

# FUCHS GRUPPE

**The Fuchs Gruppe: For the pleasure of good food!**  
Our sustainability strategy





***As a spice producer, our business model obliges us to rely on intact economic, ecological and social systems in our procurement and sales markets.***



***That's why we do our best to conserve resources, to protect the climate and to improve the living and working conditions of the people along our supply chain.***



***To achieve the greatest possible effect, we focus our efforts on the areas in which we can make the biggest difference: on our products and our supply chain.***

## Fully controlling the supply chain is at the heart of our sustainability strategy.

We carry out quality testing along our entire value-added chain, and focus on effective examination of the goods – beginning with the selection and auditing of our suppliers at the point of origin, continuing through incoming goods and extending all the way to the end product.



### Long-standing partnerships

We maintain long-term, stable relationships with our suppliers and farmers in the growing regions, and source our raw materials directly at their origin.

### Cultivation and harvesting

We obtain our spices and herbs from their areas of origin as un-milled as possible, i.e. whole or in large pieces.

### Testing in the growing areas

We already carry out initial quality testing and checks on the spot.

### Monitoring and analyses in the spice mill

The authenticity of the raw materials is examined and analysed again when they arrive at the works, and before further processing.

### Processing and refining in our own mill

We grind and refine our herbs and spices ourselves, in our own spice and herb mills.

### Packing and dispatch

Only safe, authentic products find their way to our customers and consumers.

## Long-standing partnerships

### We work in close collaboration with our farmers and suppliers

We focus on long-term, stable relationships with our suppliers; both in relation to purchase at the point of origin and also through contract cultivation, which is supervised by our own employees in the countries of origin.

100% of our strategically most important spices\* originate from long-term business relationships\*\*.

\* strategically most important spices = pepper, paprika, nutmeg, onions, cinnamon, turmeric, cumin, cloves and garlic

\*\* Business relationships lasting at least three years, and extending to decades.



*Paprika is one of the most popular spices in Germany. Our paprika comes mainly from Brazil, from one of the 23 farmers with whom we collaborate directly and closely.*

*The photo shows the farmer Valter Mendes and our own employee Osvaldo (r.) from Fuchs Agro Brasil. The collaboration has existed for nine years. Osvaldo regularly visits the paprika farmer, and advises him about cultivation and harvesting, and checks the cultivation conditions in the field. Here they are discussing the ideal time for harvesting, and the forecasts for the current season.*

*There are also further insights into the collaboration here:  
<https://www.youtube.com/watch?v=UyrDD54QbEw>*

## Cultivation and harvesting

**We source our raw materials directly from their place of origin, and as unprocessed as possible**

As far as possible, we access our raw materials directly at their point of origin, and we procure them whole or in the form of large pieces wherever possible. The advantages of this:

- We create transparency and traceability in our supply chain,
- we avoid trading stages that are to some extent non-transparent, and
- we reduce the risk of falsification.

We can trace 100% of the batches of our strategically most important raw materials right back to their origin (growing region).



*Pepper, along with paprika, nutmeg, onions, cinnamon, garlic & oregano, is one of the strategically most important raw materials of the Fuchs Gruppe. We source these herbs and spices exclusively dried and un-milled.*

*In Brazil, for example, we collaborate with more than 600 farmers who grow pepper for us in the Pará region, where we are present on the spot with our own Tropoc subsidiary company. Our own employees assess the pepper freshly in the field and judge that it is suitable, after which it is delivered in whole form for further cleaning and inspection in the Tropoc factory. Here we create comprehensive data documentation for each farmer, containing information about the fields, the measures adopted for soil and plant fertilising and about plant protection, the yield and the amounts sold to us.*

*There are also further insights into pepper growing by the Fuchs Gruppe here: <https://www.youtube.com/watch?v=plzXVTwNQHc>*



## On-site inspection

### We already check the properties of the raw material while it is being grown

The properties and qualities of our strategically important raw materials are checked directly where they are grown.

