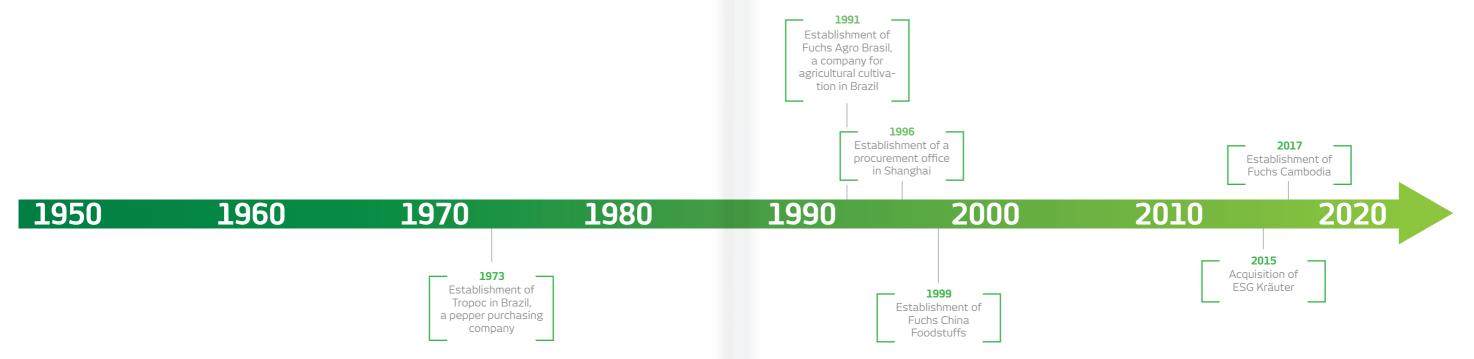
# Development in the countries of origin for our raw materials

We have a clear maxim: we can make a difference on the ground! We maintain a presence where our raw materials are cultivated. Dieter Fuchs was quick to realise: the key to success is found in the farming areas. As early as 1973, he began to establish today's structures by founding Tropoc, a Brazilian company involved in the purchase of pepper. Another site in Brazil was established in 1991 in response to an acute challenge in the cultivation of peppers: Fuchs Agro Brasil (Brasilandia). Dedicated company sites were founded soon

afterwards to source and process garlic and onions. With this in mind, a purchasing office was established in Shanghai in 1996, followed by Fuchs China Foodstuffs in 1999. Today the site is among the largest in the Fuchs Gruppe. The Fuchs Gruppe has also been involved in cultivating herbs in Germany since 2015, when it established its own site with the acquisition of ESG Kräuter. The Fuchs Gruppe established a branch office in Cambodia in 2017 as a further location for the procurement of pepper. This step was taken in response to a steady stream of new challenges on the raw materials market.

Establishing a local footprint is integral to our corporate philosophy, along with building personal connections and involvement in a variety of projects. This includes the cooperation between Tropoc in Brazil, our pepper purchasing company, and the Embrapa research institute, among others. The institute is dedicated to developing technologies for the Brazilian farming sector that conserve resources and reduce environmental pollution and production costs.





Activities in the countries of origin

# SHAREHOLDERS AND STRUCTURE

#### A SURE FOOTING FOR SUSTAINABLE GROWTH

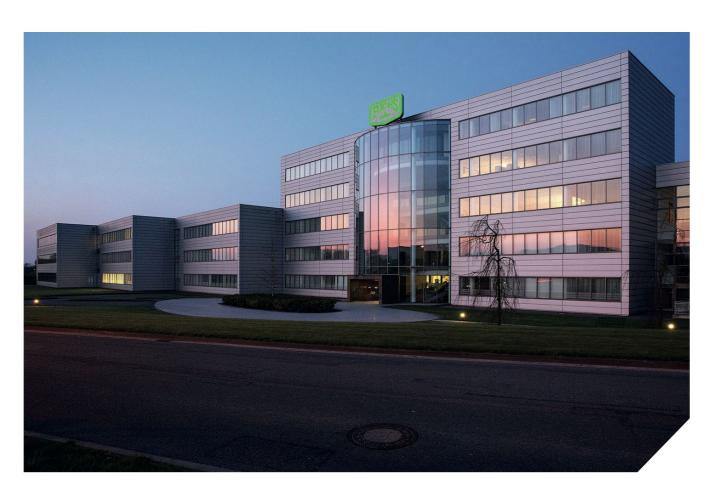
#### Our shareholders

DF World of Spices GmbH is the holding company of the Fuchs Gruppe. The largest indirect shareholder is the non-profit Dieter Fuchs Stiftung. Moreover, the family foundation DF Familiy Trust indirectly holds and – with economic effect until 31 December 2022 – a subsidary of Paulig Ltd. indirectly held a 25.01 percent stake in DF World of Spice GmbH.

Dieter Fuchs transferred the majority of his shares in the company to the non-profit Dieter Fuchs Stiftung back in 2016. The foundation structure guarantees the independence and stability of the Fuchs Gruppe, while still maintaining the connection between the family and company.

The shareholder structure ensures that a significant portion of the revenues generated remain within the company and can be invested in its long-term sustainability. This gives the company and its employees security and meaningful support to continue the path of dynamic development.

At the top of the Fuchs Gruppe is an Executive Management Board under the leadership of Nils Meyer-Pries (Chief Executive Officer). An Advisory Board assists the Management Board in strategic issues. Its three members meet several times a year.



#### Our lines of business

The Fuchs Gruppe has divided its operations into business units in order to ensure efficient control of the company. In this context, we distinguish between the Business Units Retail and Industry. They are committed to sharing information and experience to identify and implement developments and trends at an early stage. For instance, the retail unit benefits from the technological expertise of our industrial unit. In return, the retail unit possesses market knowledge that is useful for our industrial business. Central service units support the operational divisions within our business units, for instance in the areas of procurement or operations. This is done to pool demand and generate synergy.



#### **Business Unit Retail**

With our comprehensive portfolio of spices and world taste products (delicatessen items from all over the world), we enable every person to experience and express their own individual taste. We create inspiringly flavoursome experiences for our customers in the food retail and services sectors. We collaborate with our customers in a spirit of trust to deliver outstanding services, also as a manufacturer of the own brands for retail companies.



As a partner to the food industry, we do more than just create tastes for a wide variety of foods in a diverse sector, but also deliver ideas, market analyses and concepts for individual target markets. Whether liquid, paste or dry, smoked, finely ground, disinfected or functional – we develop bespoke products that contribute to successful customers.





Fuchs Gruppe

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#### AN SME WITH A GLOBAL STRUCTURE



The Fuchs Gruppe is represented around the world with its products and permanent establishments.

We have 15 subsidiaries in total and operate in nine countries on four continents. Aside from our company headquarters in Dissen am Teutoburger Wald, our permanent establishments in Germany are located in Abtswind (Bavaria), Hamlar (Bavaria), Melle (Lower

Saxony) and Schönbrunn (Thuringia). Outside of Germany, we also run production facilities and sales companies in France (two sites), Great Britain (two sites), Italy, Romania, USA (two sites), Brazil (three sites), China (two sites) and Cambodia. Refer to page 34 of this report for an overview of the business segments, products and sustainability activities that are entrusted to our individual subsidiaries.

#### Who works for us

In total, the Fuchs Gruppe employed a workforce of 3,200 as per 31 December 2022.

Just under 43 percent of them are women. The majority of our employees work in Europe (almost 77 percent), followed by Asia, North America and South America.

	2022	2021
Number of employees	3,231	3,402

Share of employees by region		
Europe	77%	78%
Asia	11%	11%
North America	6%	6%
South America	6%	5%

Women			
	Share of women	43%	46%

New employees		
Number of new employees	593	655
Fluctuation rate*	19%	16%

<sup>\*</sup> All departures during the period / (workforce at the start of the period + new recruits during the period).

Employees according to age			
< 26 years	7%	8%	
26-40 years	39%	37%	
41-55 years	35%	36%	
> 55 years	19%	19%	

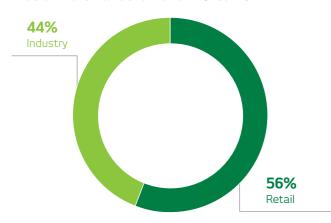
# **ECONOMIC DEVELOPMENT**

#### SUSTAINABLE GROWTH

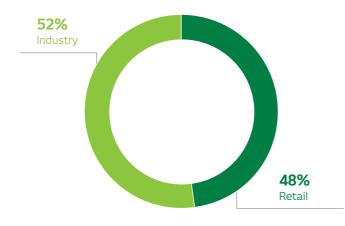
Our consolidated revenue in 2021 was €569 million – equivalent to a year-on-year growth rate of 2.2%. Consolidated revenue in 2022 is €604 million, which corresponds to growth of 6.1% compared to 2021. The BU Industry's share in revenue grew from

44 percent in 2021 to 52 percent in 2022. Our international business remains a major contributor to the economic success of the Fuchs Gruppe and, at 52 percent, will account for over half the total revenue for the first time in 2022.

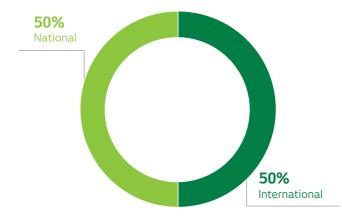
#### Revenue shares of the BU's: 2021



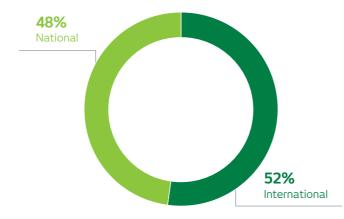
#### Revenue shares of the BU's: 2022



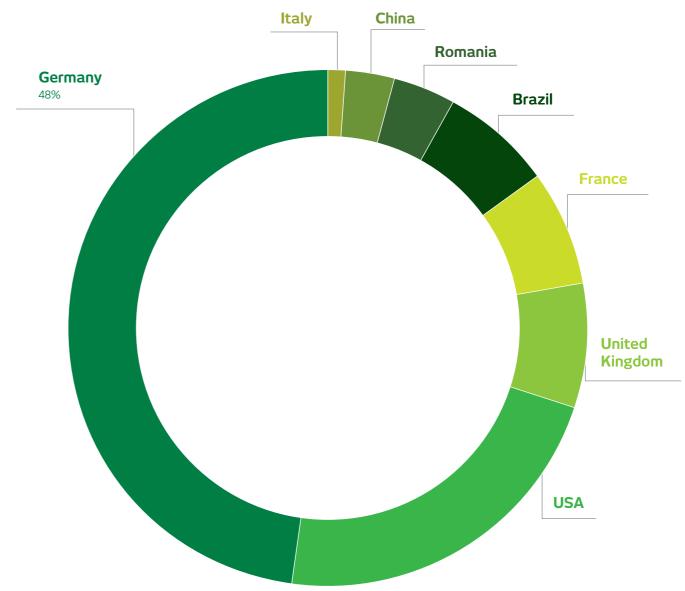
#### Revenue breakdown: 2021



#### Revenue breakdown: 2022



#### Consolidated revenue according to our regions (2022)



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Fuchs Gruppe



# **OUR STRATEGY**

Sustainability is an integral part and the basis of our corporate strategy. We are convinced that long-term economic success is only possible if we accept responsibility for the environment and society. Our business operations should contribute to a cleaner environment and more conscious lifestyles. In the area of sustainability, we seek to play a pioneering role in all areas of our business and in our key corporate functions such as human resources, operations and procurement.

We provide regular information about our activities, challenges and initial successes and have published a sustainability report according to the international GRI standards since 2017.

This chapter begins with a brief overview of our corporate strategy and then turns to our sustainability strategy, in which we focus on four defined areas of action. These areas of action were assigned to priority topics within the framework of a materiality matrix.

# **CORPORATE STRATEGY**

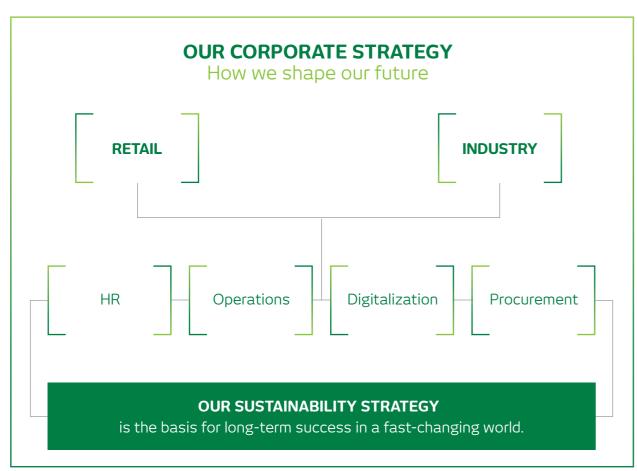
#### A CLEAR GOAL AND A CLEAR PATH

#### **OUR VISION**

What we wish to achieve

As market leader we create the world of good taste for everyone and every day – with the focus on our customers, people who passionately work for us, industry standards in matters of sustainability, we create unchanging economic values.





# We have a clear customer focus to achieve sustainable success.

With our diverse products, we make cooking and shared meals more enjoyable. Our customers and their markets are at the heart of everything we do. They trust in our premium quality and long-standing experience and appreciate our profound expertise.

Not only do we wish to reflect the tastes of our times, we also seek to serve the various and individual needs of our customers. Our strong Business Units Retail and Industry are aligned with the requirements of the markets and our customers and actively promote our profitable growth.

# People are at the heart of our success.

Taste is highly diverse. As diverse as our spices and products – and the personalities of our colleagues who invest commitment, passion and their individual strengths to make a real difference. It is their creative ideas, bold actions and continual curiosity that smooth our path. With our colleagues, we have already laid the foundation for shared success.

# We set industry standards for sustainability.

The flavours we create with our products are rooted in nature. We have adopted a clear sustainability strategy to ensure good environmental governance. We are committed to the United Nations Sustainable Development Goals (SDGs) and contribute to their achievement with the sustainability activities throughout our value chain. In this context, we group our activities into areas of action:

- 1.) Responsible sourcing
- 2.) Responsible products
- 3.) Responsible community & workplace
- 4.) Responsible use of resources

# We create economic values that endure.

As a medium-sized enterprise from Germany, the Fuchs Gruppe has been synonymous with good taste for over 70 years. Creating and preserving value in the long term are more important to us than any short-term optimisation of profitability. Our roots have been in Dissen am Teutoburger Wald since the inception of our company. To ensure sustainable growth on the international and domestic markets, we focus on our know-how, profound understanding of consumer needs and trusted partnerships along the supply chain.



# **SUSTAINABILITY STRATEGY**

#### TAKING AND PROMOTING RESPONSIBILITY

As an international company from the food sector, we believe that acting sustainably is an integral part of our responsibility. The sustainability strategy developed in 2021 and 2022 shapes our decisions and is a crucial part of our long-term success. It is designed to be integral and include all processes and business divisions.

We work tirelessly to improve our commitment to sustainability, focusing on four areas of action with different priorities. To each of these areas of action, we have assigned selected SDGs\* that are particularly relevant to our business and to which we are determined to contribute.

We are guided by other national and international objectives and frameworks such as the climate neutrality plans of the German government and the EU, the Paris Climate Agreement and the UN Global Compact. Our intention for 2023 is continue rolling out the sustainability strategy.

The last few years have already seen significant progress in the area of sustainability. We have taken small and larger steps forward and have ambitious plans for the future.

#### Our areas of action

# Responsible sourcing







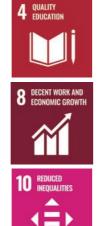




# Responsible products



# Responsible community & workplace



# Responsible use of resources







# \* In the Sustainable Development Goals, the United Nations has formulated 17 goals that constitute a global plan to promote sustainable peace and prosperity and protect the planet. They are aimed equally at politicians, business communities and civil society.

#### Achievements and outlook

	Achievements and oddoor	
~	<ul> <li>Fostering transparency through sustainability reporting</li> </ul>	since 2018
•	<ul> <li>Development of our sustainability report as a basis for all our activities</li> </ul>	2021 and 2022
V	First publication of the EcoVadis questionnaire for even greater transparency	Summer 2022, now annual
V	Assigning responsibility: Appointment of primary contacts in our subsidiaries	Autumn 2022
	Roll out of the sustainability strategy at international	from 2023

In the following, we will begin by providing a brief outline of our four areas of action in sustainability, including our priorities, achievements and next steps. The next chapters contain more detailed information.

level, including definition of goals, KPIs and measures

At present, developments in the areas of action refer to our German sites in Dissen, Melle and Schönbrunn (Fuchs GmbH & Co. KG). This largely applies to the measures described in the next chapters as well, whereby we will present exemplary projects by our subsidiaries here as well. The preparation of an integrated sustainability report with all our international subsidiaries is scheduled for 2025 and will report on the year 2024.





#### Responsible sourcing

The purchase of raw materials has a decisive influence on the quality of our products and is a top priority. Here, we attach particular importance to sustainable sourcing – as we procure our raw materials from around the world. Not only does maximising transparency along the supply chain help us to guarantee quality, it also enables us to identify and address local challenges. Unconditional respect for human rights is paramount to us. Moreover, our projects aim to improve the standard of living in the farming regions.

#### Key SDGs in this area











#### Our priorities

Raw materials and suppliers
Human rights
Engagement in origin
Quality assurance and management

Achievements and outlook	
Publication of our declaration of principles on human rights	2020
<ul> <li>Extension of our code of conduct for suppliers (Principles of Ethical Sourcing)</li> </ul>	2022
Recertification according to the BRC and IFS standards (certified since 2019)	2022
Shining a spotlight on sustainability: Extension of the auditing process for suppliers	2023/24
'Living Income': collaborative project for turmeric farmers in India	2023-2026

#### Responsible products

With more than 10,000 products, we offer our customers and consumers a unique range of spices, herbs and other flavourings. In this respect, transparency in regard to the ingredients is just as important as the inclusion of sustainability aspects in product development. This prompts us to focus on packaging as well and to steadily increase the share of recyclable materials.



