

Sustainability Report FUCHS PETROLUB SE

# 2019



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# 1 Foreword



**Dr. Lutz Lindemann,**  
Member of the Executive Board  
CTO

## Ladies and Gentlemen,

2019 bolstered political and social awareness of the relevance of sustainability efforts, and moved a range of sustainability debates to the forefront.

Previously, the abstract discussion of cutting CO<sub>2</sub> emissions and the general efforts to reduce the irreversible consumption of resources had not sparked the general awareness necessary to force action to solve the problems at hand.

The high-profile demands of the “Fridays for Future” movement garnered a great deal of attention, lending sustainability issues a high degree of political and social relevance.

This gave way to new political initiatives, such as the European Green Deal, resolutions to introduce a CO<sub>2</sub> tax and the ban on oil heating.

The move to sustainability has now taken on an additional urgency, demanding a greater willingness for industry to take action than has been manifest to date. We as an industrial company, are being called upon to develop intelligent concepts that can – sensibly, deliberately and not hastily – transform the way business is currently done into a sustainable system of doing business, without destabilizing the current economic system or harming competitive capability. This is a complex, multi-dimensional question which politics and business must solve together without falling into ineffective actionism.

At FUCHS, we have long dedicated ourselves to these problems in order to play our part together with our industry partners. In the realm of sustainability, FUCHS is taking action in three core areas:

- Working systemically in industry and with associations to make sustainability measurable and verifiable, based on new industry standards yet to be developed. This is the only way that sensible, systemic decisions are possible.
- Projects that quantify the various elements of sustainability – in particular carbon footprint in terms of the “supplier – in-house production – finished product life-cycle” triangle – and make them verifiable in order to achieve improvements in targeted projects.

- Social engagement in the communities in which our companies operate through financial support for social projects, combined with the personal involvement of our employees. These contributions provide assistance in the fields of training, counselling and mitigating social disadvantage.

The activities and objectives of the FUCHS Group are explained in detail in this Sustainability Report.

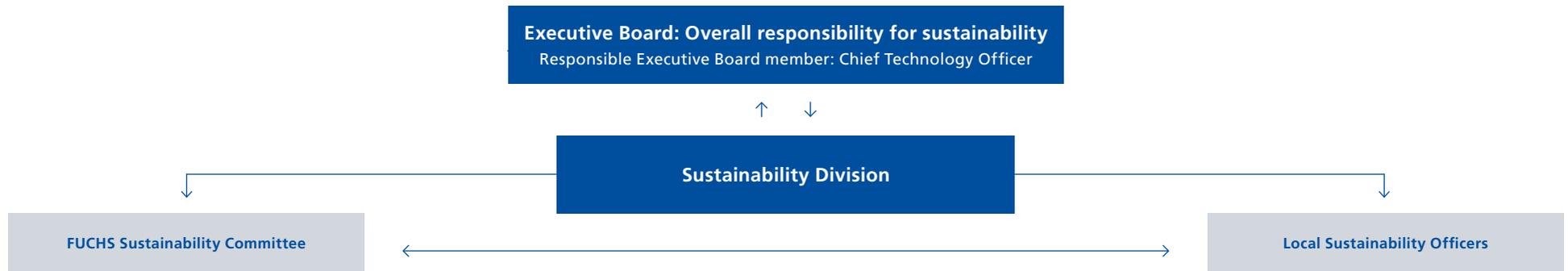
Yours,

Dr. Lutz Lindemann,  
Member of the Executive Board  
CTO

## 2 Sustainability at FUCHS

### 2.1 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 cooperation with the Group's Sustainability division headed by the Vice President for Sustainability.

In cooperation with the global function heads, who meet two to three times a year as the FUCHS Sustainability Committee, the local sustainability officers of the 33 national units with production operations, the Executive Board and, increasingly, the sales units to map sustainability efforts along the entire supply chain, the Sustainability division bundles the respective requirements and designs FUCHS' central sustainability strategy on this basis.

The local sustainability officers (LSO) are the connecting links between the Group company in Mannheim and the national units with production operations. They are the on-site and first points of contact for questionnaires as well as for the local implementation of the sustainability strategy in coordination with the respective management. They also provide stimulus for the central Sustainability department.

