

Sustainability Report FUCHS PETROLUB SE

2020

LUBRICANTS.
TECHNOLOGY.
PEOPLE.



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1 Foreword

Dear Readers,

2020 was dominated by the Covid-19 pandemic. 2021 will also be defined by the pandemic – we will still be processing it and all its many repercussions for a long time to come.

The public discussion on sustainability may have become secondary, but a lot has been happening in the worlds of politics, legislation and at FUCHS.

The European Union set new and very ambitious targets as part of its Green Deal in 2020.

Its CO₂ emissions target has risen from a reduction of 40 % relative to 1990 to a reduction of 55 % – by 2030. However, achieving this goal is currently seen as a great feat with no exact plan of how to achieve it. With the political and social patterns as they are now, it will not be possible to achieve climate neutrality by 2050.

Over the course of 2021, the EU is therefore expected to make a number of legislative proposals for how society and politics can adapt in order to achieve these goals.

New requirements are already emerging in legislation and regulation setting to give industry guidance on how to handle the three dimensions of sustainability (economy,

ecology, society). This includes the German Due Diligence Act (Supply Chain Act) and the Chemical Strategy for Sustainability that the EU is currently working on, the aim of which is to achieve a sustainable and environmentally friendly chemical industry in Europe. These efforts are being accompanied by a reform of the REACH regulations, which will thus become even tougher.

However, regulation can only show us the direction. It is up to every individual and every industrial company to do everything it can to achieve the stated aim (more) quickly. The transformation to a sustainable economy is necessary and the right decision. At the same time, it is an enormous challenge to society and also to FUCHS, one that we will rise to with the utmost dedication. There will be new options and opportunities for penetrating emerging new sustainability markets with smart technology.

To FUCHS, sustainability is an obligation and therefore a prominent component of our FUCHS2025 corporate strategy. We want to make a contribution in terms of both quality and quantity with a number of projects and goals. The following pages will tell you precisely about our activities and provide you with an insight into just how much sustainability drives what we do.



Yours,

Dr. Lutz Lindemann,
Member of the Executive Board
CTO

Sustainability is a key pillar of FUCHS2025

Eight questions, eight answers: At FUCHS PETROLUB, sustainability is an integral component of corporate strategy – in his interview, CEO Stefan Fuchs explains why it is such a top priority and the many ways this is paying off.

1. Mr. Fuchs, everybody's talking about sustainability – what is FUCHS doing that is sustainable?

As a family-based lubricant specialist with a history going back 90 years, FUCHS feels a commitment to sustainable action. Allow me to illustrate this with the three cornerstones of sustainability for 2020, which is defined by the coronavirus pandemic:

We achieved key ecological milestones in 2020 by becoming carbon-neutral gate-to-gate for the first time and by defining our goal of being carbon-neutral cradle-to-gate as well by 2025.





“ Sustainability is the point of lubricants in their own right. Our products help our customers to avoid energy expenditure and wear. ”

Social responsibility is a matter highly dear to us as a company. We are proud that we were once again able to honor volunteers with the 21st FUCHS Sponsorship Award for social projects at a virtual event held in our home town of Mannheim in 2020.

Economically, we have coped very well with the crisis year, and we have not had to resort to any measures out of the blue or downsizing.

2. What does sustainability mean to you?

To me, sustainability means keeping the planet in a condition worth living in for future generations. As a person and as a company, you have to be aware of your responsibility to nature and society. This goes hand-in-hand with long-term, value-oriented business practices.

3. To dig deeper: Sustainability hasn't always been a core element of the chemical industry in the public consciousness: How is it with lubricants?

Unfortunately, many people automatically think of chemicals as being “dirty” in general. But sustainability is the point of lubricants in their own right. Our products help our customers to avoid energy expenditure and wear. Wherever our products are used, they extend the service life of machinery, reduce energy consumption and cut down on waste – lubricants contribute to greater sustainability for our customers everywhere. The core mission for the coming decades will be shifting our raw material base, which today mostly comes from fossil sources, more towards renewable raw materials or even base materials from waste flows. It is

important to discuss this issue openly and transparently with all stakeholders.

4. You're the CEO, but also part of the FUCHS family. Do you see a contradiction between focusing on profits and sustainability? Is sustainability “worth it”?

Sustainability is worth it – especially for a family business that plans a long way ahead. Being fixated on profits at any price isn't what sustainability means to me. The economic element has to be in line with the social and ecological aspects of sustainability. Only all three together lead to long-term success, and that's what makes the company attractive to employees and investors alike.

5. How important is sustainability to you in the management of your company, and how do you expect it to develop?

Sustainability is a top priority, and one of the six key pillars of the FUCHS2025 strategy. We will make sustainability an integral component of our strategy. We will only be truly successful as a company when we can create value added for all stakeholders – the economy, the environment and society.

6. In your opinion, what is the biggest driving force for sustainability at FUCHS – politics or customers?

Our employees, customers, partners and investors. All of them give us their suggestions, inspire us and define their expectations. It's both a beautiful and reassuring thing to see how sustainability has grown in significance over the

last few years. Sustainability is an enormous opportunity for FUCHS to stand out even more with our products, which is why sustainability also comes from our inner motivation: For 90 years, FUCHS has been successful at understanding what customers want and delivering it as well. Now our customers are starting to focus on sustainability – and we’re delivering! But beyond our own factory gates as well, we have to take responsibility and work towards compliance with both ecological and social standards in the upstream supply chain.

Politics is a driving force as well. But while there are often good intentions behind having a high level of regulation, in practice it can fence in a positive entrepreneurial spirit. Something I would like to see here would be a globally coordinated framework rather than a hodge-podge of standalone local efforts.

7. FUCHS is CO₂-neutral gate-to-gate. What measures does this entail and what are your next steps?

We are working intensively on tracking our energy and resource consumption – that’s the only way that systematic improvement will be possible. The key instruments we’re focusing on are a green (i. e. regenerative) energy supply, in-house power generation – our large roof areas all over the world are one of our assets – and systematic energy management and savings.

Our big goal is to expand the range of our CO₂-neutrality to cradle-to-gate by 2025. That takes in the entire upstream supply chain and thus all products. That will be another big step and, here as well, we want to be a pioneer in the lubricants industry.

8. Let’s finish off with a personal question: Is there a specific example in your private life of how thinking about sustainability has led to you doing something differently than before?

I’m much more aware of the issue and I’m living more sustainability-consciously. There isn’t just “one big thing”. It’s lots of little things, like generating solar energy in your own home, cutting back on plastic waste, not taking your car everywhere and reading newspapers online. What matters to me is being authentically sustainable in my private life as well. I don’t like acting and talking “as if” but then living a completely different lifestyle.

Yours 

Stefan Fuchs,
Chairman of the Executive Board

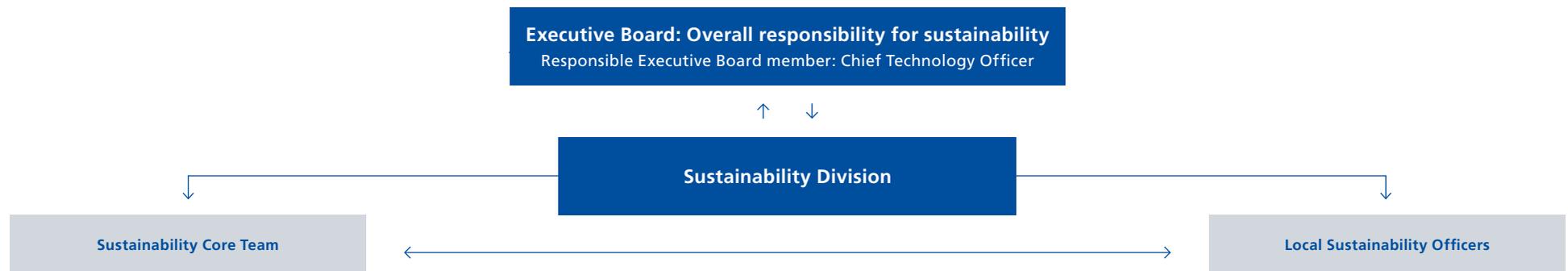
“Our big goal is to be CO₂-neutral cradle-to-gate by 2025.”