#### Key SDGs in this area





#### Our priorities

Product development Labelling Packaging

Achievements and outlook	
<ul> <li>Cooperation in basic research on slaughter-free meat</li> </ul>	2021
<ul> <li>Expansion of our sensory lab (equipped according to DIN EN ISO 8589)</li> </ul>	2022
✓ Capacity building in our packaging development	2022
ncrease in the recyclability of our (refill) bags	2023/24
Launch of the circular economy initiative for spice packaging	2023





#### Responsible community & workplace

We seek to offer our employees an attractive environment in which everyone feels included and able to develop their potential. Here, equal opportunities and the appreciation of diversity are just as important as comprehensive training opportunities. We bear special responsibility for safety at the work-place and are constantly developing our processes and activities in this area. Moreover, we seek to contribute actively to society and therefore support for various social projects.

#### Key SDGs in this area









Employee recruitment and retention Occupational health and safety Social responsibility

Achievements and outlook	
SMETA auditing at the Dissen North and South sites and in Schönbrunn (update every two years)	Summer 2021
✔ First publication of the SEDEX questionnaire	Summer 2022, now annual
<ul> <li>Expansion of the training programme</li> </ul>	2021
<ul> <li>Production workplaces: easing of physical strain and ergonomic improvements</li> </ul>	2021/22
✓ New trainee programme in BU Retail	Autumn 2022
✓ Inflation adjustment for all employees	2022/23
Expansion of the trainee programme	2023
Expansion of our safety awareness training in production	2023

#### Responsible use of resources

An intact environment is of vital importance to us as a spice producer, as many of our raw materials only grow under certain climatic conditions. That is why we attach particular importance to responsible resource management. We work at various levels to minimise consumption, especially of energy and water, and to reduce food waste in the production process.



#### Key SDGs in this area







#### Our priorities

Energy and emissions Water Waste

✓ Energy monitoring	since 2012
<ul> <li>Initial calculation of our carbon footprint for Germany</li> </ul>	2021/22
Recertification of our energy management system according to ISO 50001 (first certification: 2015)	Autumn 2022
Expansion of the carbon footprint calculations to include Scope 3 and our subsidiaries	2023–2025
Development of a climate strategy	since 2023



# **MATERIALITY ANALYSIS**

#### **OUR FOCUS TOPICS**

Our sustainability strategy is designed to have maximum impact. It is therefore continuously developed and includes active collaboration with stakeholders such as our customers, employees, suppliers and consumers in order to include their perspectives.

A detailed stakeholder survey was most recently conducted in 2020. To ensure currency and relevance, we performed an internal review of the defined material issues in autumn 2022. They were reappraised during a workshop at the social, political and business level in light of recent developments. For the 2023/24 sustainability report, we are planning to update the stakeholder survey and conduct a complete reassessment of the reported topics according to the principle of double materiality.

Our 13 priority topics are assigned to the four aforementioned areas of action of our sustainability report and shown in the materiality matrix on the next page.









#### Changes in the matrix

The following changes have occurred compared to the last report:

- The four defined areas of action, which also structure this report, have replaced the previous topic clusters of 'product and supply chain responsibility', 'social responsibility', 'employer responsibility' and 'environmental responsibility'.
- The topic of 'labelling' was added to the 'responsible products' areas of action, as it has been a clear focus of our activities over two years and will continue to be relevant going forward.
- The topics of customer dialogue and worklife balance are no longer included in our materiality matrix. The latter aspect is now included in staff retention. Customer dialogue is an overarching topic and touches on various issues within the overall context of sustainability. We have therefore removed the topic at this level.
- From a holistic perspective, we have introduced more specific definitions of some labelling issues, without affecting the reported content. 'Raw materials and suppliers' is one such example.
- Some issues have shifted along the matrix axes as part of the reassessment to accurately reflect their current significance.

#### **Materiality matrix**

The materiality matrix provides an overview of the priority topics in the sustainability strategy from two perspectives: from an inside-out perspective, the sustainability team assesses

the key sustainability issues that are impacted by the company's operations.

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The outside-in perspective assesses the extent to which the material sustainability issues influence our business activities.



#### Responsible sourcing

- Raw materials and suppliers
- 2 Human rights
- 3 Engagement in origin
- 4 Quality assurance and management

#### Responsible products

- 5 Product development
- 6 Labelling
- Packaging

#### Responsible community & workplace

- 8 Employee recruitment and retention
- 9 Occupational health and safety
- Social responsibility

#### Responsible use of resources

- Energy and emissions
- Water
- Waste



# AN OVERVIEW OF OUR SUBSIDIARIES

The international subsidiaries within the Fuchs Gruppe are as diverse as our products. Their activities cover different areas of the value chain, from the farmlands in the countries of origin of our raw materials to procurement and customers in the retail and industry sectors.

This chapter briefly outlines the work of our individual companies and their activities in the area of sustainability. In the long term, internationalisation of the sustainability strategy will cause the companies to work on individual priorities, while still contributing to the common goals of the Fuchs Gruppe, among them with regard to its international carbon footprint and transparency in the supply chain.

# A LOOK AT OUR VALUE CHAIN

#### **VARIED BUSINESS ACTIVITIES**

The Fuchs Gruppe comprises 15 subsidiaries under the umbrella of DF World of Spices GmbH. The subsidiaries also include Fuchs GmbH & Co. KG with locations in Dissen, Melle and Schönbrunn as well as Fuchs Gewürze GmbH (sales force), which are the focus of this report. Tropoc (refer to p. 38) publishes its own supplementary sustainability report.

The following chapter provides a brief outline of the 13 other subsidiaries. Eleven of them are domiciled outside of Germany. ESG Kräuter GmbH and Wendland Food & Spices are the two national subsidiaries that run their own business independently of Fuchs GmbH & Co. KG.

#### Value creation at our subsidiaries

The sustainability management prioritiesdefined by our subsidiaries are based on the areas of value creation in which they operate. Besides an introductory description of the company, the value creation outlined in this report also illustrates the sheer diversity of our business operations.

#### Agriculture

Owned or leased agricultural land for the cultivation of raw materials

#### Support in cultivation and harvesting

Promotion of sustainable farming methods through training, information materials and other resources

#### Procurement

Purchase of the commodities from different supplier categories (refer to the definitions on p. 70) with a clear focus on traceability according to its legal definition (refer to p. 74); this includes different forms of quality inspections in the production process, both before and after shipment

#### Processing

First processing stages, such as drying, cleaning and disinfection

#### Storage and logistics

Warehousing, planning and transport management for raw materials

#### Transport

Own fleet to deliver products to customers and production facilities

#### Further processing and filling

Processing, grinding, mixing and refining of the raw materials and subsequent filling into containers for sale to the customer

#### Marketing and sales

All activities that relate to advertising and selling the products

# PARTNERSHIPS AND NETWORKS

#### SUSTAINABILITY IN THE FOOD INDUSTRY

We are seeking to strengthen the impact of our sustainable business at international level and to participate actively in initiatives and associations to address sustainability issues in the food industry. The following provides examples of initiatives and associations in which Fuchs GmbH & Co. KG is a member at national level. The same applies to the Fuchs Gruppe, which is represented at international level by via DF World of Spices GmbH on behalf of all companies. Moreover, our subsidiaries are also organised in national associations and initiatives which are mentioned here.

#### **International**

#### Sustainable Spices Initiative

The international initiative aims to bring sustainable transformation to the spice sector in its production and trade processes.

#### European Spice Association

Not only does the industry association define quality standards, it also promotes discussion of issues relating to sustainability among its members.

#### **National**

#### Lebensmittelverband Deutschland (Food Federation Germany)

The umbrella organisation of the German food industry groups and represents the interests of stakeholders in the food industry throughout the value chain.

#### Markenverband

(German Association for branded goods)

The cross-sectoral association advocates a stable framework of values.

#### Fachverband der Gewürzindustrie (Association of the German Spice Industry)

The organisation represents the interests of its over 90 member companies from the spice industry.



FAKTEN

Tropoc Produtos Tropicais de Castanhal Ltda.

Founded in: 1973

**Headquarters:** Castanhal – Pará

**Market segment:** Intercompany,

industry

Number of employees: 86

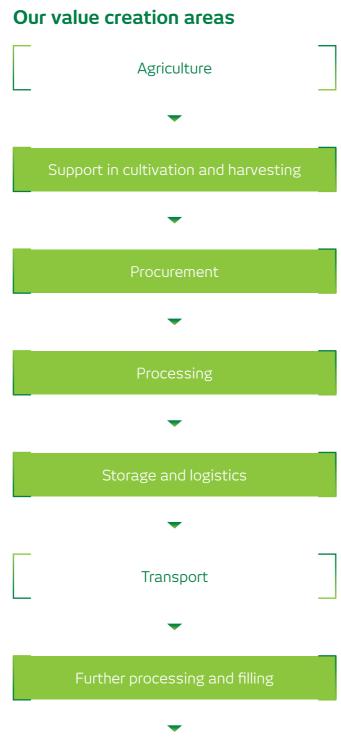
• of whom are female: 14

Last updated in December 2022

#### Who we are

Tropoc sources, processes and markets pepper. The most important products include black, red, and white pepper as well as green peppercorns in brine. Tropoc prioritises full traceability of purchased raw materials and the provision of high-quality and safe products. The company therefore maintains partnerships with public institutions to conduct research into the sustainable cultivation of black pepper. Tropoc has close relationships with more than 1,000 farmers in Pará. It buys products directly from these farmers, who also receive support and training outside the harvest season.





#### Our sustainability agenda

#### Energy, water, waste

Tropoc covers 98% of its electricity needs with purchased green energy. There are plans to mount a photovoltaic system in 2023 in order to complete the switch to renewable energies.

#### What we're working on

Expanding the sustainable production of pepper in Pará is one of the focal points on Tropoc's sustainability agenda. Among other things, Tropoc works with the Brazilian government on different initiatives aimed at improving the value chain for black pepper.

Other goals include protecting the Amazon and biodiversity, reducing emissions, and supporting farmers with training and frequent technical meetings. Tropoc has published its own sustainability report for several years now. The company uses it to provide information about its goals, measures, and various projects, in particular those concerning environmental protection, climate change, traceability, human rights, and corporate social responsibility (other topics on p. 78).



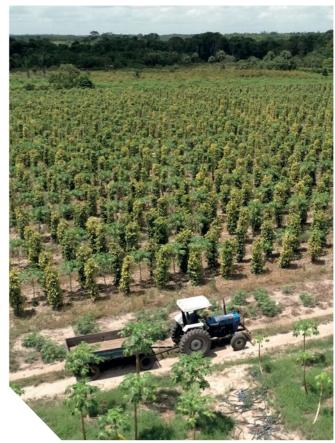
Key consumption	data for 2022
-----------------	---------------

Electricity	449,341 kWh
<ul><li>of which green electricity*</li></ul>	441,252 kWh
Purchased heat	298,759 kWh
Water	23,551 m³
Waste	20 t

 $^{\star}$  Taking into account the percentage of renewable energy (hydro, wind, solar and biomass) generated in the state where the company is situated.

For more information, visit:





# **FUCHS CAMBODIA**

# PROCUREMENT IN THE ORIGIN

#### Fuchs Cambodia Co., Ltd

Founded in: 2017

**Headquarters:** Phnom Penh

Market segment: Intercompany

Number of employees: 14 • of whom are female: 4

Last undated in December 2022

#### Who we are

Fuchs Cambodia specialises in procuring, cleaning, packaging, storing, and selling high-quality pepper from Cambodia. In order to ensure the pepper's quality and grow it in a responsible manner, Fuchs Cambodia works closely and directly with farmers. Moreover, the company is currently cooperating with the government to design a training programme for targeted knowledge acquisition. Fuchs Cambodia keeps comprehensive records for each of its suppliers to ensure full traceability of purchased raw materials.



#### Our value creation areas

Agriculture

Transport

Further processing and filling

Marketing and sales

#### Our sustainability agenda

#### Energy, water, waste

Fuchs Cambodia requires energy and water for cleaning, packaging and storing purchased raw materials in particular. Water is used almost exclusively to clean the premises, which keeps consumption low. Only small quantities of waste are generated.

#### What we're working on

One of Fuchs Cambodia's most important goals is to continue improving supply chain transparency. The company will strengthen its focus on compliance with sustainability requirements in the years ahead. Collaboration with development aid organisations on the ground will also be expanded (refer to chapter 6, p. 114 for examples).

# Key consumption data for 2022

Electricity	5,457 kWh
<ul> <li>of which green electricity</li> </ul>	0 kWh
Purchased heat	4,218 kWh
Water	813 m³
Waste	2.6 t

For more information, visit







# **FUCHS AGRO BRASIL**

#### PROCUREMENT IN THE ORIGIN

Founded in: 1991

**Headquarters:** Brasilândia de Minas

Market segment: Intercompany

Number of employees: 5

• of whom are female: 2 Last undated in December 2022

#### Who we are

Acting on behalf of the Fuchs Gruppe, Fuchs Agro Brasil purchases paprika in the Brazilian states of Minas Gerais and Bahia in the Jaíba region of the São Francisco River Valley. To do this, the company remains in close contact with farmers, defines standards and requirements, and enters into cultivation contracts. It monitors growing and harvesting operations, helps farmers with agricultural matters, purchases the raw materials and arranges their export. The company's most important goals include being able to fully trace purchased spices as well as monitoring quality for the Fuchs Gruppe markets.



# Our value creation areas Agriculture

Storage and logistics

**Transport** 

Further processing and filling

Marketing and sales

#### Our sustainability agenda

#### Energy, water, waste

Fuchs Agro Brasil only requires a small amount of energy and water due to its business model. But significant quantities of water are required to grow paprika. Among other things, holding public authorisation to withdraw water and use it in irrigation systems in accordance with the standards and limits defined by the local authorities are prerequisites for a contractual relationship with Fuchs Agro Brasil.

#### What we're working on

Fuchs Agro Brasil's goal is to continue expanding the number of suppliers with sustainability certifications. The company therefore helps farmers to plan and implement measures to prepare for and obtain sustainability certification according to the Sustainable Agriculture Initiative (SAI). In addition, farmers can receive assistance from cultivation advisers. The consultancy is used for the joint preparation of good agricultural practices (GAP) protocols, including the crop rotation system needed to maintain the productive capacity of the land.



## Key consumption data for 2022

Electricity	7,200 kWh
<ul><li>of which green electricity*</li></ul>	6,357 kWh
Purchased heat	0 kWh
Water	132 m³
Waste	0.25 t

\* Taking into account the percentage of renewable energy (hydro, wind, solar and biomass) generated in the state where the company is situated.

For more information, visit:





# **ESG KRÄUTER**

## PROCUREMENT IN THE ORIGIN AND **INDUSTRIAL BUSINESS**

#### **ESG Kräuter GmbH**

Founded in: 1985

**Headquarters:** Hamlar

Market segment: Intercompany,

industry

#### Number of employees: 72 • of whom are female: 10

Last updated in December 2022

#### Who we are

ESG Kräuter has been part of the Fuchs Gruppe since 2015. The company has been growing herbs right on its doorstep in the Danube valley in Bavaria ever since its inception in 1985. Its portfolio includes native herbs such as parsley, chives, dill, coriander and marjoram, alongside superfoods such as spinach, kale and wheatgrass.



# Agriculture

Our value creation areas

Transport

#### Our sustainability agenda

#### Energy, water, waste

ESG does not require process water for its business model and only generates moderate quantities of waste. Organic by-products are converted into energy in an adjacent biogas plant. The herbs are dried on modern fire dryers that are designed for excellent energy efficiency. Nevertheless, significant volumes of gas are consumed in the drying process, which are reduced by a continuous process of optimisation.

#### What we're working on

The culinary herbs come from local cultivation in the immediate vicinity of the drying facility. ESG Kräuter has developed innovative processing methods to ensure optimised preservation of the herbs' aroma and colour. Prudent environmental management is also prioritised. In this respect, the company already contributes to the sustainability strategy at the Fuchs Gruppe and can guarantee traceability of raw materials.



### Key consumption data for 2022

Electricity	1,949,546 kWh
<ul> <li>of which green electricity</li> </ul>	0 kWh
Purchased heat	14,280,518 kWh
Water	6,578 m <sup>3</sup>
Waste	516 t

For more information, visit





# **FUCHS CHINA**

# PROCUREMENT IN THE ORIGIN AND FOCUS ON INDUSTRIAL BUSINESS

Fuchs China Foodstuffs Co., Ltd

Founded in: 1999

**Headquarters:** Jingzhi

Market segment: Intercompany, industry, retail, food service

**Brand(s):** Fuchs, own brands for the retail sector

Number of employees: 335 • of whom are female: 168

Last updated in December 2022

#### Our value creation areas

Agriculture

Support in cultivation and harvesting

#### Who we are

Fuchs China offers a comprehensive portfolio of spices. Raw materials such as garlic and onion are processed at the Angiu site (Shandong province). In addition, Fuchs China develops and produces proprietary spice blends, which it markets worldwide. Defined processes with suppliers ensure that all legal requirements regarding traceability are met in the sourcing of raw materials. At the Shanghai Technology Center, which opened in 2016, Fuchs China offers customers a full array of technical flavour solutions and also maintains a laboratory and kitchen.



Transport

#### Our sustainability agenda

#### Energy, water, waste

Fuchs China covers its energy requirements entirely with renewable energies.