This involves carrying out sensory testing, as well as initial laboratory analyses in the growing regions, in which we operate with our own works and contract farmers.



*All the senses are activated when examining raw materials in the growing regions. The photo on the right shows our contract pepper farmer Francisco Chagas together with Fernando Ferreira (r.), our cultivation adviser and agricultural expert in Tropoc. The collaboration has existed for 17 years. Together they are appraising sun-dried black pepper. They carry out visual examination to detect possible foreign substances, and make an odour and flavour test. After this initial sensory testing, the pepper from Brazil goes off to the next analysis station: into our company's own laboratory in Tropoc, where the pepper is analysed for its purity and genuineness, among other things.*

*There are also further insights into quality testing in the growing regions in this video: <https://www.youtube.com/watch?v=7W-vuzoM5Qc>*

## Checks and analyses in the spice mill

### Visual, physical and chemical analyses

After previously testing the raw materials at their origin and issuing an approval, they now make their way to us and into the Dissen factory for further processing and refining:

- Upon delivery, the goods are visually inspected. For this purpose, trained employees take statistically standardised representative random samples from each batch of raw materials and check their purity – initially with the naked eye.
- Microscopic and chemical/physical methods round off the visual assessment.



**i** *The upper photo on the right shows a situation in the incoming goods control laboratory, taking as an example turmeric, which we also source in large pieces.*

*In addition, examinations under a microscope allow the recognition of the tiniest tissue structures from foreign species.*

*By using physical and chemical examination methods – as can be seen in the lower right photo – we determine whether the raw material is authentic, and whether internationally recognised standards together with purity and quality requirements are fulfilled.*

## Processing and refining in our own mill Packing and shipping safe, authentic products

The spices are processed and refined using state-of-the-art technology in our own spice mill, one of Europe's biggest.

The mill-tower provides nine levels for cleaning, gentle steam sterilisation and grinding.



*We process approx. 40,000 tonnes of spices and dried herbs in our mill-tower in Dissen every year.*

*Grinding whole raw materials at the latest possible time ensures that we preserve valuable constituents of the herbs and spices, such as antioxidants, aromas and oils in the best possible way, and actively guide the flavour profile of our products.*

*With our products, we offer people in Germany the best possible flavour and pleasure when eating good food.*

## Continuous packaging optimisation

### Attractive, safe, secure and recyclable

For intense flavour experiences, our packages must guarantee absolute food safety, long shelf life, hygiene and protection from environmental influences such as sunlight, air and moisture.

They must also be tailored to the needs of the target groups:

- End-consumers: attractiveness, the communication of special product benefits, and perfect usability in a domestic kitchen
- Professional users (food service/industry): application and storage, package size appropriate for the application