## 2.2 Management

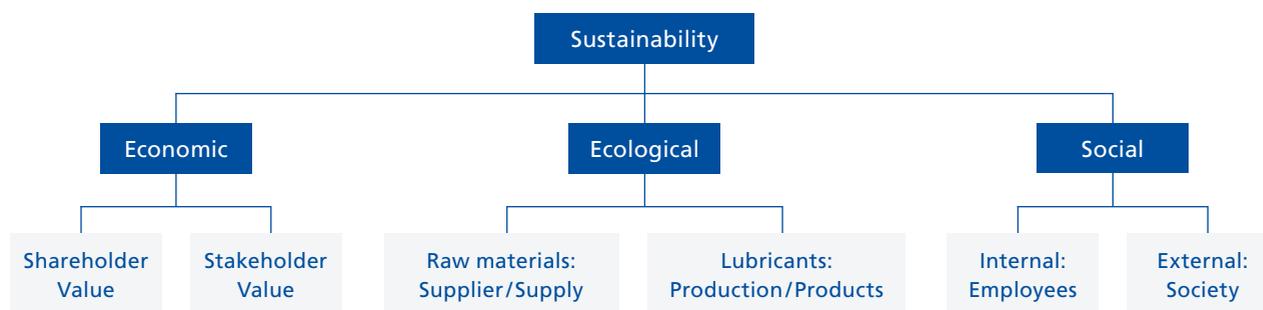
The main pillars of sustainability at FUCHS are optimization and continuous development in line with the changing conditions of our time. Since establishing the independent Sustainability Division in 2011, we have been continuously working on improvements in cooperation with various divisions of the company and, in 2019, we achieved further milestones at our global FUCHS locations, in partnership projects with industrial companies within and beyond the lubricants and chemicals industry and in cooperation with the relevant lubricants industry associations.

Particular highlights include:

- The “Life Cycle Analysis of Hydraulic Fluids” cooperative project was carried out in partnership with BASF’s Fuel and Lubricant Solutions unit. In a departure from the standard approach of focusing only on the manufacture of products when considering the emissions generated, the project assessed the entire life cycle of various hydraulic fluids for the first time, from the procurement of raw materials, to the production and use phase at the customer and the disposal of waste oils.
- Under FUCHS’ leadership, the Union of the European Lubricant Industry’s (UEIL) Sustainability Task Force started its work in the spring of 2019. Founded in the fall of last year, the working group’s goal is to develop harmonized sustainability standards, performance indicators and benchmarks for the European lubricant industry in cooperation with representatives of the entire process chain. It is intended that these criteria will enable lubricants companies to measure, manage, modify and report on their sustainability moving ahead. This will also allow the comparability of sustainability between companies and year-on-year comparisons by the same company.
- The full-day FUCHS EVONIK Forum (FEF) was held for the second time at FUCHS’ head office in Mannheim in fall 2019. In addition to the latest issues, division heads for sustainability, product management, development, procurement, innovation and quality management discussed projects on CO<sub>2</sub> emissions, e-mobility, quality and purchasing standards and ongoing company-wide collaboration. This gave rise to various ideas for follow-up projects at various levels.

## 2.3 Dimensions

### Sustainability Dimensions



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

#### Economic sustainability

We consider economic responsibility to mean the long-term alignment of our business with the goal of continually increasing enterprise value for the benefit of our shareholders 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). FVA as a form of economic profit is a catch-all term that encompasses both EBIT and capital employed. A key component of capital employed is net operating working capital (NOWC). See annual report for further information.

#### Economic indicators

in € million	2019	2018	2017
FUCHS Value Added (FVA)	174	251	250
Earnings before interest and tax (EBIT)	321	383	373
Net operating working capital (NOWC) in %	21.8	23.4	22.3
<b>Total dividend payout</b>	<b>134</b>	<b>131</b>	<b>126</b>

#### Ecological sustainability

Ecological sustainability means the careful use of natural resources and the environment to guarantee a life of equal quality for future generations, and is a top priority at FUCHS. FUCHS therefore pays particular attention to the responsible use of energy, water and raw materials.

Knowledge of the current situation is a basic requirement in being able to manage the consumption of resources. FUCHS calculated its ecological footprint for the first time in 2014, and updated these data in the past fiscal year. This means that FUCHS calculated the environmental impact of business activities at its facilities across all locations, which is known as a gate-to-gate analysis. Given FUCHS' low vertical integration as a refiner at the end of the process and value chain, the direct ecological footprint in lubricant manufacturing is relatively low. FUCHS therefore differs from the conventional chemical industry.

After calculating these unavoidable emissions, FUCHS made the decision to become climate neutral. This means compensating for such unavoidable emissions by investing in high-quality climate protection projects. Even though the goal of continuously reducing its ecological footprint through environmentally friendly production methods still stands, FUCHS is thus making an active contribution to reducing global CO<sub>2</sub> emissions. The projects were selected in regions where FUCHS also operates to help the local population in the context of corporate citizenship.