#### What we're working on

Waste reduction (from food) is among the main priorities on Fuchs China's sustainability agenda. In addition, Fuchs China intends to switch increasingly to recyclable packaging in the years ahead.

#### Key consumption data for 2022

Electricity	7,220,731 kWh
<ul> <li>of which green electricity</li> </ul>	5,586,336 kWh
<ul> <li>of which produced by the PV system</li> </ul>	1,634,395 kWh
Purchased heat	14,114,380 kWh
Water	94,212 m³
Waste	1,200 t

For more information, visit:





# **FUCHS GEWÜRZE DO BRASIL**

#### **FOCUS ON INDUSTRIAL BUSINESS**

#### Fuchs Gewürze do Brasil Ltda.

Founded in: 1991

**Headquarters:** Itupeva

Market segment: Industry, retail, food

service

**Brand(s):** Own brands for the retail

Number of employees: 114

• of whom are female: 32 Last updated in December 2022

# Our value creation areas

Agriculture

Support in cultivation and harvesting

#### Who we are

Fuchs Gewürze do Brasil provides the industrial, food service and retail sectors with a myriad of spices, blends and technological solutions. Custom products are generally produced in close collaboration with customers in the industrial sector.



Transport

Further processing and filling

#### Our sustainability agenda

#### Energy, water, waste

Fuchs Gewürze do Brasil opted to take the first steps to reduce its energy and water requirements and is currently implementing them. These measures also include recording and determining energy and water flows even more efficiently in order to be able to measure and document progress made.

#### What we're working on

Important items on Fuchs Gewürze do Brasil's sustainability agenda include occupational safety and lowering energy use. Great care is given to making employees aware of these topics and educating them on these matters. For this purpose, the company has established a separate department for occupational safety. Another of the company's goals is to reduce waste or make it available for further high-grade applications. For example, a large proportion of the packaging used for industrial customers or oil is already recycled.

# Key consumption data for 2022

Electricity	44,025 kWh
<ul> <li>of which green electricity</li> </ul>	0 kWh
Purchased heat	2,330 kWh
Water	1,560 m³
Waste	477 t

For more information, visit





# **FUCHS INDUSTRIE FRANCE**

# INDUSTRIAL BUSINESS



#### **Fuchs Industrie France SAS**

Founded in: 1988

**Headquarters:** Herrlisheim

Market segment: Industry

Number of employees: 42 • of whom are female: 13

Last updated in December 2022

# Our value creation areas

Agriculture

Support in cultivation and harvesting

Processing

#### Who we are

Fuchs Industrie France specialises in producing and selling spices, seasoning and technological blends to the French meat-processing industry. Products by Fuchs Industrie France are manufactured in Herrlisheim in the department of Bas-Rhin.



Transport

#### Our sustainability agenda

#### Energy, water, waste

Due to its business model, Fuchs Industrie France requires a large amount of energy and water. The switch to green energy and the installation of a photovoltaic system at the site are currently under review.

#### What we're working on

Among Fuchs Industrie France's most important sustainability goals is making the gradual switch to recyclable packaging. The reduction of waste generated is also a focal point.

#### Key consumption data for 2022

Electricity	495,063 kWh
<ul> <li>of which green electricity</li> </ul>	0 kWh
Purchased heat	425,415 kWh
Water	1,454 m³
Waste	205 t

For more information, visit:





# **FUCHS NORTH AMERICA**

# FOCUS ON INDUSTRIAL BUSINESS

#### Fuchs North America, Inc.

Founded in: 1939

**Headquarters:** Hampstead, Maryland

Market segment: Industry,

food service

#### Number of employees: 203

• of whom are female: 41

Last updated in December 2022

#### Who we are

Fuchs North America is a leading provider of premium food seasoning, spices, and flavouring solutions to the foodstuffs and food service industries in the areas of snacks; dairy, sauces and food service in America. The company has been a part of the Fuchs Gruppe since 1990 and is headquartered in Hampstead, Maryland. Another production facility is located in Grand Forks, North Dakota.



# Our value creation areas

Agriculture

Support in cultivation and harvesting

Storage and logistics

**Transport** 

#### Our sustainability agenda

#### Energy, water, waste

Eleven percent of Fuchs North America's electricity requirements are met by purchasing green energy. This share of energy is to be progressively expanded in the years ahead using, for example, its own photovoltaic systems. The Green Building Council awarded Fuchs North America's newly built headquarters "Silver" LEED certification.

#### What we're working on

One of Fuchs North America's most important sustainability goals is to continue its reduction of carbon emissions. Water consumption and waste quantities will also be lowered in the years ahead. The company also places a clear focus on upgrading its packaging materials.

# Key consumption data for 2022

Electricity	5,260,000 kWh
<ul> <li>of which green electricity</li> </ul>	578,600 kWh
Purchased heat	4,483,987 kWh
Water	9,688 m³
Waste	97 t

For more information, visit





# **WENDLAND**

#### FOOD SERVICE AND INDUSTRIAL BUSINESS

#### Wendland Spice and Food GmbH

Founded in: 1979

**Headquarters:** Abtswind

Market segment: Industry,

food service

#### Number of employees: 53

• of whom are female: 26

Last updated in December 2022

#### Who we are

Wendland was acquired by the Fuchs Gruppe in 2010 and is specialised in the flexible production of customised food products with particular recipe, processing, packaging and logistics requirements. Included in the portfolio are sauces, soups, dips, pestos, desserts, spice blends, marinades and liquid seasonings, among other things.



# Our value creation areas Agriculture

Support in cultivation and harvesting

Processing

Transport

#### Our sustainability agenda

#### Energy, water, waste

Wendland implements continuous refurbishment measures, maintains state-of-the-art cooling and processing facilities, and ensures production planning with optimised resource utilisation in its efforts to minimise energy requirements. Fully automatic water and detergent metering systems enable effective and resource-efficient water use and reduce waste water volumes and loads to an absolute minimum. Waste avoidance processes have been implemented throughout the value chain.

#### What we're working on

Wendland perceives sustainability as a continuous process that touches every area of our work and which the company is seeking to appraise and upgrade on an ongoing basis.

# Key consumption data for 2022

Electricity	666,448 kWh
<ul> <li>of which green electricity</li> </ul>	0 kWh
Purchased heat	336,295 kWh
Water	3,416 m³
Waste	165 t

For more information, visit





# **FUCHS ROMANIA**

## **FOCUS ON RETAIL BUSINESS**

Fuchs Condimente Romania SRL

Founded in: 2001

**Headquarters:** Curtea de Arges

Market segment: Intercompany, retail, food service

**Brand(s):** Fuchs, Cosmin, Mirodenia,

Number of employees: 332 • of whom are female: 224

Last updated in December 2022

#### Our value creation areas

Agriculture

Support in cultivation and harvesting

#### Who we are

Fuchs Condimente Romania produces and sells a wide variety of spices, food seasoning, blends, and gourmet products to the retail and catering sectors. The company supplies the national and European market from its permanent establishment in Curtea de Arges. With its 11,000 m<sup>2</sup> plant, Fuchs Condimente Romania plays a central role in all of the Fuchs Gruppe's activities in eastern Europe.



Transport

#### Our sustainability agenda

#### Energy, water, waste

In the years ahead, Fuchs Condimente Romania wants to expand the share of renewable energies used to meet electricity requirements. A photovoltaic system is slated for installation in 2023.

#### What we're working on

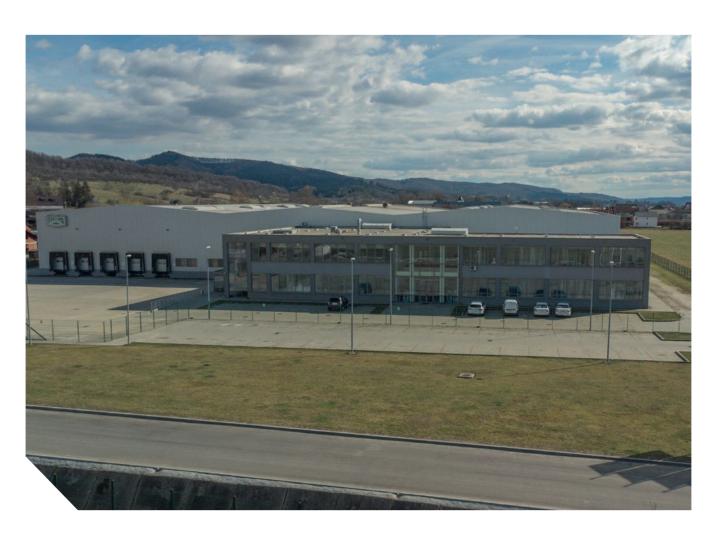
The sustainability program of Fuchs Condimente Romania places a special emphasis on further developing the packaging used by the company. The aim is to significantly increase the share of recyclable packaging over the coming years.

# Key consumption data for 2022

Electricity	966,588 kWh
<ul> <li>of which green electricity</li> </ul>	8,787 kWh
Purchased heat	475,033 kWh
Water	4,377 m <sup>3</sup>
Waste	1,070 t

For more information, visit





# ÉPICES FUCHS

#### FOCUS ON RETAIL BUSINESS

#### Épices Fuchs SARL

Founded in: 1977

**Headquarters:** Monteux

**Market segment:** Retail, food service

Brand(s): Fuchs, BioWagner, Columbia, own brands for the retail sector

#### Number of employees: 74

• of whom are female: 46 Last updated in December 2022

#### Who we are

Épices Fuchs produces and sells a variety of brands, including Fuchs, BioWagner and Columbia, as well as own brands for the retail sector. It also produces, sells and fills spices and seasonings for food retailers. Rigorous traceability and inspections ensure the highest standards of quality. Épices Fuchs is IFS Food-certified. In addition to France, Belgium and Portugal, products for our Italian subsidiary Ubena have also been filled and delivered since 2022.





#### Processing

Transport

#### Our sustainability agenda

#### Energy, water, waste

The business model focuses on filling and marketing spices and food seasonings. That is why the company requires no gas and less electricity and water compared to the manufacturing subsidiaries in the Fuchs Gruppe.

#### What we're working on

The sustainability agenda at Épices FUCHS prioritises a reduction in energy requirements on the one hand, as well as recycling of packaging waste and the avoidance of disposable packaging on the other. It also pays special attention to maximising occupational safety.

#### Key consumption data for 2022

Electricity	384,744 kWh
- of which green electricity	0 kWh
Purchased heat	0 kWh
Water	720 m <sup>3</sup>
Waste	105 t

For more information, visit





**BART INGREDIENTS** 

#### The Bart Ingredients Co. Ltd

Founded in: 1963

**Headquarters:** Bristol

Market segment: Retail

**Brand(s):** Bart and own brands for the

retail segment

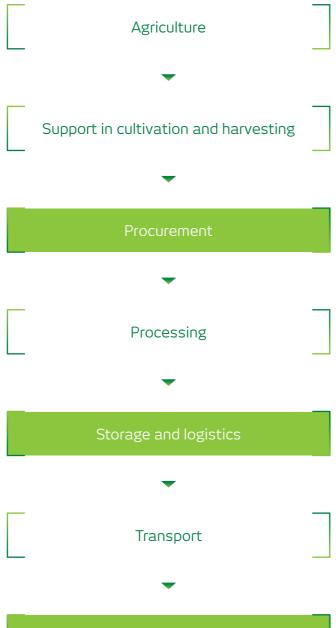
Number of employees: 236 • of whom are female: 101

Last undated in December 2022

#### Who we are

Bart Ingredients has been supplying food retailers in the United Kingdom with spices and cooking ingredients for nearly 60 years and has been a part of the Fuchs Gruppe since 2017. The product range has evolved from selling spices directly to consumers to supplying all major retailers involved in herbs, spices, and baked goods. Production has been in Bristol since the company's inception. A new, modern headquarter was built there in 2021. Another production facility is in Newbury. Both sites are certified according to the BRCGS Global Food Safety Standard.





Our value creation areas

#### Our sustainability agenda

#### Energy, water, waste

The Bart Ingredients Company obtains 82% of the electricity it requires from green energy. Carbon emissions generated by the company will be further reduced in the years ahead. The installation of a photovoltaic system is currently under review.

#### What we're working on

A reduction in carbon emissions is among the priorities of the sustainability agenda. Aside from Scope 1 and 2, Scope 3 emissions will be recorded end-to-end going forward in order to obtain an important basis for the company's commitment to evidence-based targets. Furthermore, the company has entered into a voluntary undertaking to achieve a 50 percent reduction in food waste by 2030, to equip all products with recyclable packaging by the end of 2025 and to use FSC-certified paper and cardboard by 2025.

Key consumption data for 2022
-------------------------------

	Electricity	2,100,250 kWh
	<ul> <li>of which green electricity</li> </ul>	1,722,902 kWh
	Purchased heat	907,807 kWh
	Water	1,311 m³
	Waste	403 t

For more information, visit:





# **UBENA ALIMENTARI**

#### **RETAIL BUSINESS**

#### Ubena Alimentari SRL

Founded in: 2014

**Headquarters:** Milan

Market segment: Retail

Brand(s): Ubena, Columbia

#### Number of employees: 9

• of whom are female: 5

Last updated in December 2022

#### Who we are

Ubena Alimentari sells spices and food seasoning to the Italian retail sector under the brand name Ubena. The company is headquartered in Milan. With its large selection of products ranging from classic to exotic items, Ubena Alimentari is targeted specifically towards creative hobby cooks looking for new flavours. Ubena Alimentari is the only Fuchs Gruppe company operating purely as a sales company. As such, it does not have its own production or filling operations.



#### Our value creation areas

Agriculture

Support in cultivation and harvesting

Procurement

Processing

Storage and logistics

Transport

Further processing and filling

#### Our sustainability agenda

#### Energy, water, waste

Since Ubena Alimentari sources its products from Fuchs Gruppe companies, the company does not need any resources to manufacture products. Energy and water are only required for administration and distribution.

#### What we're working on

Ubena Alimentari's main sustainability focus is to design packaging to be more sustainable. The share of recyclable plastics used in the production of packaging will be expanded significantly in the years ahead. The Fuchs Gruppe is supporting this endeavour by contributing its expertise and know-how so that they can be converted for local requirements.

#### Key consumption data for 2022\*

Electricity	4,043 kWh
<ul> <li>of which green electricity</li> </ul>	0 kWh
Purchased heat	2,660 kWh
Water	112 m³
Waste	0.288 t

\* Values are estimates of energy and water consumption in the leased office building.

For more information, visit







# RESPONSIBLE SOURCING

Most of the raw goods for our products are cultivated in faraway countries outside Europe which have the climatic conditions required for their farming. Our procurement strategy is complex due to the variety of these raw goods. It is therefore all the more important for us to guarantee the greatest possible transparency in regard to the agricultural products and their origins. After all, the quality of our products is based on the way they are farmed. We therefore believe it is self-evident to treat quality assurance and management as the top priority in our entire value and supply chain.

Among the hallmarks of our complex supply chain is a large number of raw materials from different countries of origin. Aside from the produce we source from our own suppliers, this requires interaction between various types of suppliers and partners, into which this chapter provides some insight. This chapter defines the principal raw materials and supplier types for Fuchs GmbH & Co. KG in order to ensure the greatest possible transparency. In this context, it also outlines our policies regarding human rights and quality assurance and management.

#### Key SDGs in this area:

SDG 4: Quality education

SDG 8: Decent work and economic growth

SDG 10: Reduced inequalities

SDG 13: Climate action

SDG 15: Life on land

# **RAW MATERIALS AND SUPPLIERS**

#### A LOOK AT OUR PROCUREMENT



#### Our 10 main spices

- 1. Pepper
- 2. Paprika
- 3. Onion
- 4. Garlic
- 5. Turmeric
- 6. Cinnamon
- 7. Chilli
- 8. Nutmeg 9. Allspice 10. Cloves

#### Our 9 main herbs

- 1. Parslev 2. Oregano
- 3. Thyme
- 4. Basil
- 5. Rosemary 6. Marjoram
- 7. Dill
- 8. Chives
- 9. Savoury

#### The principal raw materials used by Fuchs GmbH & Co. KG in Germany

The quality of our products hinges on the procurement of premium raw materials, which is therefore a crucial factor in our business model. We procure herbs and spices in particular from various parts of the world. In total, we purchase over **300 different herbs and spices** from around 50 countries on four continents.

We are aware of how complex our supply chain is and that it is predicated on compliance with the strictest requirements concerning sustainable procurement. Therefore, we have been working for years to reduce the existing risks by establishing shorter and more transparent supply chains. This relates to the countries in which our produce are grown, aside from our focus on long-standing partnerships and our own companies in the countries of origin.

Based on the annual purchasing volume by weight and cost, we have defined the ten most important raw materials for spices and the nine\* for herbs - including pepper, paprika, turmeric, cinnamon, parsley and thyme. Taken together, these herbs and spices account for just under 46 percent of the raw materials we purchase.

In addition, there is a third group called ingredients, which includes all foods or substances that are neither herbs nor spices but are combined to produce a particular flavour or dish. These mainly include:

- salts, e.g. sea salt
- sugars, e.g. cane or beet sugar
- starch and starch derivatives
- additives and technological adjuvants, e.g. flavours or release agents
- fats/oils, e.g. vegetable oils

These ingredients account for around **38 percent of our purchase** volume. We source them primarily in the EU.



#### Our main countries of origin

The most important procurement markets for our herbs and spices are **Brazil**, **China**, Cambodia, India and Indonesia. We have subsidiaries in Brazil, China and Cambodia that take charge of purchasing and some of the production on our behalf. The majority of our kitchen herbs are sourced in Germany,

also directly from our subsidiary ESG Kräuter. Poland, Turkey, Egypt and France are other important source countries.

The following diagram provides an integral overview of where our main herbs and spices as described above are obtained. The ingredients are left out at this point, as they are largely sourced in the EU.