2 Sustainability at FUCHS

2.1 Sustainability Organization

Sustainability Organization



At FUCHS, responsibility for sustainability is shared by the Executive Board as a whole. The Executive Board member directly responsible is the Chief Technology Officer (CTO). The Executive Board defines the strategic framework for sustainability in close coordination with the Group's Sustainability division headed by the Vice President for Global Sustainability (Chief Sustainability Officer, CSO).

In cooperation with FUCHS' core sustainability team, the local sustainability officers and the Executive Board, the Sustainability division bundles the respective requirements and derives FUCHS' future sustainability strategy from them. This is accompanied by an ongoing dialog with the

sales units, supply chain representatives and the procurement organization to map out FUCHS' sustainability efforts throughout the supply chain. The Sustainability Core Team consists of sustainability representatives from every continent where FUCHS operates, and it meets at least five times per year.

The local sustainability officers (LSOs) are organized in a network structure and are the connecting links between the Group company in Mannheim and every national unit. This network was expanded significantly over the course of 2020: In addition to the LSOs of the manufacturing companies, representatives from all non-manufacturing

FUCHS companies and all joint ventures and associates are now also represented to achieve maximum penetration within the organization. The local sustainability officers are the first point of contact on-site for all matters relating to sustainability. They also monitor the development of sustainability performance indicators and coordinate the local implementation of sustainability activities. This is done in coordination with the respective management teams. The LSOs report suggestions and local necessities back to the Group's Sustainability division or to the Chief Sustainability Officer. The LSO network meets at least every three months at the invitation of the Chief Sustainability Officer.

2.2 Sustainability Management

The main pillars of sustainability at FUCHS are continuous improvement and constant development in line with the changing conditions of our time. Since establishing the independent Sustainability division in 2011, we have been working continuously on improvements in cooperation with various divisions of the company and all national units; in 2020, we achieved further milestones at FUCHS in cooperation with the relevant lubricants industry associations.

Particular highlights include:

- Designing the “Ecological and Social Sustainability” strategic initiative as a contribution to the FUCHS2025 strategy process: In this context, ten projects were defined that will keep on developing sustainability as one of six strategic pillars of the FUCHS Group. Five of these projects were already launched in 2020. The aim is to develop new systems, processes and solutions for different issues in the areas of ecological and social sustainability. The projects already launched include work on enabling a system-based calculation of product carbon footprints and developing a sustainability classification system for products. This will later enable the identification of sustainable products based on facts and create the foundations for sustainable business management. Work is done for example on a communication and training concept, the



“Sustainability is one of six strategic pillars at FUCHS. We are running ten strategic projects to give FUCHS a more sustainable future – we call it FUCHS2025!”

Markus Garb, VP Global Sustainability (CSO)

process and scope of gathering KPI data is being revised and transparency is being achieved across all global corporate social responsibility activities at FUCHS.

- Training program with six webinars in summer 2020: The central Sustainability division has developed basic training on sustainability at FUCHS, which has been translated into

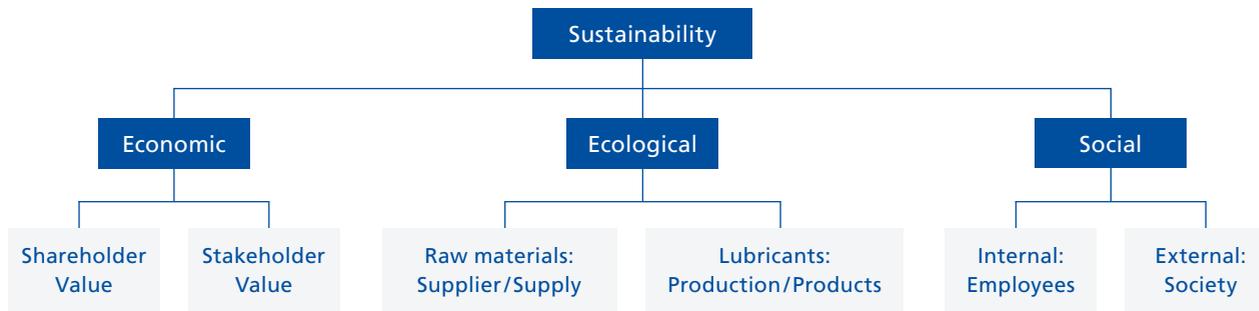
20 languages with the help of the local sustainability officer (LSO) network. This training was offered to the entire workforce in virtual format over the summer of 2020. We have reached around 11 % of the global workforce with this tool. The lessons learned from this will be used to develop a global training concept for the FUCHS Group to reach all employees regarding sustainability issues.

- Expansion of the sustainability KPI catalog and data capture basis: With the aim of calculating the corporate carbon footprint (CCF) with even greater accuracy, the catalog of key performance indicators (KPIs) surveyed by FUCHS at manufacturing companies to date has been broadened significantly. Also, for the first time, these KPIs were collected retroactively for 2020 and 2019 from all national companies, including joint ventures and associates, to achieve transparency across all companies that contribute to consolidated earnings, regardless of the respective shareholding. This forms the data basis for focusing on reducing FUCHS' emissions at every company, for example by creating action plans for managing energy consumption and waste flows on the basis of continuous KPI tracking.
- Formation of a standing Sustainability Committee: Building on a task force established in 2019, a standing Sustainability Committee was set up in 2020 under the

umbrella of the Union of the European Lubricants Industry (UEIL). FUCHS lent major support in the process of preparation, formation and commencing work, not least by appointing the Committee's Chairman. Within this Sustainability Committee, several working groups have come together with the aim of developing sustainability standards for the lubricants industry – with the involvement of and considerable staffing support from FUCHS. Examples include working groups that focus on the standardized calculation of carbon footprints, firstly for products and secondly for lubricants companies. The goal is to develop standards specific to the industry on the basis of and in line with generally applicable standards. These would take into account the special considerations of the lubricants industry and the entire associated value chain. The end product would then be a uniform basis of calculation that, above all, would enable comparable results for all companies in the industry.

2.3 Sustainability Dimensions

Sustainability Dimensions



FUCHS' sustainability activities are assigned to the three sustainability dimensions of economy, ecology and society.

Economic sustainability

At FUCHS, economic responsibility means the long-term alignment of business with the goal of reliably ensuring and increasing enterprise value for the benefit of our shareholders, employees and other stakeholders. Accordingly, FUCHS bases its business decisions on realistic, economically sound and long-term goals, and follows a dividend policy that targets constantly rising or, at the very least, stable dividend payouts.

The KPI for corporate control is FUCHS Value Added (FVA), which is a catch-all term covering both EBIT and capital employed. Capital expenditure is largely influenced by investment in property, plant and equipment and in intangible assets, and by the development of net operating working capital (NOWC). Property, plant and equipment is controlled on the basis of investment appraisals, while NOWC is monitored through targeted control of its components (inventories, trade receivables and trade payables). Value added is only generated when the income generated is higher than the cost of capital employed. Please refer to the Combined Management Report for more information.

Economic indicators

in € million	2020	2019	2018
FUCHS Value Added (FVA)	165	174	251
Earnings before interest and taxes (EBIT)	313	321	383
Free cash flow before acquisitions	238	175	147
Dividend distribution (for the previous year)	135	131	126

Ecological sustainability

Ecological sustainability is one of the main points of lubricants in their own right. They make a crucial contribution to reducing corrosion, wear and friction. Protection

8%

reduction in FUCHS' global CO₂ footprint simply by switching to green energy in Europe

against corrosion and wear allows a piece of machinery or a tool to have a longer life, thereby enabling more sustainable investment in machinery and reducing energy losses.