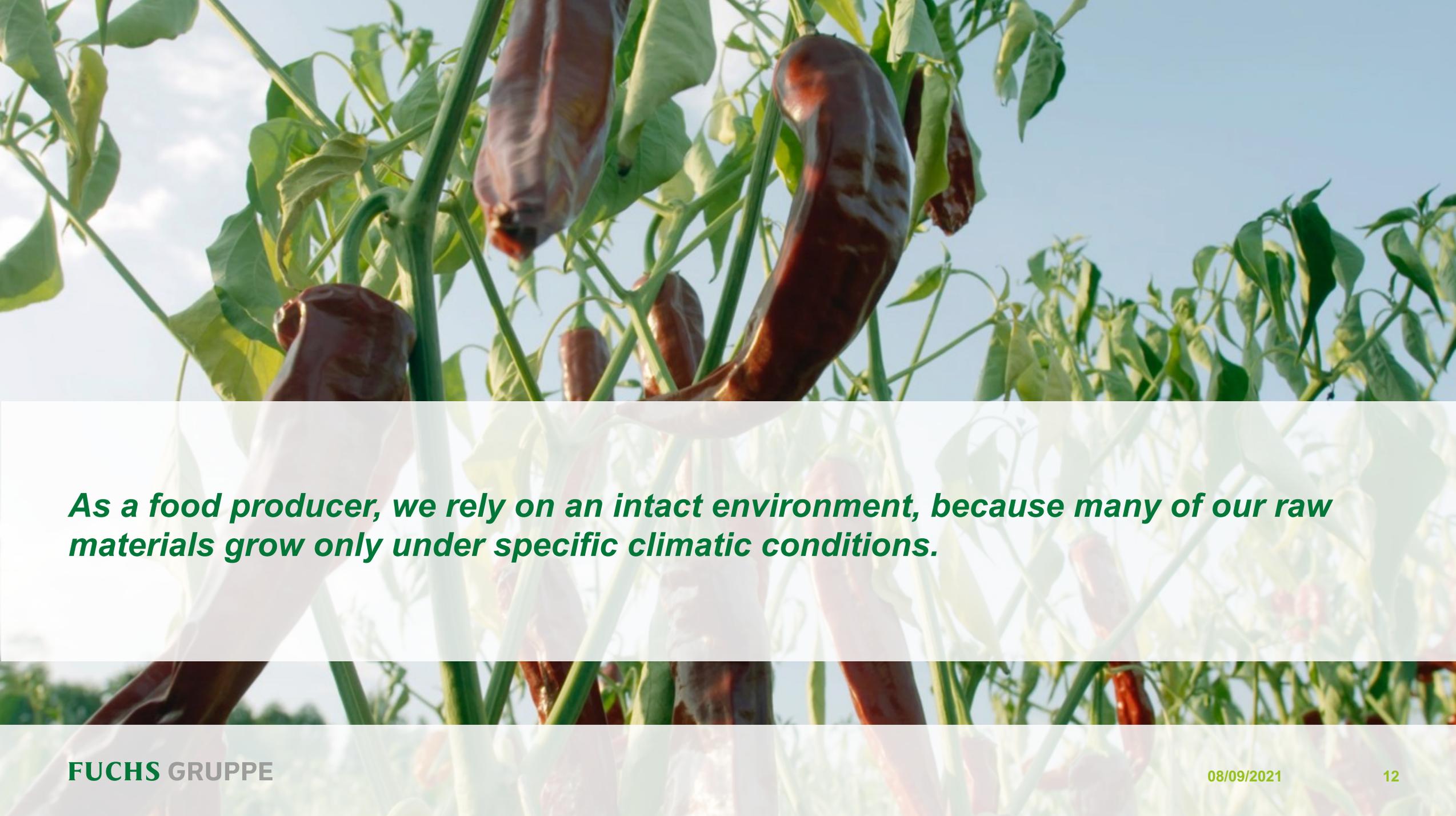
We also want to cause the least possible amounts of waste and materials for disposal. Our short-term aim is to increase the recyclability of our single-use packaging up to 75% by the end of 2025. For example, we will achieve this by making changes in the label materials and technologies, and in greater use of renewable raw materials.



*We already offer many of our packages for multiple use and refilling, e.g. Ostmann brand spice mills with a high-quality ceramic grinding mechanism, and our Fuchs Dekorbox, which has been popular for decades and was already developed as a refillable container in 1976 and is optimised for this use. Our product range of refill bags is perfectly aimed at this requirement.*

*We are also working intensively to develop and market alternative packaging concepts.*





***As a food producer, we rely on an intact environment, because many of our raw materials grow only under specific climatic conditions.***

# Climate protection

## Conserving resources & protecting the climate

**The business model of the Fuchs Gruppe is affected by climate change in a great variety of ways:**

- An unchecked rise in temperatures results in extreme climatic events such as heatwaves, droughts, flooding or forest fires.
- These have profound consequences for the regions from which we obtain our raw materials: growing regions could become smaller or change their position – with far-reaching social and economic consequences.
- **Therefore, the aim of our sustainability activities is:**
  - To contribute to ensuring achievement of the target agreed at the UN Climate Conference in Paris in 2015, namely limiting the rise in global warming to a maximum of two degrees compared to pre-industrial levels.
  - To support the aims of the United Nations (SDGs; Sustainable Development Goals) through our activities.