<sup>\*</sup> We have consciously decided to limit our choice of herbs to nine raw materials, as the volumes of other raw materials would be too small from a relative perspective to be added to the most important raw materials









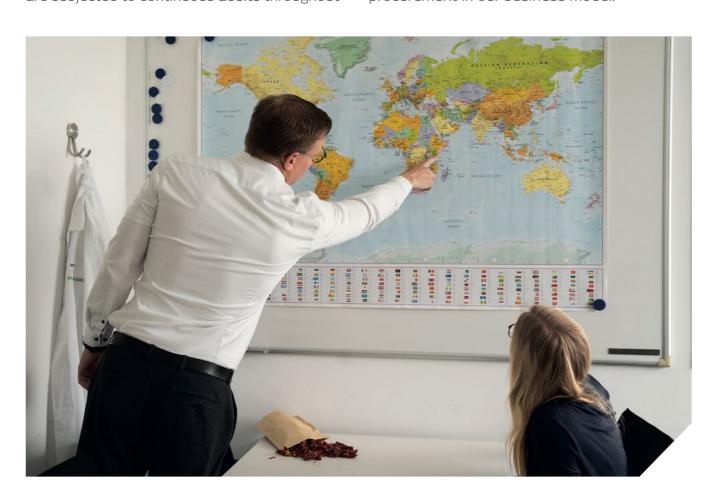


#### Our procurement strategy

We select our suppliers carefully and cooperate with partners who meet the necessary requirements based on our internal risk assessment according to HACCP\* - including, for example, recognised standards issued by the Global Food Safety Initiative. We also require them to sign our Principles of Ethical Sourcing. They define various criteria, including respect for human rights and the assurance of decent working conditions, the preservation of biodiversity and protection of the environment using only approved plant protection products. Supplier assessments are performed regularly based on an ABC analysis. Moreover, our suppliers are subjected to continuous audits throughout

the term of our collaboration. The audits take place either on the ground or in a digital form. They are used to monitor quality and safety. The validity of current certificates is checked in this context and the need for new, additional certifications is discussed.

To integrate sustainability criteria into the audit processes going forward, we will start implementing the International Audit Programme (IAP) in 2023. This enables use of the audits and findings from supplier assessments throughout the international network of the Fuchs Gruppe. Besides improving groupwide coordination, this is intended to underline the significance we ascribe to sustainable procurement in our business model.



#### \* Hazard Analysis and Critical Control Points (HACCP) is a quality tool designed for food production and handling. It has a clear structure and is based on preventative measures. The concept is used to avoid hazards in connection with foods that might cause illness or injury in consumers

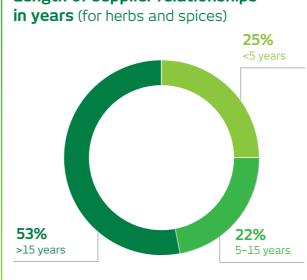
#### Our suppliers

We forge close and trusting relationships with our suppliers, regardless of the point in the supply chain they mainly operate. Our goal in establishing this transparent collaboration is to be able to trace the production of as many of our raw materials as possible back to their growing regions.

# Long-standing collaboration with

Regardless of a supplier's particular function, we focus on long-term relationships and joint improvement of transparency throughout the supply chain and in the quality of raw materials. We have been working with 53 percent of our suppliers for over 15 years. This is a good way to minimise the risk of food fraud and to ensure, together with the testing and monitoring mechanisms outlined above, that we receive high-quality raw materials.

# Length of supplier relationships



#### Responsible sourcing at Bamboo Garden

Our Bamboo Garden brand leads by example in regard to Responsible sourcing: we attach particular importance to decent wages in the sourcing of coconut milk. In addition, we only source certified goods from Sri Lanka and Vietnam to ensure that animals are not used in the harvesting pro-





#### Supplier categories

Our global supply chain involves a multitude of raw materials and is therefore complex and characterised by various channels by which the individual raw materials are sourced. In addition, we rely on at least dual sourcing in order to guarantee our ability to deliver. Our procurement system, for instance, involves

networked coordination between suppliers fulfilling different functions in the supply chain. To ensure that we can report transparently on this and to establish objectives, we have divided our suppliers into defined groups that are assigned to our main sets of raw materials.

#### Our supplier categories

Cultivation: possess their own agricultural land that is used for growing and harvesting

**Contract farming**: support local farmers by providing advice on cultivation and training in proper land use. They buy their produce, pre-process some of it and then resell it

**Collectors:** also source some of their products directly from the field and have their own local site, but are not involved in cultivation and do not provide technical support.

**Processors\*:** purchase raw materials on the market (national and international), check the quality and refine the raw materials prior to resale

**Traders\*:** purchase raw and processed goods on the market, which they resell, but without conducting any further processing and only limited quality inspections in some cases



\* Processors and traders source their produce on the market. The upstream supply chains may vary in length, depending on the source of procurement

We source a large part of our main spices directly from our subsidiaries in Brazil. Cambodia and China, which are important countries of origin for us. This procurement channel enables us to safeguard a responsible supply chain in close coordination with our companies on the ground. We also have contractual partners who process and hold

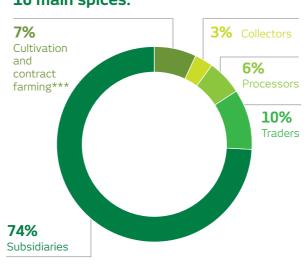
products according to our specifications in order to guarantee supply security. They are described as 'processors' on the previous page. Furthermore, we have also engaged traders from Europe as back-up suppliers in the event of incipient geopolitical disruptions to our supply chain (the corona pandemic, for example).

#### Spices

In 2022, we:

- purchased 74 percent of the main spices from our own subsidiaries in
- purchased over 90 percent of pepper - the largest item in our procurement of raw materials - from our own subsidiaries in Brazil and Cambodia.
- procured main spices like garlic and onion from Fuchs China, our own subsidiary. Like Fuchs Germany, Fuchs China divides suppliers into different categories in order to organise procurement.

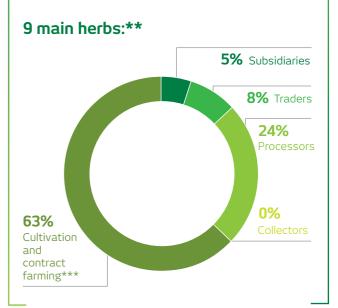
#### 10 main spices:\*\*



#### Herbs

In 2022, we:

- sourced 63 percent of our main herbs from suppliers in the "Cultivation and Contract Farming" category.
- obtained 5 percent from our subsidiary ESG Kräuter, which is also active in contract farming.
- sourced just under 25 percent of our main herbs from countries outside the EU, for instance in Egypt and Turkev.

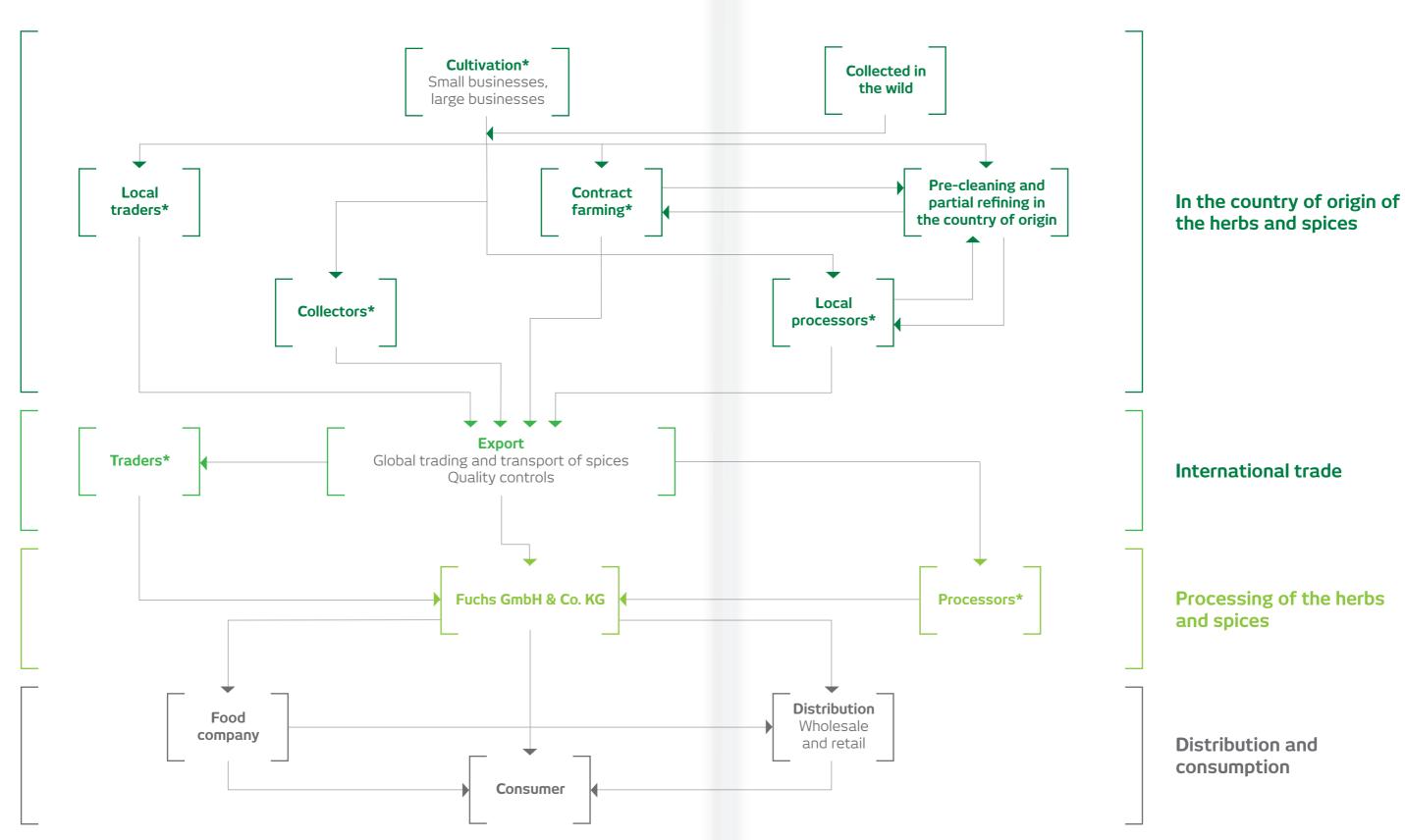


<sup>\*\*</sup> Supplier type relative to the purchased quantity.

\*\*\* The supplier types of "Cultivation" and "Contract Farming" are grouped together as we work with suppliers who are active in both categories.

# VALUE CHAIN FOR HERBS AND SPICES

USING FUCHS GMBH & CO. KG AS AN EXAMPLE



<sup>\*</sup> The supplier categories are defined on the previous page

# RESPECT FOR HUMAN RIGHTS

#### BASIS FOR OUR WORK

#### **Traceability**

The issue of traceability is becoming increasingly relevant in the context of quality, purity and safety in the food industry, so we also

attach considerable importance to knowing exactly where raw materials and ingredients originate. As a rule, we distinguish between two types of traceability.

#### TRACEABILITY METHODS

#### Legal definition

According to legal understanding, traceability means that a food can be traced through all stages of production, processing and distribution within a company. This is ensured, among other things, by knowing and registering at least the immediate upstream supplier and the immediate customer at each stage, and by ensuring batch traceability within the company. Accordingly, our raw materials are 100 percent traceable, which is a basic requirement for BRC (British Retail Consortium) and other forms of certification. BRC certification includes a standard that covers the entire food supply chain and focuses on quality, safety and legality.

#### Farm-to-Fork

The Farm-to-Fork strategy was developed as part of the EU Green Deal. It defines standards that go beyond the legal requirements. The aim is to make the European food system more sustainable in a variety of areas. Among other things, it requires extremely detailed information concerning product origins, for instance the specific farming business and the measures it applies to ensure ecological and social sustainability. Given that our subsidiaries Tropoc, Fuchs Agro (Brazil), Fuchs Cambodia (Cambodia) and ESG Kräuter (Germany) are themselves contract farmers according to our definition (refer to p. 70), they already fulfil many of the defined criteria with regard to the raw materials of pepper and paprika. We are also currently working on obtaining an extended dataset for our products to maximise compliance with the Farm-to-Fork strategy going forward. The complex supply chains and variety of raw materials mean that now every procurement can be in our own hands. We therefore rely on the long-standing and trusting cooperation with our suppliers and partners. At various points, we depend on their cooperation and information, which we review using appropriate methods.

#### **Human rights**

We believe that respect for human rights along the entire supply is a fundamental requirement and a prerequisite for cooperation. We are committed to the UN Guiding Principles on Business and Human Rights and other globally accepted frameworks such as the United Nations Universal Declaration of Human Rights, the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises. To send a clear signal to our employees, suppliers and partners, we published our own policy statement on respect for human rights in 2020. This section mainly reports on human rights issues along the supply chain; related aspects from this compliance aspect can be found in Chapter 1 "The Fuchs Gruppe".

#### Code of conduct for the supply chain

Our direct suppliers must accept and comply with our Principles of Ethical Sourcing, which we revised more strictly in autumn 2022 to reflect changes in the law, external requirements and our own standards. Alternatively, our suppliers may also use their own comparable code, provided that our review confirms it contains equivalent undertakings. 90 percent of our suppliers are committed to observing this kind of code (refer to the diagram). Responses from the other 10 percent are still pending for a variety of reasons (as per March 2023). Furthermore, suppliers are required of course to comply with the specific laws and regulations that apply in their own countries, which include prohibition of child and forced labour, discrimination and corruption, as well as prescribing appropriate measures for occupational safety. Violations of these principles lead to termination of the contractual relationship. The same applies if a supplier refuses to sign these principles without offering a suitable equivalent.



	Suppliers*
Fuchs Code of Conduct (CoC) ** signed	53%
Fuchs CoC signed with acceptable changes	15%
Own CoC presented	22%
Response pending	10%

\* All suppliers involved in direct purchasing (food & packaging) – As per March 2023. \*\* Principle of Ethical Sourcing.

# **ENGAGEMENT IN THE ORIGIN**

#### MAKING A DIFFERENCE

#### INTERNATIONAL

#### Transparency for our customers and partners

Our German sites in Dissen North, South and Melle are SMETA-audited to guarantee full transparency for our customers and partners. At international level, Tropoc and Fuchs China have also completed this auditing process. A SMETA audit is an auditing procedure developed by the Sedex (Supplier Ethical Data Exchange) organisation that reviews compliance with labour rights and health, safety and environmental standards in the supply chain. It is used to rate suppliers and to ensure that they uphold ethical business practices. In addition, we engage EcoVadis, a recognised external auditing body, to obtain an assessment of our sustainability activities. We answer the relevant questionnaire each year and share the scorecard with our customers.



Moreover, we have installed a whistleblower system that can be used to report violations of human rights and applicable law, also anonymously. Reports can be submitted either internally or via our external compliance ombudsman. We investigate all reports. We provide staff training to raise awareness for human rights among our employees and use information material to educate our suppliers and business partners. We also contact our producers directly in the countries of cultivation. At present, we are preparing our processes for the Supply Chain Due Diligence Act, which will apply to us from 1 January 2024.

#### Supply Chain Due Diligence Act

We are taking numerous measures to comply with the requirements of the Supply Chain Due Diligence Act. These include, among other things, the introduction of our code of conduct for suppliers, the Principles of Ethical Sourcing, our whistleblowing system for reporting human rights abuses and our commitment to the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises. From 2025 onwards, the Supply Chain Due Diligence Act will also oblige us at the Fuchs Gruppe to issue public reports that are accessible for customers and partners. We are monitoring the requirements in detail and have assigned clear responsibilities to ensure implementation in good time.

We have already explained in the context of traceability (p. 74) how the countries of origin for our raw materials are becoming increasingly important. It follows, therefore, that we are working continuously to widen our footprint at the start of the supply chain.

#### Our subsidiaries and their sustainable farming methods

We are working to build a strong foundation with the group companies in important countries of origin. Most of them have been implementing these goals for decades and ensure a direct connection to the country of origin. For example, the Brazilian companies Tropoc and Fuchs Agro Brasil, as well as Fuchs Cambodia and ESG Kräuter from Germany, have their own or external cultivation consultants who work directly in the fields and are guided by Good Agricultural Practices (GAP). Moreover, our subsidiaries model their activities on GAP in the areas of basic and further training for farmers.

#### Collaboration with external suppliers

We also ask questions regarding GAP in the procurement process when working with external suppliers. We also request information on how they are involved in environmental and human rights projects. In the future, we will ask more questions about the environment and human rights in the process of auditing external suppliers. The aim in this regard is to be able to make detailed statements about these matters.

Examples from this area are found on the following two pages.

#### **Good Agricultural Practices**

Global GAP create a certification system for agriculture. They differ depending on the product and country of origin. They set out mandatory procedures and associated documentation that are necessary to produce safe and wholesome food for consumers or for further processing based on sustainable methods.

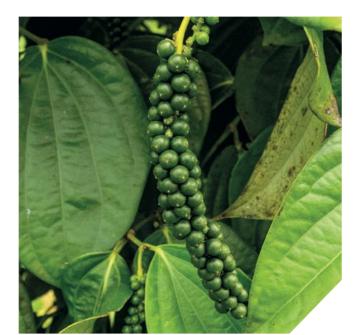


#### Transparency and sustainability at our subsidiary Tropoc

Tropoc, our subsidiary from Castanhal, Brazil, has specialised in working with farmers and buying and trading in black pepper since 1973. A pioneer in the areas of transparency and sustainability, Tropoc implements a variety of measures to strengthen sustainable practices within pepper production in the Pará region. For instance, farmers are given the opportunity to complete basic and further training on cultivation according to the GAPs, on improving occupational safety and on the prohibition of child labour. Tropoc also provides regular social support to the families of employees and entire communities – for example, in the form of school materials and sports equipment, as well as safe and clean drinking water. Effective measures to protect the environment are implemented as well: these include the cooperation between Tropoc and the Embrapa Institute to conduct research into the use of a special plant, namely Gliricidia.