In turn, lower friction means lower energy requirements when operating machinery of all kinds. This way, our products actively help our customers to conserve natural resources in the use phase. This resource conservation is already a top priority in the production process at FUCHS. In an age when natural resources are becoming ever scarcer, the primary objective must be to use energy, water and raw materials responsibly so that future generations will also be able to live a life worth living. This applies to production at FUCHS and also to use by our customers.

FUCHS reduced its energy consumption by 9 % per ton of lubricant produced in the past financial year. A key factor contributing towards this was the conversion of our European locations to a green power supply. To make this possible, certificates of origin for wind energy were purchased at a volume to offset the consumption of conventional energy in the reporting year. Through com-

penation, more and more FUCHS locations are now switching directly to renewable energy by choosing green energy in their power contracts, and by using the roofs on production buildings and warehouses to install solar power systems to generate their own electricity. Such systems have already been installed at locations:

- in India (25 % to 30 % of requirements covered);
- Australia (25 % to 30 % of requirements covered);
- the UK (20 % of requirements covered); and
- South Africa (10 % of requirements covered).

Further systems were already in the planning stages or under construction in Spain and Germany in 2020.

Reduced consumption of conventionally produced energy also means a reduced ecological footprint. This was already calculated twice for FUCHS after 2014 and 2019, and the calculation has now been updated again. FUCHS has expanded its ecological sustainability efforts in two respects. Firstly, the catalog of criteria for the sources of emissions included in calculation was greatly expanded retroactively from 2019. Secondly, compared to previous



“Sustainability is an elementary aspect of product development and is taken into account when designing new products.”

**Dr. Christine Fuchs,
Vice President Global Research & Development**

surveys that only covered manufacturing locations, all FUCHS companies – manufacturing sites, sales companies and holding companies – are included from 2020 onwards. It also applied the full extent of Scopes 1 and 2 as well as extensive key figures from Scope 3 not including raw material data (“gate-to-gate”) in accordance with the Greenhouse Gas Protocol. Furthermore, we collected data on all FUCHS joint ventures and other equity investments as well. Given the effects of the Covid-19 pandemic, to enable future comparability of the values calculated using the new, expanded basis, data were collected again for 2019. We thus found that the corporate footprint was reduced by 11 % in the 2020 calendar year. Adjusting for the green energy certificates referred to above, the reduction amounts to 18 %. As last year, the calculation of unavoidable CO₂ emissions by FUCHS companies within our factory gates (gate-to-gate) forms the basis for FUCHS’ compensation activities. Thus, FUCHS is once again investing in high-quality climate protection projects on four continents to reduce the emissions generated elsewhere as well. More information on the projects can be found in section 3. Sustainable Development Goals, under goal no. 13 “Climate action”.

Ecological indicators

The following section sets out the ecological key performance indicators for the previous scope of calculation for 2018 and 2019, the revised calculation for 2019 with the expanded scope and the current figures for the expired financial year 2020.



“I have a dual focus for sustainability in 2021: firstly to identify further energy-saving measures at all European plants and secondly to source green electricity directly.”

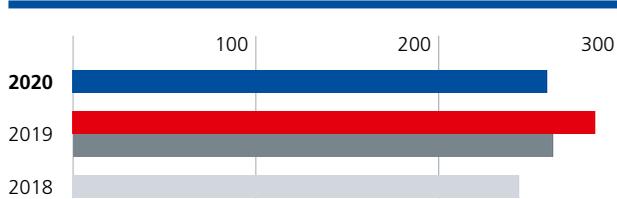
Kay-Peter Wagner, Managing Director of FUCHS SCHMIERSTOFFE GMBH and member of the FUCHS Europe Executive Committee, in charge of operations in Europe

The reason for collecting the data for 2019 again with an expanded scope was to produce a comparable database for the future. FUCHS understands that, under the effects of the Covid-19 pandemic, 2020 is not representative of regular business operations and therefore cannot serve as a baseline for future comparisons.

2.3 Sustainability Dimensions

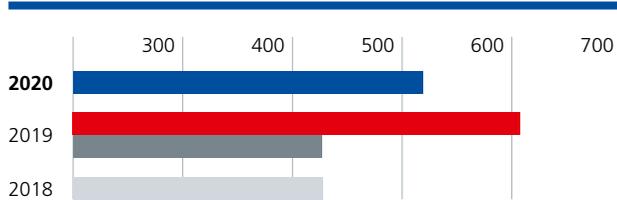
So as to present the ecological KPIs independently of business fluctuations, data are shown in relation to the volume produced (specific consumption):

Development of energy consumption
(in kilowatt hours per ton produced)



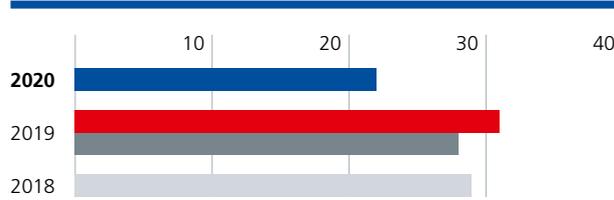
■ 2019 new
■ 2019 old
Basis: FUCHS production, sales, and holding companies.

Development of water consumption
(in liter per ton produced)



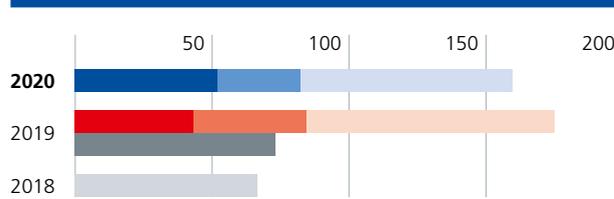
■ 2019 new
■ 2019 old
Basis: FUCHS production, sales, and holding companies.

Development of waste volume
(in kilograms per ton produced)



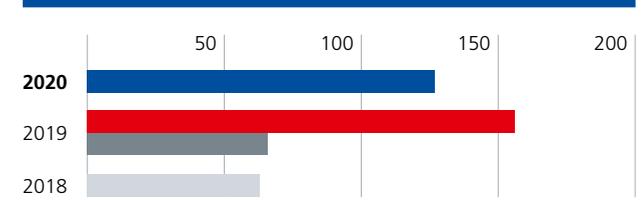
■ 2019 new
■ 2019 old
Basis: FUCHS production, sales, and holding companies.

Specific CO₂ emissions
(in kilograms CO_{2e} per ton produced)



■ Scope 1: Direct emissions through own energy generation.
■ Scope 2: Indirect emissions through purchased energy.
■ Scope 3: Other indirect emissions along the value chain.
■ 2019 old
Basis: FUCHS production, sales, and holding companies.

CO₂ footprint
(in kilotons of CO_{2e})



■ 2019 new
■ 2019 old, only Scope 1 & 2
■ 2018 only Scope 1 & 2
Basis: FUCHS production, sales, and holding companies.

For the compensation of emissions in 2020, the carbon footprint for 2019 was used based on all manufacturing companies. Deviating from the above total of all wholly owned FUCHS companies, the corporate carbon footprint of the manufacturing companies for 2019 amounted to 151,636 tons of CO₂ equivalents.

Raw materials: supplier / supply

The production of lubricants is part of an extensive value chain and starts by purchasing commodities.

FUCHS utilizes a broad portfolio of raw materials. These consist of a variety of complex chemical compounds, renewable raw materials and a wide range of base fluids. FUCHS invests in alternative raw material solutions in the interests of environmental impact and resource conservation on the one hand, and makes significant efforts on the other to ensure that the raw materials used comply with all environmental, health and safety (EHS) regulations.