## Our measures to conserve and protect the environment

### Reducing energy consumption and CO<sub>2</sub> emissions

#### Energy & emissions:

- The absolute energy consumption\* at our Dissen South Headquarters decreased by **6.34%** between 2018 and 2020.
- The CO<sub>2</sub> emissions from the energy carriers in the Headquarters were reduced by 3% within one year between 2019 und 2020.
- CO<sub>2</sub> emissions at the Dissen North and South, Melle, Schönbrunn and Hamlar sites decreased by more than 14%.
- **Our actions to increase energy efficiency:**
  - Installation of additional photovoltaic plants. The plant installed on the Headquarters roof in 2020 consists of 2,400 modules and has a power output of 750 kWp. Collectively, with the photovoltaic installation and the block heating station (a power of 889 kW), we achieve a self-generation rate of 70% of the electricity at the Dissen South site.
  - Installation of new compressed air stations that reduce the energy consumption by 30%.
  - Establishing a new steam sterilisation process.
  - Expansion of energy-efficient lighting.
  - Investment in energy-efficient equipment and machines.
  - Eliminating fuel oil as an energy carrier.



**We promote energy efficiency in our supply chain:** We urge our suppliers to use resources responsibly and to take care to ensure a low use of energy. This encouragement is a component of our supplier selection process, and enters into the design of contracts with our suppliers.

\* Energy consumption of electricity and gas energy carriers in kW/h

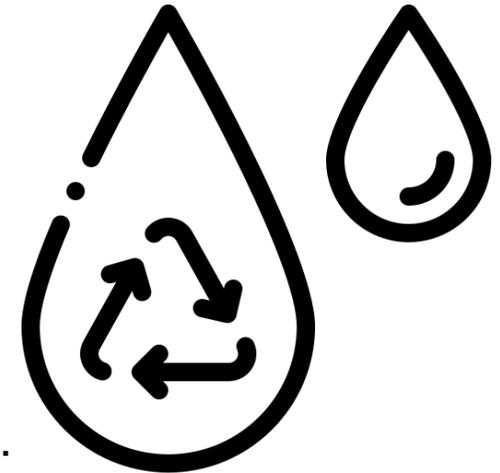
# Our measures to conserve and protect the environment

## Careful handling of water as a resource

- In 2020, we were able to reduce the water consumption\*\* at our Dissen South Headquarters by 11.5% compared to 2018 .

Considering our Dissen South & North, Melle and Schönbrunn sites, we were able to reduce consumption here by almost 13% in the same period of time.

- **Our measures to ensure careful handling of water as a resource:**
  - Investments in new pumps in the production facility, which ensure more efficient cleaning of the plant.
  - Installation of special software directly at numerous demand points, which trigger warning messages when defined water consumption threshold values are exceeded.
  - Our own biological treatment plant to process water at our Schönbrunn site.
  - Our aqueous effluent, with a biological oxygen demand of less than 700 mg/litre, is only slightly contaminated, and its pollution level corresponds to that of private households. We therefore discharge the aqueous effluent into the municipal sewer system.



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

## Together we are stronger

### Through our activities, we contribute to the achievement of the global sustainability goals

- We are committed to the **Sustainable Development Goals (SDGs)** of the United Nations, and we contribute to achieving these goals through our sustainability activities along our entire supply chain.
- In this respect, we will also continue to focus on the aspects by which we can make the biggest difference through our business model:
  - Good Health and Wellbeing (SDG 3)
  - Quality Education (SDG 4)
  - Gender Equality (SDG 5)
  - Decent Work and Economic Growth (SDG 8)
  - Responsible Consumption and Production (SDG 12)
  - Climate Action (SDG 13)
  - Life on Land (SDG 15)



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