It has a support function in pepper farming, replacing the wooden stakes which are traditionally used in cultivation. This is a highly sustainable farming method that protects woodlands in particular. Introduced in 2023, the "Belém Pepper" logo highlights this commitment as a label for particularly high-quality pepper from Belém, the capital of Pará. It is grown under ideal climate and soil conditions in the Amazon region, hand-picked and then sun-dried to protect the climate. Sun drying protects the environment and prevents pollution caused by burning wood. Satellite monitoring is also used to ensure that agricultural land does not encroach on nature conservation areas. Tropoc's particular farming concept, coupled with its commitment to various social causes, make the pepper very high quality and particularly sustainable.





#### Cooperation: living incomes for turmeric farmers in India

The Pragati project is another example of best practices. It will launch in 2023 and aims to sustain the livelihoods of turmeric farmers. We embarked on this journey in 2022 and developed a concept together with the Nedspice company and the non-governmental organisations Woord & Daad and Job Booster. As a partner, we are working to improve the socioeconomic situation. The aim of the project is to prevent child labour and improve gender equality, but with a primary focus on measures to introduce a living income. Here, the findings of a research phase are used as a basis for downstream implementation. The project is co-financed by the Netherlands Enterprise Agency (RVO) and is scheduled to run for a period of three years.

Going forward, we will seek to collaborate on this kind of project in countries from which we obtain essential raw materials but where we are not represented by subsidiaries involved in contract farming. This will enable us to make an effective contribution to sustainable development in these regions as well.







#### What does living income mean?

Living income is defined as sufficient income to provide all household members with a decent standard of living including a nutritious diet, clean water, adequate housing, education, health care and other health needs, as well as some surplus resources for emergencies and savings - once agricultural costs are covered.

The income gap describes the difference between a household's current income and what it would need for a living income.

Source: https://www.living-income.com/measurement-living-income

# **QUALITY ASSURANCE AND MANAGEMENT**

**FUNDAMENTAL RESPONSIBILITY** 



#### Quality assurance and control

We perform quality testing at each stage of processing. To do so, we analyse goods with a high value risk even before they are collected as bidding and pre-shipment samples. This prevents the unnecessary transport of goods that do not live up to our quality requirements. Our purchasing and quality departments cooperate closely as a result.

We have defined specific quality inspection plans for each additional processing step at our company. These plans build on an individual risk analysis and describe all necessary quality aspects. They are based on the legal requirements and internationally recognised standards such as the ISO standards, the European quality parameters issued by the European Spice Association and the guidelines enshrined in the German Food Code.

Our company laboratories at our sites in Germany and the manufacturing subsidiaries are responsible for this quality assessment. Aside from testing in our own laboratories, we have also worked closely with accredited external laboratories for many years. The goods are not passed on for the next stage of processing until they have successfully passed the tests.

#### PERFORMANCE INDICATORS FOR QUALITY AUDITS **IN GERMANY**



employees in quality control in Germany



21 external accredited laboratories



73,000 microbia analyses per year



38,000 analyses per year



**Ø** 3 authenticity checks for each individual spice



> €3 million in annual expenditure on quality assurance in

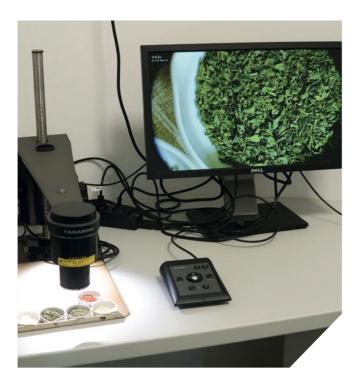
#### **Quality analyses**

A visual and sensory text is first conducted on each raw material and every processed product to ensure authenticity and its characteristic, flawless quality. Moreover, specific physico-chemical and microbial analyses are performed additionally, for instance to determine essential oils, ash, acid-insoluble ash, crude fibre, colour content as well as mycotoxins, plant toxins, pesticides and other contaminants, as well as microorganisms such as the aerobic plate count, yeasts, moulds, enterobacteria and salmonellae. These preventative methods continuously ensure the safety and quality of our products. The documentation system enables traceability of delivered goods back to the supplier at any time. By sourcing unprocessed products and processing them ourselves, we also preserve valuable ingredients and can therefore control and maintain the ideal flavour profile of our products.











#### Food fraud

We have continued to expand our measures to prevent food fraud over the last two years. Among other things, our risk management creates inspection schedules for raw materials and in-house production and evaluates analysis results. This information is used to adjust the inspection schedule where necessary. This division also provides support in all matters relating to food law.

#### Definition of food fraud

The term 'food fraud' has become established to describe intentional adulteration of foodstuffs for the purposes of economic gain. Food fraud is a wilful violation of the law (fraud or deception) designed to deceive buyers and to obtain undue financial or economic advantages. Doing so is in violation of Art. 8 (1) of Regulation (EC) No 178/2002. We take active measures to combat food fraud and have adopted a preventive strategy. We rely on the following measures to detect any falsifications and prevent them from entering the supply chain:

- procurement of raw materials with as little processing as possible,
- awareness and control of the (complex) supply chain,
- internal control processes and close cooperation with specialised laboratories.

#### Certification

Our top priority is to ensure the quality of all processes in our value creation and supply chain. It is therefore only logical that our quality management systems are internationally recognised and certified. We satisfy the GFSI standard IFS Food at our sites in Dissen, Melle and Schönbrunn. We have introduced systematic processes to fulfil the requirements of the German Association Food without Genetic Engineering (VLOG) and the vegetarian and vegan association ProVeg Germany. We have also successfully conducted VLOG certification audits at our production sites in Germany and to obtain the V-Label, the quality mark for vegan and vegetarian products. What is more, many of our products or sites hold specific certifications such as Halal, Kosher, Organic, Fairtrade and RSPO.

Our sites have been certified according to the IFS standard for many years (Schönbrunn even earlier than 2005, Dissen since 2010, Melle since 2019). The sites in Dissen and Melle obtained additional certification according to the BSC standard in 2019 and were followed by Schönbrunn in 2020. BRC certification simplifies access to the UK market and enables improves coordination between us and our subsidiaries such as Bart Ingredients in the areas of raw material sourcing, manufacturing and capacity planning. Recertification according to these standards takes place each year.

















#### **INTERNATIONAL**

# Quality standards in our subsidiaries

We have implemented adequate management systems at our international sites that meet the requirements of the individual countries and are also certified, for example:

- Bart Ingredients: BRC, Bio
- Fuchs China: BRC, IFS, ISO22000
- Fuchs North America: SQF Level 2, Kosher, Halal, Organic
- Fuchs do Brasil: FSSC 22000, Halal
- Épices Fuchs: IFS



# RESPONSIBLE PRODUCTS

Our aspiration and motivation is to use our profound expertise in sensory analysis and product development in outstanding quality to fulfil the wishes of our customers and consumers. Not only is the continuous improvement of our products and technologies a crucial factor in ensuring our long-term economic success, it is also the key to achieving our sustainability goals. Included in them are, of course, the packaging materials that are vital to compliance with food law and hygiene and to protecting the authentic flavour and shelf life.

The following section explains how national products are developed, labelled and packaged for our Business Units Retail and Industry. It also provides some insight into our complaints management and how customer enquiries are processed.

#### Key SDGs in this area:

SDG 8: Decent work and economic growth SDG 12: Responsible consumption and production

# PRODUCT DEVELOPMENT AND SENSORY ANALYSIS

#### SPICE AND FLAVOUR COMPOSITIONS



In Germany alone, 20 colleagues are tasked with creating new spice and flavour compositions day after day for the Business Units Retail and Industry. They do so with passion and extensive knowledge, cooperating with other departments in our own development kitchens.

The procedures and projects differ, depending on the business unit in question. While the BU Industry develops and produces bespoke products for further processing, the BU Retail focuses on products for the end consumer.

# Product development in the BU Industry

Product development in the BU Industry deals exclusively with the demands the individual customers place on the flavours and technology. These requirements must be fulfilled – or exceeded. Strategic development is another relevant area. It is where ideas for new products are created, along with procedures and technologies for optimised outcomes and the continuous evolution of our portfolio.

#### Gently roasted spices

For our industrial customers, we are a major supplier of an extensive range of roasted spices. Production is based on a unique process (FireFox®) that delivers crucial advantages:

- 100 percent natural
- Natural alternative to roasting and caramel flavours
- Intense, homogeneous brown colouring and roasting
- Low microbial load

Collaborative research on slaughter-free meat

Our BU Industry engaged in a basic research project to support the food-tech start-up Alife Foods in developing a formula for cutlets made from genuine meat that does not require an animal to be slaughtered. What sets Alife Foods apart from the current range of cultured meats is that no mother cows and foetuses will have to be slaughtered going forward to obtain the serum. Instead, the cells are extracted by a veterinary surgeon and then grow on a purely plant-based culture medium.

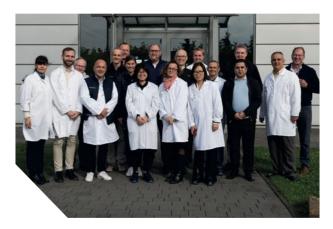


A panel discussion with international experts on the topic of meat was held in Dissen in 2022. Developers, sales managers and the managing directors from our industrial sites in China, Brazil, the USA and France gathered at the venue to learn from each other. In total, 37 meat products and vegan alternatives were jointly manufactured in the Technical Centre and then sampled during tasting sessions.



05

Responsible products







# Product development in the BU Retail

Product development in the BU Retail routinely focuses on new recipes for consumers. A steady stream of new flavours and/or improved recipes are produced here. Work focuses on the development of new spice blends in particular. New products are created together with our brand managers. They analyse trends and market movements and use the findings to prepare new product ideas and concepts.

	Number of recipes
Number of recipes* developed annually	around 1,400
New recipes in 2021	110
New recipes in 2022	152

Not all recipes were ultimately produced.

Sustainable business is built to a large extend on the continuous improvement of our portfolio, products and technologies. The use of natural ingredients is highly significant in this regard. This is firstly the standard we aspire to uphold and secondly an accurate representation of what our customers expert, as they attach considerable importance to buying natural products.

For instance, we do not use flavourings, fillers or flavour enhancers in our spice brands (Ostmann since 2018, Fuchs since 2020).

# Spotlight on quality: Product development and sensory analysis in the Fuchs Gourmet Selection

- Coordinated compositions, authentic flavours and coarser, more homogeneous granulation due to sophisticated optimisation in our sensory laboratory
- Significant reduction in salt content
- Only sea salt
- 100 percent natural ingredients
- Special raw ingredients like habanero chilli, roast garlic or hazelnuts



It goes without saying that the Ostmann gingerbread blend would not be complete without a hint of lemon and orange. Ostmann does without flavourings and instead uses natural lemon and orange powder. The whole fruit is juiced to obtain the powder. The next step involves mixing the pulp and peel. The powder producer is based in Madrid and sources only regional goods.



All current recipes at Escoffier were analysed and optimised in 2021 and 2022. We do not use flavour enhancers, colourings or palm fat in our stocks and seasoning pastes that are produced exclusively in Dissen. All vegetable varieties are also vegan.







Hedonic tests	Discrimina- tion tests	Descriptive sensory analysis
Acceptance/ preference tests	including tetrad tests/ triangle tests	Descriptive sensory analysis
Untrained staff	Trained or untrained staff (depending on the objective)	Trained staff
Consumer acceptance/ preference with new products	Sensory comparison of two products	Description of the appearance, smell, taste and con- sistency to define specifications and to give the product a sensory profile
BU Retail priority	BU Industry priority	Overarching

#### Sensory analysis

Our in-house sensory analysis supports the process of successful product development.

- Qualified sensory manager Sensory lab (equipped according to DIN EN ISO 8589)
- One weekly tasting session on average
- Performance of the tasting sessions using Compusense20 software (on iPads)

A variety of test procedures are used, depending on the assignment from product development (refer to the table on the left).

We love what we do: A quarter of our colleagues in Dissen regularly take part in the tasting sessions. We conduct the testing using two separate panels comprising trained and untrained staff. Our expert panel consists of about 40 people. They are qualified according to DIN EN ISO 8586 and receive sensory training every six to eight weeks.

#### International expertise

Our product development benefits from an internal network of international experts. This enables more intense discussions of trends and know how.

Regular sensory tests are also conducted at our international sites. For instance, 51 tests were performed in the USA during 2021 and 65 in 2022.

# Interdepartmental collaboration for shared success

Our employees posses profound expertise in the areas of spices and food technologies. Among them are four qualified spice sommeliers assigned to different departments (product development, purchasing, sales and marketing). Three others are currently being trained for the areas of product development and sensory analysis.

#### From the brainchild to the finished product

Before our customers hold the finished products in their hands, they first complete a multi-stage process in which product development, sensory analysis, marketing, sales, purchasing, regulatory services and production work hand in hand to create an optimum flavour experience. Doing so enables us to continuously improve our recipes and develop product innovations. Once development and manufacturing are complete, the next step is to launch the product. Product complexity differs greatly, but a simplified illustration of the development process is shown at the bottom of the page.

# Ohmic heating: Technology is the key to quality and sustainability

The method of ohmic heating is based on using the electric resistance of a particular food to warm it up. In this process, electricity is passed through the product to heat it up (instead of a gas flame) just seconds before filling. This ensures that almost all the effective energy flows into the product and can be used more efficiently than when heating and generating steam. Furthermore, ohmic heating guarantees that the sensory properties defined in the development process can be reproduced in consistently high quality in our products.



#### **Product development process**

kick-off meeting brainstorming

recipe/ product development

initial tasting in the project team

sensory analysis further development preparation of the specification

preparation of the calculation

product launch and sensory description

market launch

Responsible products

## **LABELLING**

#### AN EYE FOR DETAIL

#### Specification the product profile:

- product designation
- sales name
- package size
- ingredients
- allergens
- nutritional values
- use/dosage
- minimum shelf life

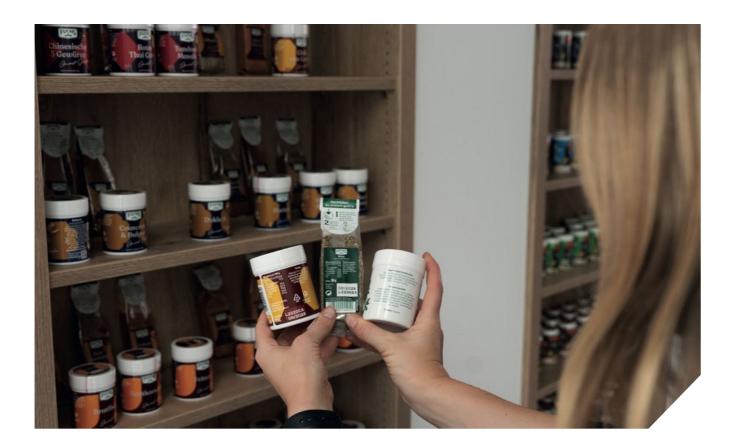
Fuchs Gruppe products are labelled to comply with the legal requirements. This is based on the specifications, which are prepared collaboratively by regulatory services and product development for each individual product according to the dual control principle. Within BU Retail, the specification is used directly to design the label for the finished product. In contrast, the specification is used by our BU Industry customers to correctly declare their processed end products. Specifications also include specific agreements with customers, for example substantial properties, the Nutri-Score, nutritional information or information on certifications such as organic, V-Label etc.

#### Labelling adjustments:

2021: 3

These are regulatory complaints, for instance to adjust the nutritional values shown on the packaging.

2022: 2



#### Advertising measures

Our advertising measures are conceived and designed in compliance with applicable law as well as ethical and cultural standards. In doing so, our communication is honest and transparent at all times. There were no official complaints in this regard in 2021 and 2022. It goes without saying that we refrain from sexist, discriminatory, political, pornographic, and extremist advertising and from messages that glorify violence.

#### Correct disposal at Ostmann

Starting in 2023, we have been using a multi-vendor symbol for waste separation since the packaging relaunch of our Ostmann brand. This is intended to assist our customers in separating the waste correctly.



Learn more about correct disposal at:



#### BioWagner: certified organic products

Our BioWagner products have been awarded the EU organic label for organic food. Use of this label is only permitted if the organic farming methods have already been verified by the competent inspection body according to EU legislation. We also use the German Bio-Siegel (organic label) to provide guidance to consumers.

Each product is registered with the Informationsstelle für Biosiegel, the information office for organic seals, before being placed on the market.



# **CUSTOMER ENQUIRIES AND COMPLAINTS**

#### CONSTANT COMMUNICATION



Customer enquiries

As a food manufacturer, we are aware of the responsibility we bear towards our customers and take each of their enquiries very seriously. All enquiries we receive from our customers concerning products, logistics, quality and food law in BU Industry are answered professionally and quickly by 14 colleagues from the customer service and regulatory service teams. Responses to over 2,000 customer enquiries were provided in 2020 and 2021. Implementation of customer requirements initiates a continuous improvement process as well.

Our customer service is the first port of call for our BU Retail consumers. Consumers wishing to communicate concerns about our brands can contact our four colleagues quickly and easily on various communication channels such as telephone, email or on our social media channels. On average, they received 38 daily contacts\* in 2021 and 31 in 2022.