For FUCHS, raw materials are one of the key elements in product formulation. Accordingly, a carefully monitored and administered portfolio of raw materials that ensures that the products on the market are always available with a consistent level of quality is of fundamental importance.

The procurement of raw materials is organized both centrally and locally. FUCHS manages its strategically key suppliers with its central lead buyer concept, while the suppliers that are only relevant to the respective national companies are managed by the local procurement officers.

A continuous supply of raw materials and the reduction of procurement risks are guaranteed by both a broad procurement base and a structured search for alternative suppliers in cooperation with research and development. Alongside

quality and commercial considerations, sustainable business practices are also taken into account when the company selects potential new suppliers. Details on the CO₂ emissions generated by the production of a raw material have also been required in the specifications for raw materials since the expired financial year 2019.

Given the strategic relevance of key suppliers to the constant availability of the raw materials required, FUCHS actively manages its relationships with these suppliers. The centrally managed FUCHS suppliers are systematically evaluated each year in the global supplier evaluation based on various criteria. In the event of any deficits arising in the fulfillment of these criteria, suppliers are issued with specific action plans and implementation deadlines. The criteria assessed are business relations, pricing, technical aspects, quality, order and supplier management and sustainability aspects. The latter includes the carbon footprint of the raw materials supplied to FUCHS, the acceptance of FUCHS Supplier Sustainability Standards and possible CO₂ reduction targets. FUCHS thus takes into account the fact that most of its greenhouse gas emissions are not produced by its own operations – which it would be able to control directly – but rather in the upstream supply chain. More weight was given to these criteria again for the financial year 2020 assessment in order to illustrate to suppliers that FUCHS' carbon neutral strategy extends to raw material procurement as well.

As a result, the supplier evaluation according to sustainability aspects led to the establishment of selected sustainable projects based on partnership. FUCHS is therefore not just living up to its own responsibility, but is also encouraging its suppliers to do more to address the issue of sustainability. Our goal is to contribute to the continuous improvement of ecological sustainability in the value chain by cooperating with strategic suppliers. This is intended not just to ensure resource efficiency and compliance with environmental standards, but also to increase the share of environmentally friendly raw materials in in-house production.

Lubricants: production / product

With its global production network, FUCHS produces its products as closely to the customer as possible. The production strategy includes producing lubricants that are manufactured at a small number of locations due to their production complexity (bundling) and those that are manufactured as closely as possible to the places of consumption (localization). With demand volatile over the past year, this strategy contributed enormously to the security of supply for our customers. Similarly, the use of locally / regionally produced raw materials was also considered in localization projects in order to potentially reduce emissions from global transport chains.

In conjunction with the FUCHS2025 strategy process, the “Robust and Integrated Supply Chain Excellence (R.I.S.E.)” initiative was launched at the end of 2019. The initiative comprises a number of work packages to advance the implementation of sustainability goals. Specifically, three of the initiative’s work packages are especially important in terms of sustainability:

- The FUCHS value added network is currently being recorded in uniform data structures as part of the Operations Research work package. The aim is to design the future supply chain network so that other sustainability objectives can be monitored and implemented alongside cost, quality and efficiency aspects.
- The Operations Excellence work package bundles FUCHS’ expertise in the areas of generating value added. The active use of internal benchmarks enhances lessons learned from best practices within the FUCHS network for day-to-day work and projects, thereby also avoiding reject and reducing energy and resource consumption based on the most successful concepts.
- In the area of the specific investment planning (building plants and other major investments), a collaborative planning process was also developed in another work package. This ensures that the wealth of experience available in the operations/supply chain area is leveraged in the planning of new projects. This also and especially applies to sustainability experience in terms of resource end energy efficiency and in deriving corresponding standards.

FUCHS’ production locations are primarily based in purely industrial zones or business parks. FUCHS is guided by internal and external environmental and safety regulations for the planning and running of its sites.

The certification of FUCHS’ management systems in accordance with the relevant ISO standards makes an important contribution to sustainability management. We believe that the sparing use of resources in all areas of our business is a key success factor. We ensure our top position through an active environmental (ISO 14001), energy (ISO 50001) and work safety strategy (BS OHSAS 18001/ISO 45001) with the aim of sustainable business.

FUCHS sees energy management in accordance with ISO 50001 as a crucial framework and methodology for monitoring, controlling and reducing resource and energy consumption even more effectively at many production sites moving ahead.

In addition to raising awareness of environmental aspects among FUCHS employees, the environmental management standard ISO 14001 also demands measures and objectives for improving environmental performance. FUCHS has been implementing and continuously improving these at its certified locations for years.

As of the end of 2020

- 65 % of FUCHS’ own production locations are certified according to the ISO 14001 environmental management standard; and
- six of FUCHS’ own production locations in the EMEA region are certified according to the ISO 50001 energy management standard.

2020 was dominated by the Covid-19 pandemic, which delayed the certification activities planned around the world by several months. Despite the planning uncertainty due to the pandemic, FUCHS was able to maintain all certifications and is about to take another key step in the ongoing development of certifications. In 2020, the focus was mainly on analyzing and selecting a global service provider to carry out the certification of FUCHS companies in line with the internationally recognized ISO standards and the IATF standard moving ahead. The coordination of the global certification strategy in accordance with the environmental and occupational safety standards ISO 14001 and ISO 45001 and the energy management standard ISO 50001 is ongoing, and will involve close consultation with the global certification service provider in the future.

The global certification company will ensure that FUCHS can maintain a uniform and high-quality standard of certification all over the world. FUCHS is also still pushing for the certification of production sites in accordance with international standards.

Social sustainability

Social sustainability has an internal and an external component, and for FUCHS it means taking responsibility for its employees and for society in equal measure.

Internal: Employees

Work safety is of great importance to FUCHS. The company is subject to various national and international regulations on occupational health and safety at our different locations. The respective applicable occupational health and safety provisions form the minimum standard for the entrepreneurial measures to be implemented. All FUCHS employees have been informed of the laws, regulations and internal occupational health and safety guidelines relevant to them and are instructed to comply with them. In particular, it is important to raise safety awareness, encouraging employees to keep their eyes open to avoid risks in their day-to-day work and familiar situations, both in their own interests and in the interests of their co-workers. Suggestions for improvement in the areas of health and safety from employees are encouraged.

From the time that the Covid-19 pandemic broke out in the spring of 2020, this fundamental awareness led to suitable protective measures being set up and implemented for the workforce quickly and in coordination with all relevant stakeholders at the respective locations. The cautious approach adopted by all involved also made it possible to permanently adapt measures in line with the changing infection and threat situation, immediately and

locally. The applicable protection and hygiene measures were very well received by the workforce especially because of their pre-existing awareness. The cautious approach adopted by all involved effectively prevented infection chains in the workplace; wherever possible, remote working from home was introduced for office areas.

Our FUCHS values, the leadership principles and leadership behaviors, and the core competencies devised by a project in 2020 as a basis for conducive conduct for our corporate culture are also inherent to treating one another thoughtfully and fairly. The close ties and clarity of all principles makes it clear to managers and employees alike how we wish to interact with one another, successfully and constructively shaping our future together.

Satisfied and successful employees also need training and continuing professional development, teaching them the knowledge and skills they will need for future challenges and allowing employees to constantly be developing within the company throughout their careers. The advancing digitalization of the learning environment, for example by developing and expanding our e-learning platform and using digital learning concepts, enables our employees from all over the world to access learning content and knowledge wherever they are and at any time. Thanks to the preparations made for these digital learning infrastructures and concepts in the years before, we were already well equipped to make the switch to learning and teaching through digital

channels when the pandemic began. However, the coronavirus also provided further stimulus for making even faster progress in the process of digitalization, including the FUCHS Academy and a number of global workshops. The advantage of digital learning is inclusion from wherever employees work, which means that our employees all over the world can have a fair share in learning. A milestone in 2020 was the introduction of the FUCHS2025 roadshow: information and food for thought on strategy, structure and culture, plus first-hand business plans from live digital events in conjunction with a theme week. The huge success in the spring of 2020 led to a second run of this format in fall 2020 as well. It is now a fixed component of our annual plan and will be repeated in subsequent years.

of the global workforce received sustainability training in six "Sustainability@FUCHS" webinars

Healthy and well-trained employees are the foundation of our success. With our occupational health and safety management (BS OHSAS 18001/ISO 45001) and ergonomically designed workplaces, we take preventive measures to ensure that our employees stay healthy and capable. A high level of occupational safety is a basic requirement for a future-oriented company. Minimizing risks and eliminating hazards are a cornerstone for success at FUCHS.

41 % of FUCHS' own production locations were certified according to the BS OHSAS 18001/ISO 45001 Occupational Health and Safety Management System as of the end of 2020. The transition deadline for migrating certified organizations from BS OHSAS 18001 was pushed back to March 31, 2021. From that date onwards, only certification of health and safety at work in accordance with the ISO standard 45001 Occupational Health and Safety Management Systems published in March 2018 is still possible. Most FUCHS companies have already completed the transition to the new standard, and the remaining locations are sure to do so on time. FUCHS is planning to keep on increasing the number of its certified locations.

The age structure and average length of service have remained constant. While fluctuation was down as against the previous year, the number of days missed remained constant.

Social indicators

	2020	2019	2018
Average age of employees in years	44	43	43
Age structure of employees in %			
< 30 years	14	15	16
31–40 years	28	29	28
41–50 years	28	27	28
> 50 years	30	29	28
Average length of service of employees in years	10	10	10
Employee fluctuation ¹ in %	3.2	4.2	4.7
Work-related accidents ² per 1,000 employees	9	13	15
Days lost due to sickness per employee	9	8	8
Proportion of women in management positions in %	24	22	22
Average further training and education per employee in hours	13	13	14

¹ Share of employees leaving the company voluntarily.

² Number of accidents with an absence of more than three days.

External: Society

2020 was a special year for FUCHS in many respects. Meeting in person was prevented by the worldwide Covid-19 pandemic, and work at FUCHS was dominated by the switch to working from home, remote working and conference calls. This makes it all the more gratifying that FUCHS was able to support so many CSR projects around the world last year as well, including some projects relating directly to the Covid-19 pandemic. Many socially disadvantaged people in need or distress were able to benefit from the donations and funding given to different projects. In total, 39 FUCHS companies around the world supported more than 70 local projects. Owing to the Covid-19 pandemic, unlike in the previous year, goal no. 3 "Good-health and wellbeing" was the most frequently supported at 25 %. However, goal no. 4 "Quality education" was well supported in 2020 as well at 17 %. The goals no. 11 "Sustainable cities and communities" (15 %), no. 2 "Zero hunger" (13 %) and no. 1 "No poverty" (10 %) also received considerable support with donations and funding.

The "Corporate Citizenship at the National Units" project was also launched in 2020 as part of the FUCHS2025 strategy. The purpose of this project is to achieve transparency of the activities of FUCHS' national units with the help of an internal FUCHS platform. Based on this, guidelines and expectations can be formulated for the commitment of every national unit in order to better cover the SDGs around the world.

3 Sustainable Development Goals (SDGs)



In September 2015, the United Nations resolved “Transforming our World: The 2030 Agenda for Sustainable Development.” At its core are 17 Sustainable Development Goals (SDGs) that are intended to contribute towards making a globally sustainable society a reality. In addition to the fight against poverty and hunger, and demanding education, healthcare, equal treatment or decent work for all, goals such as climate protection, sustainable consumption and production are covered as well.

FUCHS is aware of its responsibility and, within its sphere of influence, supports the implementation of the 17 goals that define the areas for sustainable action at economic, ecological and social levels. Thanks to our global network of companies and our broad product portfolio, we are able to cover and support many of the 17 SDGs.

The following list shows how FUCHS is attempting to promote sustainable commitment in all areas.

External:

- In India, FUCHS provides notebooks for a school in Dharaavi. FUCHS is therefore making a better education possible for children in Asia’s largest slum area.
- Thanks to a donation from FUCHS PETROLUB SE to Kiwanis-Club Mannheim-Kurpfalz, kindergarten children from socially disadvantaged families receive a new satchel for the start of school.
- FUCHS India sponsors 30 orphans every year with a donation to the Foster Care Committee. The sponsorship covers daily expenses and the costs of education.
- In South Africa, the lack of access to education is one of the main reasons why people have to live in poverty. With a scholarship program, FUCHS South Africa provides funding for education for poor families. 29 students were helped in 2020.
- In the US, socially disadvantaged families received Thanksgiving hampers and Christmas toys thanks to a donation by FUCHS to the Restoration Ministries organization.

- FUCHS China has donated to the Love Under The Blue Sky organization. This foundation organizes charitable activities for orphans, street children, widows/widowers and people with disabilities.
- FUCHS Austria helps children in need with a charitable donation.



Scholarship students at a local school in South Africa



External:

- FUCHS PETROLUB SE financed the urgently needed refurbishment of premises and kitchen equipment with a donation to the United Methodist Church. People in need, those struggling with addiction, the homeless or those with mental/physical disabilities receive a free and varied meal here once a week.
- In the US, FUCHS provides financial support for the Faith and Community Service organization. The organization delivers nutritious meals to people in need.
- FUCHS US supports the Child Hunger Program in the Twinsburg school district with a donation.
- A Catholic aid organization provides meals for the homeless thanks to financial support from FUCHS US.
- FUCHS India donates to the Taj Public Service Welfare Trust organization, helping to provide healthy meals for doctors and medical staff during the Covid-19 pandemic.



“The basic objective is to use some of the company’s resources for social development and to solve specific societal problems. FUCHS Lubricants India’s CSR activities are aimed at promoting the social wellbeing of the community in need.”

**Kanchan Poojary, Corporate Communications
FUCHS Lubricants (India) PVT. LTD.**

- The Annamrita Foundation is a charity in India whose activities include providing lunches for underprivileged children in schools. FUCHS India’s donation provided food for 400 guest workers for 15 days.
- A donation by FUCHS India to the Akshay Patra organization provided 500 meals for guest workers involved in building toilets in remote villages.
- In Italy, FUCHS supports an association that provides around 400 meals to the homeless and the poor every day. The canteen is open 280 days and gives out around 112,000 meals per year. The ongoing Covid-19 pandemic meant that all meals had to be takeaways.
- FUCHS Italy gave out food packages to around 210 families in need.



Internal:

The health and well-being of its staff is a matter of great importance to FUCHS. Its locations are therefore subject to various national and international health regulations. Also, works healthcare management has been established in conjunction with sustainable personnel management. In addition to extensive training on various issues such as lifting heavy loads, skin protection or ergonomics in the workplace, the Mannheim site regularly offers programs on early colorectal cancer detection, addiction prevention and healthy nutrition. FUCHS also supports initiatives set up by employees to take part in sporting activities together as well as cooperations with fitness studios.

External:

- FUCHS PETROLUB SE helps a variety of projects run by different groups with various donations in the areas of health and well-being. The goal is to give a little something back to society "in the neighborhood":
 - For example, the donation to the German Red Cross gives care facility residents with limited contact during the Covid-19 pandemic a chance to take a brief time-out in the form of courtyard concerts and similar projects.