#### **Complaints**

Root cause analysis is performed at the start of every complaint process to determine potential errors. Quality management then initiates and implements quality assurance measures. Quality management and customer service work hand in hand in this regard. Regardless of their cause, all complaints are processed with the same priority and then classified in order to take the necessary corrective action. A distinction is made between damage that is caused internally and externally in this regard. Methods to document and process complaints are upgraded continuously.

# Complaint Quality report Root cause analysis Quality assurance

measures

# **OUR PACKAGING**

#### PROTECTING OUR PRODUCTS

Ensuring food safety and hygiene as well as the protection and shelf life of our products are priority topics for us. Our packaging is of particular significance here, as it preserves the product attributes that are essential to quality. We therefore place strict demands on packaging materials that shape the development of alternative packaging concepts. For instance, natural fabrics are permeable to air, which may prevent the preservation of fla-

One of our departments works closely with suppliers to continue upgrading our packaging. They are focusing increasingly on sustainable packaging solutions and offer advice to our subsidiaries as well.

Current projects:

- cardboard/pulp that can be disposed of with waste paper will potentially become a packaging material thanks to more recent developments (test phase).
- reusable packaging/deposit system together with partners and customers (testing in the early stages)
- use of spice cans made of from recycled PET (test)

#### Recyclability of our packaging

Our products are placed in disposable packaging. It can be divided into recyclable and non-recyclable. Matching refill bags mean that our decorative boxes (Fuchs) and Primastreuer shakers (Ostmann) can be used multiple times. However, in the absence of a deposit system, these forms of packaging are also classified as disposable according to the Federal Environment Agency definition. We can already offer reusable containers\* for certain products from our BU Industry.

#### INTERNATIONAL

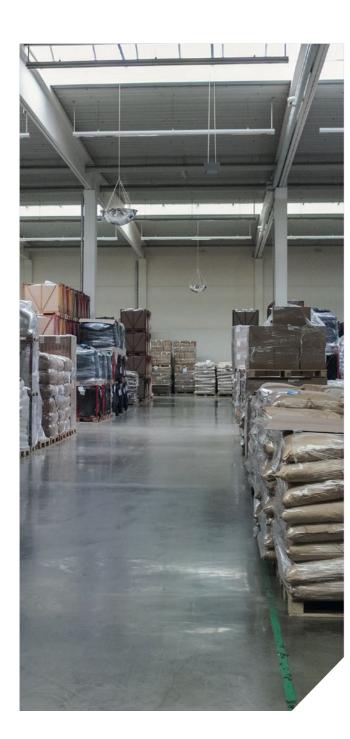
#### Épices Fuchs spices for supermarket refills

Épices Fuchs prepared a proprietary concept in early 2021, which enables customers to refill their own herbs and spices in supermarkets.

The concept and associated technology have been continuously upgraded ever since and now meet the most modern requirements for sealing, optimised storage and spice preservation. The filling mechanism enables precise dosing, ensures the shelf of the herbs and keeps them fresh. This means that customers can replenish the amount of spices they require into reusable jars, buy precisely what they need and help reduce food waste and superfluous packaging.

Furthermore, only wood from sustainable forestry is used to manufacture the racks. Available in various sizes, they also fit the spice racks that are currently available in the markets.





#### Packaging in BU Industry

The packaging used for customers in our industrial business must be one thing before anything else, namely purposeful. Protecting the product is paramount in this regard. In addition, while the appearance of the packaging is secondary, all important information for further processing must be easily locatable.

Over 60 percent of packaging used by BU Industry is recyclable. In addition, we can offer customers reusable and disposable packaging, depending on the product.

- Reusable: big bags, steel containers, plastic crates
- Disposable: monoplastic bags (for example buckets), composite plastic bags, cardboard boxes

Work on improving resource efficiency and the packaging process is continuing all the time. Taken together, many minor improvements can make a significant impact:

- optimisation of the pallet stacking plans helps to save paper.
- various measures to reduce packaging materials, including the gradual phasing out of disposable boxes
- reusable steel containers for liquid products with a filling quantity of over 25 kg are returned to us as part of a recycling process.
- reduction in complexity across all packaging areas, for example by means of our inhouse label print shop or our own injection moulding department for the production of plastic containers (transport efficiency)

#### Packaging in BU Retail

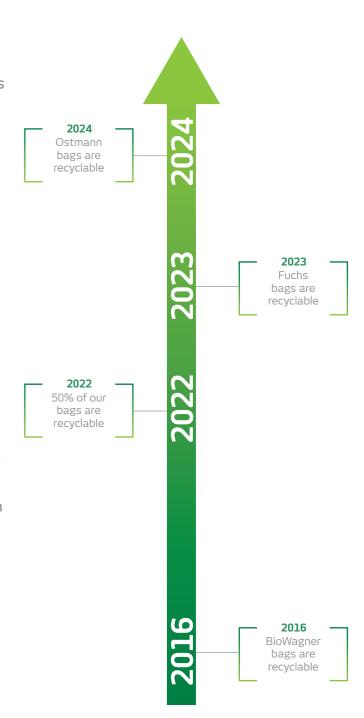
The packaging we use in our retail business is designed to reflect its use by the various target audiences: Bags, cans, jars or tubes are used, depending on the product properties. The size and appearance as well as instructions for use and storage are tailored to the needs of consumers and professional users (food service). Furthermore, another relevant factor for all customer groups is to minimise waste accumulation and disposal and maximise recyclability.

68 percent of packaging from the retail sector is recyclable. Our packaging development team is working to increase specifically this quota while continuing to ensure optimised protection for our products. The focus is currently on refill bags. BioWagner bags have been recyclable since 2016. The next step will be to make the refill bags from Fuchs and Ostmann recyclable as well.

Today already, we offer a variety of containers for multiple use and refills, including:

- refillable spice mills with high-quality ceramic grinding mechanism by the Ostmann and BioWagner brands; there are plans to introduce them in the Fuchs brand going forward as well
- the Fuchs decorative box, which was developed with matching refill bags as early as 1976

Our plastic cans and lids for food retail are largely manufactured in our filling plant at the Schönbrunn site. Doing so eliminates a significant logistical effort, as we do not have to source these cans externally.





# RESPONSIBLE COMMUNITY & WORKPLACE

People are at the heart of our success! We want to be an attractive employer for our employees, one that offers them a working environment in which they can fully develop their skills, potential and motivation to work and acquire further qualifications, while at the same time protecting and promoting their health. As an international company operating in the food industry, our concern extends far beyond our own workforce. We also wish to take responsibility for the people around the world whose work contributes to the creation of our products.

This chapter focuses on the Fuchs Gruppe as an employer. It outlines the measures we take to recruit staff, inspire their loyalty as well as our activities in the areas of health management and occupational safety. Our HR processes are largely arranged around a decentralised structure, so the following statements refer to our sites in Dissen, Melle and Schönbrunn.

Moreover, the commitment shown by the Dieter Fuchs Stiftung as the largest indirect shareholder as well as the companies at our national and international sites demonstrates the social responsibility we accept even beyond our role as an employer.

#### Key SDGs in this area:

SDG 4: Quality education

SDG 8: Decent work and economic growth

SDG 10: Reduced inequalities

## **EMPLOYEE RETENTION**

#### THE FUCHS GRUPPE AS AN EMPLOYER

#### As diverse as our spices – Statement on equal opportunities

What we stand for? For good taste – and its inevitable diversity. The people working on our team are as diverse as our products. We draw on the widest varieties of personalities to assemble a strong team in which everyone is encouraged to contribute their strengths in the pursuit of getting better together. Everyone is treated with respect in our company regardless of their origins, ideology or religion, sexual orientation, age or gender. We are proud that people from many different nations work together as colleagues in our establishments. 30 different nationalities are represented at our sites in Dissen, Melle and Schönbrunn. 80 percent of our employees are German. The proportion of severely disabled colleagues is stable at just under 4 percent (2020: 3.8 percent; 2021: 3.5 percent; 2022: 3.9 percent).

We bring the joy of food to life! The Fuchs Gruppe is synonymous with the joy of good taste. And this builds on our cohesion, on personal communication and on our shared commitment to developing ideas. We offer our employees opportunities to promote this communication and working conditions in which they can fully develop their potential. Even as an international employer with a broad structure, the Fuchs Gruppe still maintains a special bond with its national sites in Dissen, Melle and Schönbrunn, as they represent the roots of the corporate group.

#### At a glance: our colleagues

<b>Sites in</b> Dissen, Melle, Schönbrunn	20	20	20	21	20	_ )22
Men (m)/ women (w)	m	W	m	W	m	W
	58%	42%	58%	42%	58%	42%
Total*	1,6	92	1,7	'39	1,6	36
Employees in management positions	12	23	14	47	14	19

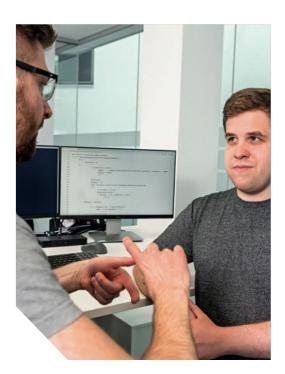
<sup>\*</sup> All full and part-time employees on permanent contracts at our sites in Dissen, Melle and

#### Long-term service

As the Fuchs Gruppe, we will remain dependent on attracting qualified employees to work for us in the future, especially in view of the shortage of skilled workers. We take targeted action to counter the shortage of skilled workers inspiring long-term lovalty in our workforce, as evidenced by the average length of service and the high number of colleagues returning from parental leave, which remain consistently stable: we stand for security and stability and are the employer that you need. We have been a member of the Familienbündnis Osnabrück (family alliance) since 2021.

Sites in Dissen, Melle, Schönbrunn	2020	2021	2022
Average years of service	12.4 years	11.7 years	12.1 years
Departure on parental leave	40	68	58
Return from parental leave	27	67	49

#### **FAMILIEN FREUNDLICHE ARBEITGEBER OSNABRÜCK**



#### Targeted support

We believe in the self-evidence of rising to current challenges as a team: we demonstrated this commitment by introducing numerous measures during the Covid-19 pandemic, including regular company vaccination campaigns (June 2020 to August 2022) or services to support mental health and the expansion of options to work from

Moreover, we support our colleagues in relation to rising prices and almost fully utilise the possible framework for inflation compensation over the year 2023. We also offer individual support to those facing financial hardships.



#### INTERNATIONAL

# Fuchs North America – a familial environment

Our North American subsidiary organises various events, get-togethers and celebrations to foster a positive working atmosphere and to create an environment in which employees enjoy going to work. In doing so, the company values the loyalty of its employees, which it also recognises by holding retirement parties for departing colleagues.

# Feedback as an integral part of the corporate culture

Clear communication and performance reviews are integral parts of our corporate culture. This is expressed, for instance, in the frank discussions between management and the works council or in the dialogue between supervisors and employees. Regular and open communication takes place at all levels. Our management's door is also open to our colleagues at all times. We identify opportunities to develop together, for instance through:

- annual performance reviews (on a digital platform since 2022, including anonymous feedback to supervisors)
- personal performance reviews at the end of the probationary period
- feedback questionnaires at the end of a course

#### Interdepartmental communication

Our corporate culture is collaborative by nature. We foster a culture that promotes communication at every level and organise various campaigns to promote interdepartmental cohesion and regular information:

- annual Christmas parties in Dissen and Schönbrunn
- management forum in Dissen and Schönbrunn to provide regular insight into projects and the company's economic position; also offered digitally for the sales force
- spice courses organised by our research and development department
- weekly after-work workout

#### Courses and further training

We cultivate an environment of shared success and organise continuous professional development opportunities to enable our employees to fulfil their potential and perform their duties efficiently and sustainably:

- detailed training catalogue (with compulsory training and skills courses)
   since 2017 updated annually to reflect departmental needs
- skills courses that our employees can select as needed according to individual preferences
- specific further training (for individuals and entire departments)
- targeted staff development with development plans, training, seminars and job shadowing as well as inspiration through the provision of suitable technical literature
- planned for 2024: holistic learning management with a proprietary learning platform

We are constantly expanding our curriculum. Our courses draw on internal expertise wherever possible. Teaching is provided by in-house trainers whose work at our company makes them experts in the particular field. The dataset changed from 2020 to 2021, which means that the 2020 figures are not comparable at this point.



<b>Sites in</b> Dissen, Melle, Schönbrunn	2021	2022
Courses in total	1,074	1,109
Courses held by staff members	819	749
Total course attendance*	10,119	9,616

\* Values refer to all courses (incl. compulsory training) at our sites in Dissen, Melle and Schönbrunn and not to individuals; employees who attended multiple courses are included each time in the attendance statistics.



# FECHIORING

# Sites in<br/>Dissen, Melle,<br/>Schönbrunn20212022Submissions1216Prize-winning<br/>ideas33

# Regional ingredients and demand-based preparation

Our canteen in Dissen (South) serves meals that are freshly prepared every day and are subsidised by the Fuchs Gruppe as an employer. The kitchen team pays particular attention to selecting the right ingredients. If at all possible, we use products from regional suppliers who adhere to shared values in the creation of their products. We also pay attention to seasonal availabilities in preparing the menus.

Demand-based and sustainable preparation keeps food waste to a minimum. Any remaining leftovers are chilled professionally and reused the next day – provided they have not already been placed in the serving trays. For instance, leftover pasta can easily be used to make a delicious salad a day later. All other food that remains is recycled by a disposal service provider and converted into environmentally friendly energy.

#### Idea management

Our idea management system is specifically designed to encourage our staff to submit ideas on our workflows and working environment. Every employee is invited to submit ideas – either with their names or anonymously – which are evaluated and rewarded based on defined criteria. Prizes have been awarded to three ideas over the last three years.

Our sustainability management has placed a strong focus on energy efficiency and renewable sources for many years. Here, also, our idea management system actively includes the workforce.

#### LEAN team

Sustainable and continuous improvement of production processes – the LEAN team is committed to this goal, working hand in hand with the employees on site. The team is behind a large number of measures that are intended, for instance, to reduce disruption, travel times and rejects, as well as to ensure we do not ask too much of our staff or make inadequate use of our production facilities.

# **EMPLOYEE RECRUITMENT**

#### **INSPIRING FRESH TALENT**

We make deliberate efforts to increase our attractiveness as an employer in order to recruit fresh talent. In total, we recruited 293 new colleagues in 2021 and 187 in 2022.

#### Colleagues as influencers

When it comes to inspiring skilled workers to join our company, we rely on the most authentic and important influencers we have: our colleagues. After all, good employees know other good employees! With this in mind, we increased our employees-recruit-employees bonus from €500 to €700 in January 2023.

Our careers page and job advertisements feature professional photographs that shine a spotlight on our staff to convey some authentic glimpses into our company and at the same time promote their identification with us as an employer. The careers page also provides insights into our departments and leading figures. Going forward, we will seek to encourage and enable our colleagues to report more about their daily work on Linkedln.

#### Rooted in the region

As a regional company, we feel a special bond to the areas in which our sites are located. We therefore attend job fairs and visit schools and universities in order to connect with the people living in these regions and to recruit potential employees and young talents.

#### Online recruiting

In our search for fresh talent, we are increasingly focusing on digital channels to address potential applicants who are merely sifting the market for new job opportunities. As part of these efforts, we modernised our job advertisements in 2022, added content and are now increasingly expanding our use of job portals like Indeed and LinkedIn. These measures are accompanied by digital campaigns.





**QUALIFICATION AND TRAINEE** 

#### Qualification programme

We are investing continuously in training our junior staff and provide apprenticeships in 13 professions and two dual-curriculum degree courses. In order to meet our needs, we are putting efforts into marketing our apprenticeships and now rely more on personal contact such as visits to trade fairs or schools in the region or opportunities to get to know the Fuchs Gruppe as part of an internship. We cooperate with regional schools in Dissen, Schönbrunn and the surrounding areas and offer their students job application training, internships and tours of our company.

Our apprenticeship professions:

#### Technical:

- industrial mechanic for machine and plant engineering or maintenance (m/f/o)
- · electronics technician for operating technology (m/f/o)
- mechatronic engineer (m/f/o)
- tool mechanic for mould technology (m/f/o)

#### Commercial:

- industrial clerk (m/f/o)
- dual-curriculum degree course in business management (B.A.) with integrated apprenticeship as an industrial clerk (m/f/o)

#### Trade:

- specialist for food technology
- process technologist for the milling and grain industry
- machine and systems operator food production (m/f/o)
- specialist for warehouse logistics (m/f/o)
- warehouse clerk (m/f/o)

- IT specialist for application development or system integration (m/f/o)
- dual-curriculum degree course in business informatics (B.Sc.) with integrated apprenticeship as an IT specialist for application development (m/f/o)

We train young people to meet our own requirements and can offer good prospects for a permanent contract. For instance, we offered permanent positions to all apprentices from Dissen and Schönbrunn in the last graduating class who expressed interest in working for our company. The trend since 2020 indicates that we have offered more and more apprentices a permanent position.

<b>Sites in</b> Dissen, Melle, Schönbrunn	2020	2021	2022
Total number of apprentices	72	66	58
Apprentice quota	4.3%	3.8%	3.6%
Percentage ac- cepted on perma- nent contracts	68.4% with 19 graduates	82.8% with 29 graduates	88.2% with 17 graduates

#### **Traineeship**

The Business Unit Retail has organised a trainee programme since October 2022. Lasting 20 months (including a period at Bart Ingredients, UK), graduates get to know our product portfolio from start to finish and are familiarised with the associated processes within a practical setting. Also included in the programme are a collaborative project, seminars and courses, performance reviews and development meetings, as well as formats for networking.

We will continue to expand the programme in 2023 and offer our traineeship in other departments such as finance and SCM/procurement.