- The Mannheim Senior Citizens Advice Association helps older people in particular who need information on healthcare proxies and living wills.
- A project by the Healing Souls association uses animals at an educational farmyard to improve the quality of life of children and adolescents from socially disadvantaged families, people with disabilities and senior citizens.
- Sozialdienst katholischer Frauen uses its donations to advise, assist and support people in difficult living situations.
- In the Lukasgarten project, people with dementia come into contact with young people, children and adults, allowing them to pass on their years of knowledge through communal, sustainable gardening.
- During the Covid-19 pandemic, people suffering from any form of addiction and their relatives can find online advice from Suchtberatung Caritas Mannheim.
- The donation to music therapy for neurologically ill children, premature infants and severely disabled children and adolescents helps to give children an introduction to a wide range of relaxation techniques. The children learn coping strategies for their day-to-day lives, can sleep better, concentrate better and their performance in school improves.
- Funding self-help groups helps to promote volunteer activities. The project with the regional self-help group working community actively supports groups not funded by the city or health insurance funds.
- In the project by the Free Intercultural Waldorf School Association, students get to grips with current issues such as interculturalism, homosexuality and transsexuality, refugeeism, lockdown, climate protection and more in the form of movie portraits.

- Bremer & Leguil GmbH supports the work of the Regenbogenland children's hospice in Düsseldorf with a donation.
- FUCHS LUBRITECH in Kaiserslautern supports the hospice for children and young people in Kaiserslautern. It provides psychosocial support for families with a child with a limited life expectancy due to an incurable illness or disability.
- FUCHS India supports free cataract operations for underprivileged sections of society with a donation to the Rotary Club of Bombay Mid-Town.
- FUCHS US provided the My Joyful Heart initiative with clothing, school materials and hygiene products.
- In the US, FUCHS provided financial support for the Emergency Assistance Center of the Twinsburg community.
- The employees of FUCHS Australia took part in a push-up challenge. In 21 days, they completed 3,046 push-ups with the goal of raising donations for mental health in adolescents and social awareness.



“It is important to us to show our employees and the local community our commitment – to show them that we have an interest in their wellbeing and are prepared to actively improve it.”

**Esther Seabi, Executive Management
FUCHS LUBRICANTS South Africa (PTY.) LTD.**

- FUCHS employees in Australia took part in the MACA Cancer 200 Challenge. The goal of the 200 kilometers cycling tour is to raise money for heart disease, diabetes and cancer research: → <https://www.cancer200.org.au/>
- FUCHS China supports students of the city of Nanxiang in taking part in sports, promoting physical fitness and competitive spirit.
- FUCHS Russia donates to a boarding school for children with severe congenital illnesses.



Internal:

Continuing professional development remains a key issue for FUCHS, enabling employees to practice life-long learning. So as to take advantage of and pass on the extensive expertise of our specialists within the organization, FUCHS has been running the FUCHS Academy for a number of years. The Covid-19 pandemic meant that in-person events were sadly not possible in 2020. This was taken as an opportunity for restructuring and digitalization. Moving forward, the FUCHS Academy will become a global platform for networking trainers and offering global training. The network will initially be expanded from the three areas of R&D, Quality Management and Product Management, and will be centrally coordinated by the holding company in Mannheim. The staging of the first digital training and the methodological and didactic training and expansion of the trainer network are planned for 2021. This way, the popular learning platform will make the transition to the digital world of work where it will be accessible to a larger share of employees working around the world.

In line with the digital learning trend, FUCHS has created a two-month program – the e-learning masterclass. The aim was to enable experts without prior technical knowledge to create and share their own online training. The global interest was driven home by the participation of 170 people from 25 countries. Using an intuitive authoring software, 97 learning units with a total length of 21 hours were published by 34 authors, and several thousand employees received continuing professional training this way in the first nine months.

External:

- FUCHS PETROLUB SE supports many different projects that focus on and promote learning. One example of this is a donation to the Mannheim Children's Academy to help gifted youngsters.
- Digital media are becoming ever more important because of the Covid-19 pandemic. FUCHS PETROLUB SE has made donations to various kindergarten groups to allow them to buy tablets and a digital microscope.

- FUCHS PETROLUB SE has made a donation to the "Stark aus der Krise" program, helping children and young people overcome fears, uncertainty and special challenges in connection with the Covid-19 pandemic.
- Since 2008, FUCHS PETROLUB SE has been supporting the "Anpfiff ins Leben" initiative, a social partnership focusing on integration through sport. FUCHS PETROLUB SE finances supervisors and trainers, thereby creating a strong, personal connection.
- FUCHS India pays the tuition for 70 children and three college students at the Anugraha Vidya Mandir School, a school for underprivileged and destitute children.
- The team at FUCHS India is sponsoring two classes at the Yashwantrao Madhyamik Vidyalaya School, paying their school fees and the costs of the children's education.



Math lessons in South Africa



Paying school fees for underprivileged children in India

- FUCHS USA provides two Kleinman scholarships that allow students to attend the local high school.
- Thanks to a donation to Restoration Ministries, FUCHS US is helping children to take part in remote learning during the Covid-19 pandemic.
- FUCHS South Africa has made it possible for students from three neighboring communities to take part in extra math lessons to work on challenging material.
- Employees at FUCHS South Africa whose income is below a certain level receive financial support for their children's school fees.
- FUCHS Poland makes small financial donations to local foundations, organizations and kindergartens. These mainly support programs for children and young people in the direct vicinity of FUCHS in Poland.

**Internal:**

In recruitment, FUCHS has made it a top priority to choose the person best qualified for the respective position based on objective criteria – regardless of gender. This helps to ensure the equal treatment of genders.

In accordance with the law on the equal participation of women and men in management positions in both the private and public sector, the Supervisory Board has set the following minimum targets for the share/number of women on the Supervisory Board and the Executive Board until December 12, 2021:

- women on the Supervisory Board: 17 %;
- one woman in the Executive Board.

The above targets have been met or exceeded.

External:

- FUCHS India supports an NGO that provides extra tuition for schoolgirls near Pune, and covers 50 % of the costs for grades 8 to 10. The tuition covers the main subjects of math, English and science.
- In the US, FUCHS supports women and children struggling with domestic abuse or poverty by donating to the Friends of Yates.

**External:**

- FUCHS India supported the Rotary Club of Bombay Mid-Town in a project for wastewater disposal in remote villages around Mumbai. The project, which FUCHS has been funding for several years, builds toilets in remote villages. FUCHS has so far sponsored the construction of almost 200 toilets in three villages, 30 of which just in 2020.

**Internal:**

In 2020, FUCHS switched its entire European power consumption to 100 % green electricity. The purchase of certificates of origin from a European wind farm entirely covers the unavoidable power consumption of all European locations with energy from renewable sources, thereby making them CO₂-neutral.

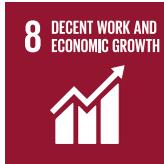
Furthermore, FUCHS has taken further steps to produce its own energy at selected FUCHS locations. All over the world, FUCHS has a large number of factories and warehouses with roof space that can be used to build solar power systems. Two more systems will go live in Mannheim and Spain in 2021, and further solar power systems are in planning. Four such systems have already been generating power for years:

- Since 2017, FUCHS Australia has been operating a solar power system with more than 940 square meters of solar panels on its roof to harness the power of the Australian sun to generate its own power. Output: 155.52 kilowatts peak.
- 1,991 solar panels were installed on the roofs of FUCHS UK. If the power generated exceeds internal requirements, the excess is fed into the national grid. Output: 527.5 kilowatts peak.

- FUCHS India covers some of its total electricity consumption with the solar power system in Ambernath, which has been online since 2019. On days when the plant is not operating, the power generated is fed into the local grid to help cover the supply deficit. Output: 312 kilowatts peak.

- The solar power system of FUCHS South Africa is designed for in-house use. The power generated currently covers around 10 % of total consumption. Output: 146 kilowatts peak.