Number of traineeships in 2022: 3

#### Herb and spice garden

During their training, our fresh talents also learn to take responsibility, for example by organising and managing sales to staff members or by tending a herb garden at the Dissen site. Our herb and spice garden gives all employees at the Fuchs Gruppe the opportunity to become more familiar with our wide variety of herbs and spices.



## **OCCUPATIONAL SAFETY**

#### SAFETY-FIRST CULTURE

Health is our greatest asset. Our occupational safety concept is therefore built around preventing work-related hazards, avoiding working methods that may damage a person's health and reducing harmful influences. Equally, it is our goal, together with health management, to provide information and promote healthy living.

#### Specialist for occupational safety

Meeting every quarter, our occupational safety committee reviews and improves the effectiveness of our occupational safety concept. Our occupational safety specialist is an important figure in this respect. Their tasks include preparing, designing and maintaining work systems that are safe, healthy and humane, as well as continuously improving the safety and health of employees. The specialist identifies, analyses, monitors and documents work-related accidents and health hazards. This knowledge is then used to advise and support the Fuchs Gruppe as an employer in all matters relating to occupational health and safety. We employ an internal specialist for occupational safety at our sites in Dissen and Melle, and an external consultant at our Schönbrunn site. We also train specialists for occupational safety internally.

#### Safety officers and company doctor

The occupational safety specialist receives support from the safety officer and the company doctor. The safety officers have received suitable training and help to raise awareness in their own departments. Our employees are also invited to attend weekly clinics with the company doctor, where they can address any individual workplace-related concerns.

#### Courses

We believe that establishing a 'Safety-first culture' and constantly raising awareness are vital contributors to our success. To this end, our occupational safety specialist provides annual training to admin employees as part of a compulsory course. Our colleagues in production and sales force are trained by their supervisors.

# Reportable accidents at work and while commuting

The 1,000-person quota fell from 2020 to 2021. The low level was also maintained in 2022. An increased awareness for safety issues is reflected in this positive trend. A focus is placed on a wide variety of issues, especially through the work of the occupational safety committee. Employees are also actively involved in the design of occupational health and safety. The work of the internal occupational safety specialist means that matters relating to safety can be addressed directly and communicated to the right persons in a structured manner.

_	2020	2021	2022
Total reportable accidents*	65	56	53
Average days of absence after a reportable accident	17.3	25.8	26.4
1,000-person quota**	38.4	32.2	32.4

<sup>\*</sup>Reportable accidents at work and while commuting.
\*\* Relative accident frequency per 1,000 employees.

Most frequent injury types in the total reportable accidents:

- 2021: bruises, crushing, cuts
- 2022: cuts, contusions

#### Our goals

Our occupational safety measures are mainly designed to be preventative: we want to take action before something happens! We promote safety awareness among our employees so that unsafe conditions, behaviour and near misses are identified and reported. By doing so, we recognise potential accident hazards and can take suitable action in good time. We also define workplace ergonomics as a central issue, which we are continuously improving. In the long term, we will introduce a safety management system designed for the continuous development of our current occupational safety.

#### **Projects in 2021/2022**

Easing physical strain and improving workplace ergonomics in production, for example:

- crane runway for green pepper
- vacuum lifter (dry filling and mill)
- automatic in-feed and discharge as well as loading of the autoclave trolleys

Enhanced safety, for example:

• sluice railings in the wet production area

Raising staff awareness

 eight-hour safety awareness training with an external partner for our supervisors in production

We participated in the employers' liability insurance association bonus programme for the first time in 2022 and, by passing, received funds to continue developing occupational safety matters. Our focus in 2023 will be on preventing injuries caused by cuts. We also want to optimise machine safety in our workshops and proceed with expanding our safety awareness training.

#### - INTERNATIONAL -

#### Theme week at Fuchs Gewürze do Brasil

Once a year, everything at Fuchs Gewürze do Brasil is focused on aspects of 'accident prevention and the environment'.

During the theme week, all employees attend talks discussing how to prevent workplace accidents, workplace mobility and many other topics.



## **HEALTH MANAGEMENT**

#### FOR OUR HEALTH

#### **Permanent** programmes:

- bicycle leasing
- weekly after-work work-
- digital workouts (available in the Wiki knowledge database)
- talks on health matters

The overarching goal of our health management is to maintain and improve the health of our employees and to optimise ways of meeting their needs. A steering committee at the Dissen and Schönbrunn sites is responsible for upgrading our health management system. It consists of employees from different departments, our occupational safety specialist and the works council.

Focus issues in 2022 (with Dissen as an example):

- ergonomics
- fitness
- healthy sleep
- stress management

The health insurance company Barmer assist us in the design and implementation of the individual measures at the Dissen site as part of a partnership.





#### **Ergonomics**

Whether it's in the area of administration or production - everyday work routines often involve one-sided strain that frequently affects the back. This was confirmed in a survey conducted by corporate health management in 2022. Its findings were used to extract measures to support our employees in this area. For example, back screening with an orthopaedic surgeon was organised at the Dissen site in cooperation with the Barmer health insurance company. This involved assessing physical stability and psychosomatic stress factors, among other things. The 'Correct Lifting and Carrying' workshop was also used to teach colleagues from production important techniques in coping with physically demanding activities and to provide practical examples and exercises for how to ensure healthy workflows.

#### Mobility by bike

We want to support our colleagues in making their working days more active and, at the same time, cutting emissions. This is why we have introduced a variety of offers and measures to promote cycling and other things. Bike leasing is an integral part of our health management. We cooperate with a leasing provider in this programme, which is designed to enable our employees to purchase a bike at low cost.

#### Cycling drive in Dissen

A cycling drive was held in 2022 to draw even more attention to the issue. The bicycle-themed raffle was a final flourish in a varied programme consisting of a bicycle simulator, a safety check for employee bicycles as well as the opportunity to test ride new models and find out about bicycle leasing. Overall, the event gave our colleagues the opportunity to learn more and share ideas in a relaxed atmosphere during work hours.



World boxing champion Ina Menzer gave our staff some personal insights into her life's journey – including how to cope with ups and downs on the career ladder, overcome defeats and find new motivation. After all, mental fortitude and the motivation it inspires are a solid foundation for a successful career as well. At the end of the seminar, there was time for the attendees to step into the ring for a training session and work up a sweat in the bright sunshine!







## **SOCIAL RESPONSIBILITY**

#### FOR SOCIETY

#### The Dieter Fuchs Stiftung

The largest shareholder in the Fuchs Gruppe is the Dieter Fuchs Stiftung, which was established in 2002 by the company founder Dieter Fuchs and exclusively pursues charitable purposes. The use of disbursements from the company and the stability of the foundation structure lend special security to the Fuchs Gruppe and issue a clear mandate to fulfil our social responsibility.

The foundation's purpose is to promote science, education, upbringing, art and culture. In the field of science, the foundation mainly supports projects in the areas of economics, political sciences, social sciences as well as food and agricultural sciences. The foundation's focus in the area of education is on engineering, crafts, food technology, agribusiness, economics, political and social sciences, and food and agricultural sciences. The foundation promotes upbringing, art and culture, in particular by developing and supporting local, regional and supra-regional projects around the Dissen site and other German sites within the Fuchs Gruppe.

Acting in line with the foundation's purpose, the Dieter Fuchs Stiftung funds projects in the implementation of, for example:

- research and teaching
- events
- basic and further training, especially for voung people
- awards, scholarships
- publication of insights obtained and of artistic and cultural achievements
- integrative measures and projects to promote education and upbringing that seek to engender cosmopolitan attitudes

The foundation espouses the values and example set by its patriarch Dieter Fuchs. The entrepreneur established the foundation more than 20 years ago with the aim of giving something back to the people in the Osnabrück region. This applies all the more to his home town and the places where the Fuchs Gruppe is active. Another aim was to keep the company headquarters in Dissen in the long

The foundation has a Board of Directors and a Board of Trustees comprising five members.

#### The Fuchs Gruppe

We see ourselves as part of society. It follows, therefore, that we feel an obligation to promote its positive development. This is why we are involved in social projects at all of our sites in Germany and abroad. The Fuchs Gruppe Germany and its international subsidiaries are responsible for selecting and implementing these projects. They are in the best position to assess the needs and progress of the projects we support. Selected examples emphasise the sheer variety of our international commitment.



#### Tropoc, Brazil

Support for educational institutions has a rich tradition at Tropoc. School projects and education drives are regularly promoted in the regions in which the company is active. This includes, for example, sponsoring uniforms and school materials, music and instruments, along with sports equipment and a girls' football team.



#### Épices Fuchs, France

Our subsidiary Épices Fuchs has been sponsoring a sports team comprising persons with intellectual disabilities since 2020. The team demonstrates impressively how strong will can lead to success. It has already won several climbing competitions and other awards.



#### Fuchs Condimente Romania

Humanitarian assistance is an important concern, in addition to promoting culture and education. One of the measures in this area involved converting the food truck which is actually used for marketing purposes - to provide meals to refugees fleeing the outbreak of war in Ukraine.



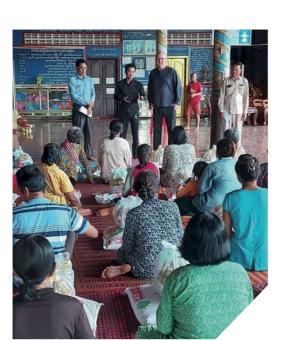


To learn more about the Dieter Fuchs Stiftung, visit:



#### Fuchs, Germany

Since 2019, Fuchs GmbH & Co. KG has made annual donations to local institutions during the Christmas season. The Osnabrück children's food bank receives financial support in the Dissen region in order to continue its fight against child poverty. The Sonnenblume child day care centre was selected as the beneficiary at the Schönbrunn site.

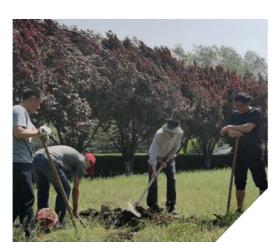


#### Fuchs Cambodia

Rapid assistance in the right places is often needed to counter emerging crises and challenges. With the onset of the covid pandemic, Fuchs Cambodia recognised the need in its immediate surroundings and provided fast assistance with basic essentials to people in need, many of whom were elderly and single. Even small gestures can have a big impact.



Fuchs Gewürze do Brasil has been supporting the Association to Combat Childhood AIDS (Acai) since 2018. The organisation helps help families living with the HIV/AIDS virus in the city of Jundiaí and its surrounding region. The company also funds cultural projects such as the Festival Fuchs de Cultura, which promotes the art scene in Itupeva.



#### Fuchs China

Fuchs China Foodstuffs supports the people in the region around the company's site in Jingzhi. This commitment comes in different forms. The company donates food and supports schools, but also organises tree planting campaigns and other measures to protect the environment.



Bart Ingredients supports Fareshare in the distribution of surplus food together with the Frank Water organisation. In 2022, measures included donating recipe ideas and 1,500 cans of Frank Water Roasted Manipur Masala spice blend to inspire the use of pumpkin as a seasonal vegetable. By the way: Ten pence from every can of Manipur Masala sold is directly donated to Frank Water to support the work of this organisation in providing safe drinking water around the world.



The company has been committed to supporting local associations and institutions for ten years. Aside from sports clubs in which employees are active, the company also provides financial support to the local fire brigade.



#### Fuchs North America, USA

Social commitment is also a top priority for our colleagues at Fuchs North America. The company contributes to all kinds of projects and organisations, either financially or through campaigns and initiatives, for instance in the area supporting veterans. The Baltimore Station, an outpatient treatment programme, receives financial support, along with sponsorship for its annual charity drive. And it goes without saying that a team of volunteers from FNA would never miss the chance of competing in the accompanying chilli cook-off.





# RESPONSIBLE USE OF RESOURCES

We want to accept ecological responsibility – also because the quality of our raw materials depends on stable climatic conditions and an intact environment. It follows, therefore, that the prudent management of available resources is a material part of our sustainability strategy. We take purposeful action to reduce resource consumption throughout our production process, whereby the key issues are the use of energy and water as well as the generation of waste. In order to lay a solid foundation for this, to document developments and to be able to define sustainable goals, we have been collecting data on energy and water consumption as well as on the waste generated at our national sites in Dissen, Melle, Schönbrunn, Hamlar and Abtswind for several years.

The information presented in this chapter focuses on this data. When classifying the data, it is important to note that demand and consumption vary significantly, as our sites have different sizes and also prioritise specific topics in the areas of production, warehousing or administration. At the same time, we have started collecting data for our worldwide locations and will publish initial excerpts when presenting our international companies from page 34 onwards. We will attempt to consolidate the data increasingly going forward.

#### Key SDGs in this area:

SDG 12: Responsible consumption and production

SDG 13: Climate action

SDG 15: Life on land

# **ENERGY AND EMISSIONS**

#### **CLIMATE PROTECTION**

In order to ensure efficient use of energy and to avoid or reduce emissions wherever possible, we need to know, for example, where we use electricity and heat, how much we consume and where our greenhouse gases are produced. This prompted us to calculate the carbon footprint of the German sites for the first time for 2021 and 2022 according to the internationally recognised standards of the Greenhouse Gas Protocol (GHG Protocol). We will do so annually from now on to ensure that trends and achievements are measurable.

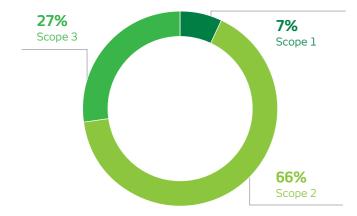
#### A detailed explanation of our carbon footprint

The calculated footprint includes our German sites in Dissen (South and North), Melle, Schönbrunn, Hamlar and Abtswind and is based on consumption data as well as emission factors from scientifically recognised databases such as DEFRA or GEMIS. All relevant greenhouse gases were taken into account and consolidated as CO<sub>2</sub> equivalents (CO<sub>2</sub>e) according to

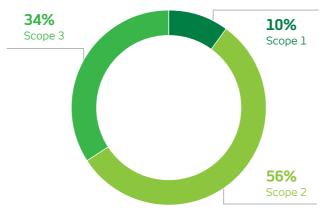
their individual global warming potential. For reasons of simplicity, we will use the abbreviation CO<sub>2</sub> throughout the report. We draw on the 'Scopes' to distinguish between the various emission sources. The GHG Protocol defines these categories and in doing so provides an internationally recognised standard.

CO <sub>2</sub> emissions	2021	2022
	t CO <sub>2</sub>	t CO <sub>2</sub>
Scope 1 (direct emissions)	2,198	2,422
Scope 2 (indirect emissions from purchased energy)	22,325	14,230
Scope 3 (indirect emissions within the value chain)	9,212	8,579
Scopes 1–3	33,735	25,231

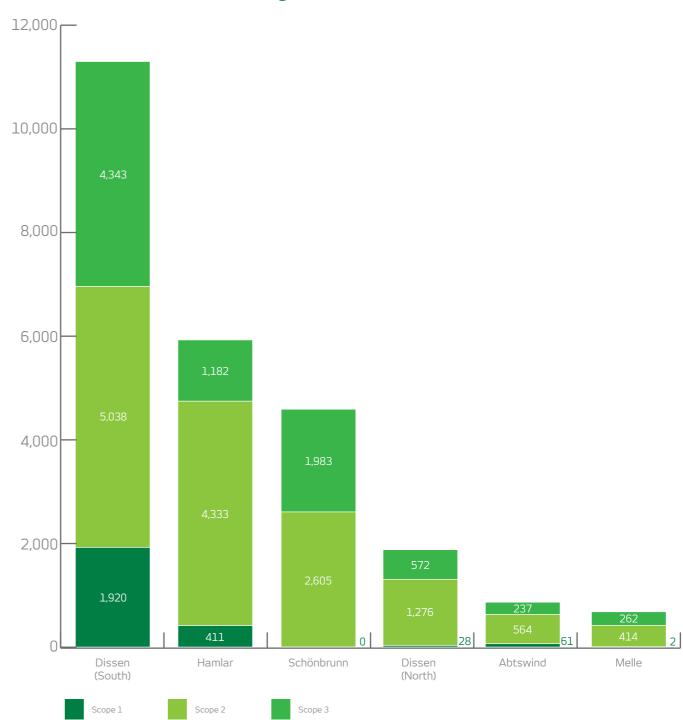
#### CO<sub>2</sub> emissions: 2021



#### CO<sub>2</sub> emissions: 2022



#### Distribution of emissions according to sites (2022)



Allocating the emission sources to the individual Scopes and a direct comparison of 2021 and 2022 chart the trend in detail.

#### Scope 1: direct emissions

Our Scope 1 emissions – so those from sources we directly control – account for around ten percent of total emissions. This is mainly due to our vehicles fleet, which is largely used by our field staff in the retail business. In the medium term, we plan to switch to electric and hybrid vehicles in order to reduce these emissions as much as possible. As a first step, twelve e-charging stations for employees and visitors will be installed at the Dissen South site in 2023.

Emission sources	<b>2021</b> t CO <sub>2</sub>	<b>2022</b> t CO <sub>2</sub>
Scope 1	2,198	2,422
Vehicle fleet	2,123	2,332
Coolant leakage	75	90

# Scope 2: indirect emissions from purchased energy

Scope 2 includes emissions from purchased electricity and heat. We calculated the emissions from purchased electricity using both the market-based and the location-based method according to the principles of dual reporting. The emissions from all sites account for approximately 56 percent of our footprint in 2022. We consumed significantly less

electricity than in the previous year in 2022, which also reduced the associated emissions. Furthermore, we used the German electricity mix as the basis for calculating the 2021 values, while the 2022 figures were based on the utility-specific mix. We also purchased less heat in 2022 due to reduced production volumes and proactive measures. In Dissen South, for instance, we improved the efficiency of our germ reduction systems by switching from gas to electric power.