Further details can be found in the EVOLVE article "The Power of the Sun": → [🌐 www.fuchs.com/group/magazine/en/topics/detail/the-power-of-the-sun/](https://www.fuchs.com/group/magazine/en/topics/detail/the-power-of-the-sun/)



Internal:

Like many other companies as well, FUCHS supports the Code of Responsible Conduct for Business Initiative. The goal is to firmly establish visible and verifiable standards that are fit for purpose and for everyday life of the company's business operations. The focus remains firmly on the wellbeing of people. Among other things, it therefore emphasizes equal education opportunities regardless of origin and background while also highlighting other sustainability aspects. To illustrate responsible action both holistically and comprehensibly, the Code formulates other specific positions on issues such as earnings and morality, downsizing, manager remuneration, rule violations, environmental protection and more.

In order to develop standards for compliance with human rights along the value and supply chains, FUCHS is actively involved in the automotive industry's dialog for the German government's National Action Plan for the Economy and Human Rights (NAP). Among other things, key aspects of decent work, such as the prevention of child labor and modern slavery, are addressed and instructions are set out for the industry as a whole. Please see SDG 17 for further details on NAP.



“We have a moral obligation to offer our help to the communities and charitable organizations. The FUCHS Foundation is still working to strengthen social structures, to help the disadvantaged and to enrich their lives.”

Robert Fryer,
Senior Lead Sponsor of the FUCHS Foundation

External:

- In light of the high youth unemployment in South Africa, FUCHS South Africa offers young people the chance to gather work experience in internships to significantly improve their chances for a permanent position at a later time.
- FUCHS South Africa grants new businesses loans to buy production equipment and thereby supports local enterprise and economic growth.
- The FUCHS Foundation in Australia makes donations to the Buy and Bale organization. This organization provides Australian farmers with feed for the livestock remaining after their sources of feed were destroyed by the devastating bushfires of 2019/2020, along with many hectares of cropland and fields.



Internal:

As a global operator, FUCHS invests in process optimization for the efficient use of natural resources. Especially when working on new buildings or expanding existing plants, FUCHS ensures that state-of-the-art processes and production methods are used with the aim of constantly reducing energy and water consumption and minimizing the amount of waste generated.

The new buildings and modernization activities in 2020, and their benefits in terms of sustainability criteria, are outlined below:

- Our subsidiary FUCHS LUBRICANTS SWEDEN AB in Fors, Sweden, built a new plant. The following measures were taken to achieve more sustainable operations and a fossil-free supply of energy for the entire plant:
 - geothermal building heating
 - energy efficient building and systems
 - on-site warehouse – less expenditure on logistics.
- FUCHS LUBRICANTS (China) placed a strong focus on efficient operations when building its new plant in Wujiang:

- reduction of wastewater volumes through evaporation and concentration of waste emulsions. This facilitates targeted recycling
- installation of more tanks at the plant so as to reduce transportation requirements and store raw materials in drums. This reduces expenditure on packaging materials and transport volumes.
- use of LED lighting throughout the plant
- rainwater collection and utilization system
- more green areas to store surface water
- use of electricity meters by sections to precisely monitor electricity consumption by different areas and processes
- highly efficient flushing method in mixing tanks to save large volumes of flushing oil/water
- all diesel forklifts were replaced by electric models to reduce direct carbon emissions
- insulating windows with double glazing in workshops and offices

- using a water heater powered by a solar collector for the showers in changing areas.
- FUCHS Lubricants Co. (USA) took steps towards more efficient running when it modernized its plant in Kansas City:
 - improved production process/less reworking
 - semi-automated process management
 - reduced flushing volumes by separating equipment by product families
 - quality improvement thanks to improved, globally standardized equipment (FUCHS 3C Global Standard)
 - better working conditions for works operators.
- FUCHS Lubricants Co (USA) greatly improved resource efficiency and working conditions when it converted and added to its Harvey plant:
 - production of larger batch sizes reduces process losses

- lower flushing oil quantities
- full automation
- better working conditions for personnel.
- FUCHS LUBRICANTS (Korea) Ltd modernized its plant in Ulsan:
 - new production and filling systems allow greater manufacturing volumes and less waste
 - environment and safety technology replaced entirely, including installing an activated carbon filter system for the separation of volatile hydrocarbons.
- OOO FUCHS Oil (Russia) made the following sustainable modernizations when it expanded its plant in Kaluga:
 - energy-efficient materials were used for buildings and structures
 - energy-saving LED lamps in all new buildings
 - the new additive and base oil tanks were insulated, reducing energy consumption for heating
 - the new additives store is equipped with a leak protection system
 - 10 additional tanks for additives allow the use of raw materials in bulk. Fewer polluted steel barrels go to waste as a result.



New shock absorber oil system in Harvey



External:

- FUCHS India supports the distribution of mobility aids to people with walking disabilities with a donation to NASEOH (National Society of Equal Opportunities for the Handicapped).
- FUCHS India supports the Kamla Mehta School For The Blind. This donation allows high-quality education for blind schoolgirls.
- FUCHS South Africa is involved in a government-funded economic reform program aiming to create a more integrative economy. This primarily focuses on the development and advancement of economically disadvantaged groups such as women, people with disabilities, people with different origins or skin color and small businesspeople.



External:

FUCHS supports Metropolregion Rhein-Neckar GmbH as a “basic partner” with annual donations of EUR 50,000. This financial support goes towards regional development and marketing for the region. In conjunction with this, a number of projects and measures are supported in areas such as a robust labor market, e-government and administrative streamlining, economic promotion, location marketing and public relations. Since 2016, FUCHS has also subsidized the endowed chair for CSR at the University of Mannheim.

FUCHS promotes the development and upkeep of active community and cultural endeavors as well. The Covid-19 pandemic has hit art and culture especially hard. To provide lasting support for these sectors, FUCHS supports the cultural heritage of the city of Mannheim with donations to the Mannheim Art Association and the Kunsthalle Mannheim Foundation.

- Employees of FUCHS Australia from Melbourne and Newcastle spent half a Sunday volunteering to clean up local parks and waterways.



Employees of FUCHS Brazil collect plastic bottle caps to help stray animals.



Employees of FUCHS Australia cleaning up local parks and waterways.

- Following the 2019/2020 Australian bush fires, FUCHS Australia makes donations to the volunteer New South Wales Rural Fire Service.
- FUCHS Brazil collects plastic bottle caps all year round. The resulting donations go to help Patinhas Unidas, a recognized NGO that helps stray animals, providing them with food and shelter until they are adopted. Some of the plastic caps from internal production are also separated and donated, which helps to reduce internal waste as well:
→ www.patinhasunidas.com.br/
- FUCHS Sweden supports the local primary school in Västerhaninge and gets involved in teaching the children traffic safety.



Internal:

For 90 years, FUCHS has been developing, manufacturing and marketing top-quality lubricants and offering its customers bespoke solutions for a wide range of applications. Our products reduce friction, corrosion and wear, extending the lifetime of machinery and enhancing the energy efficiency of our customers. This has both economic and ecological benefits.

FUCHS therefore stands for performance and sustainability, for safety and dependability, for efficiency and cost savings. We are involved in research projects for the use of sustainable and regenerative raw materials. Together with our suppliers, we are developing standards and benchmarks for quantifying and certifying sustainability along the entire value chain. FUCHS strives to use more sustainable raw materials and encourages its suppliers to use more sustainable products as well. Compared to 2019, FUCHS reduced its specific energy consumption (kilowatt hours per ton of lubricant produced) by 9 % in the past financial year.



Internal:

Through the close dialog with a global certification service provider, FUCHS ensures a uniform and high-quality standard of certification all over the world. 65 % of FUCHS production locations around the world are certified according to the ISO 14001 environmental management standard and six production sites in Europe are certified according to the ISO 50001 energy management system. FUCHS is also still pushing for certification in accordance with international standards.

- FUCHS Poland began the planning to build a waste reception plant in 2020. This is intended to guarantee the efficient separation of all waste generated in the plant and thus better reuse and recycling. This should minimize the negative impact on the environment.