Emission sources	<b>2021</b> t CO <sub>2</sub>	<b>2022</b> t CO <sub>2</sub>
Scope 2	22,325	14,230
Purchased electricity	11,516	8,934
Purchased heat	10,809	5,296

The following section uses energy indicators (absolute and specific energy consumption) to examine our energy consumption and draw further conclusions. In a year-on-year comparison, these figures show that we managed to reduce our energy consumption by almost 18 percent between 2021 and 2022. The energy intensity – which describes the amount we need per unit of production – experienced a marginal increase from 0.089 kWh to 0.096 kWh during the same period due to lower production volumes. It was not possible to run the machinery at full capacity due to the change in demand. Therefore, the reduced total energy consumption is not reflected in the individual production units (refer to the table on p. 121).

	2021	2022
Absolute energy consumption (MWh)	74,000	62,000
Specific energy consumption (kWh)*	0.089	0.096

<sup>\*</sup> The quantity we need per production unit (in kg or pieces, depending on the commodity group).

# Measures to reduce energy consumption

Aside from lower production volumes at all sites in 2022, a number of targeted measures also contributed to the positive trend in our energy consumption. Just under 40 percent of our investments at the Dissen and Melle sites in 2021 helped to improve the energy efficiency of our production processes due to modernisation, process optimisation and other factors.

#### Dissen South

We produce some of our electricity from renewable sources at our largest and most energy-intensive site in Dissen South. Two years ago, we mounted a photovoltaic system on the roof, which produced about 750,000 kWh in 2022. Like in the previous year, we used over 90 percent of this quantity ourselves. This is equivalent to around ten percent of the total energy demand at our site. Together with our combined heat and power plant, we therefore currently produce about 70 percent of the energy ourselves.

Furthermore we introduced various measures to achieve a targeted reduction in our energy consumption. They include, among others, the procurement of a new system that runs on compressed air. The specific features of this system (direct drive without belts, energy-optimised screw compressor, IE4 drive) reduced consumption of electrical energy by 30 percent compared to the previous system.

#### Melle

Our timber plant in Melle produces racks to present our products at the point of sale. The last two years have seen modernisation measures, which have enabled savings in Scope 2 through the recycling and reuse of waste heat from the systems, among other things.

#### Energy management system

Certified according to ISO 50001, our energy management system at the Dissen, Melle and Schönbrunn sites enable us to continuously measure and analyse our consumption and prepare annual energy reports. A number of committees are also working on ways to continue reducing our energy demand (since 2015).

#### **INTERNATIONAL**

# Harnessing the power of the sun

Dissen South is not the only site where we draw on emission-free solar energy to cover parts of our energy demand. A 2 MWh photovoltaic system at our site in China generates energy on surfaces exposed to daylight, of which we used around 75 percent ourselves, covering 22 percent of the local energy demand. In addition, we are currently examining the feasibility of photovoltaic systems in Romania, Brazil and France. And we plan to add another 600 kW peak load system in Dissen South.

# Scope 3: indirect emissions within the value chain

Our Scope 3 emissions, which are generated in the upstream and downstream supply chain, account for approximately 34 percent of total emissions. Relevant factors include business travel and staff commuting. We conduct regular surveys to collect data on the latter from a representative sample and then extrapolate the results to the total number of employees. Given that our sites are located in quite rural areas, many employees depend on cars, which 90 percent use for travel to work. Ten percent choose to travel to work by bicycle, public transport or on foot.

Emission	2021	2022
sources	t CO <sub>2</sub>	t CO <sub>2</sub>
Scope 3	9,212	8,579
Fuel & energy-related emissions	4,403	4,209
Staff commuting	4,144	3,620
Waste from operations	595	566
Business travel	54	166
Water	16	18

#### Limitations

This report does not take into account all 15 categories according to the GHG Protocol for Scope 3 emissions. But we intend to include more in the years ahead. We used primary data where possible and secondary data from recognised sources if primary material was not available. In addition, we work with projections and reasonable assumptions in various areas such as employee mobility and our water and coolant consumption.

#### Outlook

We plan to expand calculation of our footprint to all subsidiaries in 2023 and 2024. In doing so, we will collect Scope 3 emissions in all 15 categories set out in the GHG Protocol in order to obtain reliable statements on the factors that drive emissions in the supply chain. We also intend to use this data to prepare a climate protection target by 2025 that reflects the 1.5 degree target and then obtain validation from the Science Based Targets initiative (SBTi)\*. Furthermore, we conduct regular campaigns to raise staff awareness and to involve them in our plans and activities.



<sup>\*</sup> SBTi is an alliance of recognised organisations – including the Carbon Disclosure Project (CDP), UN Global Compact and WWF – that helps companies to develop evidence-based emission reduction targets in line with the Paris Climate Agreement.

# WATER CONSUMPTION

#### AS LITTLE AS POSSIBLE, AS MUCH AS NECESSARY



There are two places in particular where we need water: to manufacture many of our products and to clean our production facilities. In total, we purchased 153,991 m<sup>3</sup> of water at the Dissen, Melle, Schönbrunn, Hamlar and Abtswind sites in 2022. It is important to note in this context that we worked with a projection for Diesen South due to lack of data, also in regard to the previous years. This information is now based on the correct reading from the start of 2023. We were only able to make estimates for 2021. Both of these factors mean that we will only be able to produce resilient trend modelling in the years ahead. With the exception of Abtswind, overall water consumption at the other sites fell by just under 25 percent, mainly due to a reduction in production volumes. In 2022, we achieved our goal of reducing specific water consumption per production unit by a further two percent compared to 2018 at our Melle and Schönbrunn sites, but not everywhere else.

Water in m <sup>3</sup>	2021	2022
Dissen South*	110,349	125,000
Dissen North	8,745	8,338
Melle	9,256	5,899
Schönbrunn	4,813	4,760
Hamlar (ESG)	7,086	6,578
Abtswind (Wendland)	2,624	3,416
Total	142,873	153,991

<sup>\*</sup> Estimated values due to incorrect readings in the system

#### Outlook

A clean dataset is indispensable for identifying where there is room for improvement and for measuring the impact of our actions. Reliable data collection is therefore our top priority. We intend to take an even closer look in 2023 and to determine exactly how much water goes into our products and how much we need for other processes. An independent external laboratory conducts twice-monthly unannounced tests of the waste water quality at our largest sites of Dissen South and Dissen North.

Our goal is to keep water consumption as low as possible. The Center of Excellence position, which was established in 2021, assists in this undertaking. The aim is to assess and optimise processes and technologies as a means of identifying potential. Here, the employee appointed to this position acts as the connecting link between the individual departments, in the role of a service provider. Since we are a manufacturing company – and value creation mainly takes place in this area - this employee works mainly on projects within our production. In doing so, he appraises processes from a holistic perspective, focussing on products and quality and taking into account new technologies and innovations to indicate the resulting opportunities. This perspective is also applied in relation to our use of water (refer to the Project Clean information box).

#### **Project Clean**

Project Clean is one example of how we can reduce water consumption while also saving energy, detergents and time. It involves switching our complete wet area and wet filling to an automatic cleaning process. Until now, the process tanks (see the picture on the left) in which we make our sauces, for example, were filled with liquid and then brought to the boil in the conventional way after each product. This will be done according to the CIP principle (Cleaning in Place) going forward. This means that each filling will be supplied automatically with water and the necessary cleaning agents from a central point. Model calculations indicate just under 80 percent savings per cleaning cycle. The energy requirements will also be reduced, as less water needs to be heated. Moreover, the new system uses only around one third of the cleaning agent previously required. In a first step, we are currently converting approximately 30 percent of the wet area. The rest of the production will follow – and we will continue to look for additional optimisation opportunities once that is complete.

# **WASTE AND RECYCLING**

#### CORRECT DISPOSAL FOR SUSTAINABLE VALUES

#### The fight against plastic waste

Our spice brand Fuchs teamed up with CleanHub in 2022 to collect plastic waste in Kerala, India. The recyclable portion of the collected waste is sold and sent for recycling. Proceeds are donated to social projects in the community. In 2022, we were able to collect 200 tonnes of non-recyclable plastic waste and prevent it from polluting the oceans.

Waste in tonnes	2021	2022
For incineration	1,093	1,037
For recycling	3,375	3,268
Hazardous	5	9
Total	4,473	4,314

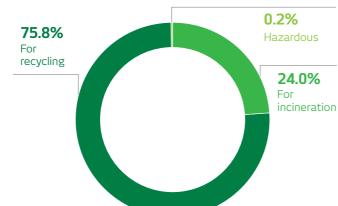
Waste is produced during the manufacture of our products. The various categories - including plastic, paper and cardboard, metal, glass, electrical scrap and household waste – are carefully sorted at each site to ensure optimised recycling. We cooperate with PreZero, a certified service provider, which collects the pre-sorted waste, continues the separation process and then disposes of it properly. Only very small quantities of hazardous waste accumulate at our sites, including used oil and lye.

We have worked tirelessly on our waste management in recent year and have been able to identify and partially eliminate weaknesses in our upstream processes. For example, we have noticed that packaging materials are often left over and require disposal when products are discarded. To rectify this situation, we are currently working on a concept to control picking and packing, specifically in regard to cooperation with our packaging supplier.

#### Waste: 2021



#### Waste: 2022



#### Small actions with a big impact Carrier strip recycling

'Carrier strips' are one example of measures to increase the recycling rate. They are used wherever self-adhesive labels are attached to our products. The products are removed by machine and only the empty carrier strip is left behind – accounting for a monthly volume of eight tonnes in Schönbrunn alone. The strip is made of a high-quality blend of paper fibres and silicone and is 75 percent recyclable in theory at least. However, this would require separating the two materials a process that very few recycling companies are able to perform. The lion's share of carrier strips accumulate at our Schönbrunn site. where separate recycling has already been introduced. Feasibility at the Dissen site is currently under review. Our overarching goal in this context is to close the loop and to restore the carrier strip to its original purpose. As in all areas, our intention with the carrier strip is also to reduce the volume of waste produced. Increasingly, therefore, we are consciously adopting technologies such as wet-glue labelling that do not require the use of a carrier strips.





#### Outlook

The overarching goal is to continuously improve our waste management processes and find solutions that even prevent the accumulation of waste in the first place. A position will be created in 2023 in order to proceed systematically in this regard and to define clear responsibilities. The tasks assigned to this new position will include identifying opportunities for improvement in waste management, optimising the separation concept and raising staff awareness for correct waste sorting procedures.





# **APPENDIX**

# **GRI INDEX**

Indicator	Statement	Reference	Remark
GRI 2: Ger	neral statements for 2021		
The organ	isation and its reporting pr	actices	
2-1	Organisation profile	P. 16-19	Name of the organisation: Fuchs Gruppe (DF World of Spices GmbH) Headquarters: Dissen, Germany
2-2	Entities included in the organisation's sustainability reporting	P. 2; 36	Our sustainability reporting aims to model the entire Fuchs Gruppe, including all business areas and subsidiaries. However, we currently have insufficient data to fulfil this objective, so that the majority of the information relates to our German sites in Dissen, Melle and Schönbrunn and to our subsidiary ESG Kräuter. We have indicated this at the relevant points throughout the report.
2-3	Reporting period, frequency and primary contact	P. 2; 135	2021/22 financial years (01/01/2021–31/12/2022) Published every two years, currently on 14/08/2023 Primary contact for questions concerning the report: Isabelle Goetze, Sustainability Manager, nachhaltigkeit@fuchs.de
2-4	Correction or restatement of information	P. 124 et seq.	-
2-5	External auditing	_	The sustainability report was not externally audited.
Activities	and staff		
2-6	Activities, value chain and other business relationships	P. 12 et seq.; 17; 34 et seq.; 65 et seq.	There have been no significant changes with regard to our activities, value chain and business relationships compared to the previous report.
2-7	Employees	P. 19; 100 et seq.	The Fuchs Gruppe does not employ workers without guaranteed working hours.
2-8	Workers who are not employees	_	We employ temporary seasonal workers at some sites.
Corporate	governance		
2-9	Governance structure and composition	P. 16	_
2-10	Nomination and selection of the highest governance body	_	This indicator is not reported at present.
2-11	Chair of the highest gover- nance body	_	The Chairman of the Advisory Board in the reporting period was Christian Köhler, who is not employed by the Fuchs Gruppe.
2-12	Role of the highest gover- nance body in overseeing the management of impacts	P. 16	-
2-13	Delegation of responsibility for the management of impacts	P. 26 et seq.	_

Indicator	Statement	Reference	Remark
2-14	Role of the highest gover- nance body in sustainability reporting	_	Management closely accompanied the entire report ing process and approved the sustainability report prior to publication.
2-15	Conflicts of interest	P. 11	Our code of conduct makes provisions to avoid conflicts of interest.
2-16	Communication of critical concerns	_	No critical concerns were communicated to management during the reporting period, as there was no need to do so.
2-17	Accumulated knowledge of the highest governance body	_	Our chief executive officer is closely involved in the sustainability strategy and associated issues. There are regular and detailed discussions with the sustainability manager.
2-18	Assessment of the highest governance body's performance	_	This indicator is not reported at present.
2-19	Remuneration policy	_	This indicator is not reported at present.
2-20	Process for setting the remuneration	_	This indicator is not reported at present.
2-21	Ratio of total annual remuneration	_	This indicator is not reported at present.
trategy, p	policies and practices		
2-22	Statement on applying the sustainable development strategy	P. 9; 24 et seq.	_
2-23	Declaration of commitment to principles and courses of action	P. 11; 26 et seq.; 75 et seq.	_
2-24	Inclusion of political obliga- tions	P. 11; 26 et seq.; 75 et seq.	_
2-25	Procedure for the elimination of negative impacts	P. 11; 75 et seq.	_
2-26	Procedure for obtaining advice and reporting concerns	P. 11; 5 et seq.	_
2-27	Compliance with laws and regulations	_	There were no material violations of laws and regulations during the reporting period.
2-28	Memberships of associations and interest groups	P. 37	-
nclusion c	of stakeholders		
2-29	Approach for including stake- holders	P. 32 et seq.	_
2-30	Collective agreements	_	72.9% of the employees at our German sites in Dissen North, Dissen South and Melle were covered by collective agreements in 2022 (2021: 73.3%).

Indicator	Statement	Reference	Remark
GRI 3: Mat	terial issues in 2021		
3-1	Procedure for the identification of material issues	P. 32 et seq.	_
3-2	List of material issues	P. 33	-

Responsit	Responsible sourcing			
Raw mate	rials and suppliers			
3-3	Management of material issues	P. 64 et seq.	_	
Human rig	hts			
3-3	Management of material issues	P. 64 et seq.	_	
Quality as	surance and management			
3-3	Management of material issues	P. 80 et seq.	_	

Responsible products					
Product de	Product development and sensory analysis				
3-3	Management of material issues	P. 86 et seq.	_		
Labelling					
3-3	Management of material issues	P. 92 et seq.	_		
417-2	Infringements related to product and service disclosures and labelling	P. 92			
Packaging					
3-3	Management of material issues	P. 95 et seq.	_		

Responsible community & workplace Employee recruitment and retention			
3-3	Management of material issues	P. 99 et seq.	_
Own per- formance indicator	Average years of service	P. 101	_
Own per- formance indicator	Number of training courses and attendees	P. 103	_

_			_
Indicator	Statement	Reference	Remark
Own per- formance indicator	Idea management, number of ideas received, number of ideas for which prizes were awarded	P. 104	-
Own per- formance indicator	Total number of apprentices, apprentice quota, percentage awarded a permanent contract	P. 106 et seq.	_
Occupation	nal health and safety (GRI	403: Occupati	onal health and safety 2018)
3-3	Management of material issues	P. 109 et seq.; P. 110 et seq.	_
403-2	Hazard identification, risk assessment and incident investigation	P. 108 et seq.	-
403-3	Occupational health services	P. 108	-
403-4	Employee participation, consultation and communication on health and safety at work	P. 103; 108 et seq.	_
403-5	Staff training on health and safety at work	P. 103; 108	_
403-6	Promotion of employee health	P. 110 et seq.	-
403-9	Work-related injuries	P. 108 et seq.	-
Social res	ponsibility		
3-3	Management of material issues	P. 112 et seq.	_

Responsit	Responsible use of resources			
Energy an	Energy and emissions (GRI 302: Energy 2016; GRI 305: Emissions 2016)			
3-3	Management of material issues	P. 116 et seq.	_	
302-1	Energy consumption within the organisation	P. 120 et seq.	_	
302-3	Energy intensity	P. 121	_	
302-4	Reduction in energy consumption	P. 120 et seq.	_	
305-1	Direct GHG emissions (Scope 1)	P. 118–120	_	
305-2	Indirect energy-related GHG emissions (Scope 2)	P. 118–120	_	
305-3	Other indirect GHG emissions (Scope 3)	P. 118 et seq.; P. 122 et seq.	_	

Indicator	Statement	Reference	Remark
Water (GR	l 303: Water and waste wat	ter 2018)	
3-3	Management of material issues	P. 124 et seq.	_
303-1	Water as a shared resource	P. 124 et seq.	_
303-2	Management of the effects of water recirculation	P. 124 et seq.	_
Waste (GR	N 306: Waste 2020)		
3-3	Management of material issues	P. 126 et seq.	_
306-1	Accumulation of waste and significant waste-related impacts	P. 126 et seq.	_
306-2	Management of significant waste-related impacts	P. 126 et seq.	_
306-3	Accumulated waste	P. 126	_

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#### Disclaimer

All information contained in this report was collected and processed with the utmost care. Nevertheless, errors cannot be completely ruled out. All statements concerning future developments are based on assumptions and estimates at the time of publication.

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