External:

- FUCHS South Africa is a member of the Recycling Oil Saves the Environment (ROSE) charity. ROSE is an industrially funded and financed organization that recycles used lubricants. This organization's goal is to collect and recycle all available used lubricants and the associated waste in an environmentally friendly way.

- FUCHS has been CO₂-neutral within the factory gates of its manufacturing companies (gate-to-gate) since 2020. To achieve this, the unavoidable emissions are compensated by purchasing certificates for selected climate protection projects. In selecting projects, FUCHS adheres to the highest standards and primarily chooses projects certified according to the Verified Carbon Standard (VCS) or Gold Standard. Above all, there is a focus on expanding renewable energies to reduce the use of fossil fuels and on fulfilling other social goals. The chosen climate protection projects always cover multiple SDGs.

The following projects were funded in conjunction with compensation for 2020:

Stoves for Peru:

Poverty in the rural areas of Peru is significantly higher than in urban regions. Instead of still cooking on an open fire, this project gives families efficient stoves with chimneys to ensure that the smoke leaves the home. The stoves not only remove poisonous smoke fumes from the home, which would otherwise cause eye and respiratory diseases, but also dramatically reduce the consumption of firewood. This helps to reduce carbon emissions and local deforestation. More

than 100,000 of these stoves have already been installed and are improving the lives of approximately 500,000 people. A side effect of this project is its benefit to the local economy as all the stoves are produced locally.

This project thus supports the following SDGs:



→ <https://registry.goldstandard.org/projects/details/43>

Stoves for Uganda:

Uganda loses around 2 % of its wooded areas every year. The use of wood fuels, which are used in around 95 % of Ugandan households, is the second-biggest cause of this after deforestation. Many families use metal charcoal stoves, which not only consume a great deal of firewood, but also create a lot of smoke inside people's homes. Worldwide, the World Health Organization attributes 4.3 million premature deaths per year to indoor air pollution. The project helps local companies to manufacture and sell energy-efficient stoves. This means that the value added stays local. More than 520,000 stoves have already been sold. The project as a whole saves more than 450,000 tons of carbon emissions per year.

The project supports the following SDGs:



Further information can be found in the Evolve article:
“Small stove with big impact”

→ www.fuchs.com/group/magazine/en/topics/detail/a-small-stove-with-a-big-impact/

Heat from biogas in China:

This project helps Chinese farmers to build methane septic tanks to extract biogas from waste/dung. The anaerobic fermenters with a capacity of eight cubic meters can capture the biogas released and use it to generate heat in line with households’ thermal requirements. This means that fossil fuels are no longer required. More than 50,000 tons of CO₂ equivalents can be saved per year this way.

SDGs for this project:



Run-of-the-river hydroelectric plant in India:

The Chamoli region in the north of India is characterized by a weak infrastructure and cold winters. At the same time, it is impossible to guarantee a permanent power supply for the local population. The project supports the construction of a run-of-the-river hydroelectric plant. Each year, the power station feeds around 39.78 gigawatt hours of regenerative electricity into the regional grid. The energy is used directly by the local population. The construction of the run-of-the-river hydroelectric plant also saves around 37,278 tons of greenhouse gas emissions per year.

SDGs for this project:



Solar power for Namibia:

60 % of Namibia's national electricity is imported from South Africa, which itself predominantly generates power from fossil-fired power plants. In its national energy policy of 2017, Namibia undertook to increase the share of power generated from renewable energies to 70 %. As Namibia's geography is excellently suited to solar energy, it is promoting this project to build and operate two solar power plants close to the city of Gobabis. Both plants use photovoltaics and generate 28 gigawatt hours of clean energy per year, which is fed into the national power grid. This increases the domestic supply and reduces fossil energy imports.

SDGs for this project:



Reforestation in Mexico:

Teak is a wood species that grows especially well in tropical climate zones. The project uses this wood to reforest areas previously cleared for livestock and agriculture. Approximately 10,000 hectares have been reforested with teak to date. This woodland will store around 37,000 tons of greenhouse gas emissions over a period of 36 years.

SDGs for this project:



Internal:

FUCHS offers a broad portfolio of biodegradable lubricants that are used to lubricate boats and ships in a number of countries and that, as environmentally acceptable lubricants (EALs) help to protect marine ecosystems.



Internal:

The FUCHS production sites are located in designated industrial and commercial areas, and are planned and run according to Group-wide safety and environmental specifications, so that as few substances as possible that could impact biodiversity are released into the environment.

External:

- The FUCHS Foundation and the FUCHS Australia sales team work with local FUCHS sales partners to distribute donations of chainsaw lubricants to volunteer forestry workers. These help local communities to clear and reforest tree stocks that were badly damaged by the Australian bushfires of 2019/2020.
- FUCHS Poland has set up four beehives at its plant to counteract bee mortality. Pollinating animals are important for plant biodiversity, as they not only help pollination but in many cases make it possible in the first place.



Support for local forestry workers with donations of chainsaw lubricants



FUCHS respects human rights and actively combats corruption and bribery. This is set out in the Code of Conduct that forms the basis for all our business relationships. → www.fuchs.com/group/the-company/corporate-governance/guidelines/

- FUCHS has introduced a compliance management system (CMS) to ensure lawful and socially ethical conduct. An external whistleblower hotline means that any violations can be reported anonymously, allowing FUCHS to initiate its investigation.
- FUCHS operates according to principles based on the UN Global Compact (UNGC) of the United Nations and the International Labor Organization (ILO), and has signed up to show its commitment to the guidelines of the Responsible Care Initiative of the chemical industry.
- FUCHS has also produced and published its own codes, policies and guidelines that govern the standards of how FUCHS employees work together and of the relations with business partners. These documents guide our employees and business partners in all the business decisions they make in their day-to-day work. They can be found on our website.



- FUCHS is actively involved in implementing the National Action Plan for the Economy and Human Rights (NAP). The industry dialogs are led by the Federal Ministry of Labor and Social Affairs. The aim of these dialogs is to provide guidance for companies in industries with special human rights challenges, and to help them appropriately implement the NAP requirements for human rights due diligence. Alongside FUCHS as a lubricant manufacturer, this involves carmakers, other supplier companies and human rights organizations working closely together.
- FUCHS is a signatory of the International Council of Chemical Associations' Responsible Care Global Charter. FUCHS is committed to this initiative's guidelines. Among other things, chemical industry companies undertake to improve their products, to continuously expand their knowledge of their products and processes, to operate safe production facilities and much more. The security and protection of people and the environment are also of fundamental importance.
- FUCHS heads the sustainability committee founded in 2020 under the banner of the Union of the European Lubricants Industry (UEIL), the goal of which is to devise industry-wide standards.



“The challenge will be to develop a method of measuring the carbon footprint for our industry that covers the entire supply chain. UEIL is therefore striving for a European solution that stakeholders will both accept and support.”

**Dr. Christine Fuchs,
Chairwoman of the UEIL Sustainability Committee**

- FUCHS supports the Code of Responsible Conduct for Business Initiative of the Wittenberg Center for Global Ethics (WZGE). The initiative for sustainable supplier networks mainly addresses the foundations of successful and sustainable business, which must be taught to developing and emerging economies especially.
- FUCHS is a benefactor of the Alliance for Development and Climate. The goal of this foundation is to promote the voluntary compensation of greenhouse gases as an instrument for financing further climate protection projects in developing and emerging economies. It now has

more than 900 backers from the business and administration sectors, striving for climate neutrality and at the same time avoiding, reducing and offsetting their greenhouse gas emissions.

- Working in partnership, FUCHS regularly consults with raw material suppliers on current issues to coordinate sustainability activities with the upstream supply chain. For example, they discuss issues such as calculating their ecological footprint, sustainability ratings or, for example, possibilities for product categorization according to sustainability criteria.

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