However, the complete footprint of FUCHS lubricants is also affected by factors influencing the environment and resources used in connection with the extraction and sourcing of raw materials by our suppliers, the delivery of finished lubricants to our customers and their ultimate disposal.

FUCHS maintains contact with its suppliers in order to measure and manage the environmental impact of the raw materials used. FUCHS is striving for a joint approach to implementing sustainability along the entire process and value chain.

But the applications of FUCHS lubricant products are also important to FUCHS' ecological sustainability. Here, FUCHS seeks to identify and, where possible, to increase the positive effects achieved by customers during the use phase of FUCHS lubricant products by reducing friction, wear and corrosion. In keeping with goal no. 17 "Partnerships for the goals" of Agenda 2030, FUCHS is working with companies in the chemicals industry to quantify the impact of different lubricant formulations used by customers to identify potential for optimization.

### Raw materials: Supplier / Supply

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

The raw materials used at FUCHS consist of complex chemical raw materials, renewable raw materials and a wide range of base fluids. FUCHS has undertaken significant efforts to ensure that the raw materials used comply with all EHS regulations (environmental, health and safety) and, parallel to this, invests in alternative raw material solutions that help to protect the environment and resources.

For FUCHS, raw materials are a key element in the formulation of products. A carefully monitored and administered raw material portfolio ensures that the products currently on the market are always available with a consistent level of quality.

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 prevention of procurement risks are guaranteed by a broad base and a structured search for alternative suppliers. Technical

working groups assist procurement officers in validating alternative sources of raw materials to rule out single supply scenarios. Sustainable business services are also taken into account when the company selects potential new suppliers. Since the past fiscal year, the CO<sub>2</sub> emissions generated by the production of a raw material have also been inquired about in the specifications for raw materials.

Given the strategic importance of having key suppliers of necessary raw materials at all times, FUCHS actively manages these relationships. The centrally managed FUCHS suppliers are assessed and systematically evaluated each year in the global supplier evaluation based on various criteria. In the event of any deficits 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, including the carbon footprint of the raw materials supplied to FUCHS and possible CO<sub>2</sub> reduction targets. This takes into account the fact that most of FUCHS' greenhouse gas emissions are generated not within the company's own areas of operations – which it could control directly – but rather in the upstream supply chain. More weight was given to these criteria again for the fiscal year 2019 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. In this way, FUCHS is not only 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 through cooperation with strategic suppliers and work only with those suppliers who are also committed to this target. That not only applies in relation to resource efficiency and environmental standards, but also in order to increase the amount of environmentally friendly raw materials in our own production processes.

#### Lubricants: Production / Product

FUCHS develops, produces and sells numerous lubricant products optimally tailored to the respective application, as well as emission reducing and environmentally friendly products. Thanks to their friction reduction, wear and corrosion protection properties, FUCHS lubricants positively contribute to prolonging running times of machines. Compared to conventional alternatives, they also increase the efficiency of customers' production processes and thus make a positive contribution to saving on energy, cutting back greenhouse gas emissions and thereby conserving resources. These effects are measurable using

environmental performance evaluation and life cycle assessment and, in addition to performance and price, can become an additional differentiating characteristic and thus a competitive advantage for FUCHS.

FUCHS is in the process of quantifying sustainability in its lubricants portfolio. Its aim is to develop a reference enabling it to categorize FUCHS products quantitatively in relation to their sustainability. Our expectation is that the change from a qualitative to a quantitative assessment of ecological sustainability will bring a significant progress in terms of the operationalization of environmental properties and that this categorization will be a future specification component for FUCHS lubricants.

A key aspect of ecological sustainability management is FUCHS' certification in accordance with the relevant ISO standards. As of the end of 2019

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

In 2019, certification work focused on expanding the certification required in the automotive sector in accordance with IATF 16949. FUCHS successfully completed certification for this standard at six other production locations. FUCHS is also still pushing for the certification of production locations in accordance with the relevant ISO/IATF standards. The coordination of the global strategy for certification in accordance with the ISO 14001, ISO 45001 and ISO 50001 environmental and occupational safety standards is planned for 2020.

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.

Even though, as stated above, FUCHS' ecological footprint is relatively small at the end of the process and value chain, the objective still stands of continuing to reduce the ecological footprint with environmentally conscious production methods. FUCHS is therefore developing special technologies and investing in state-of-the-art, safe systems for lubricant production, and in continuous process optimization. The goal is to minimize or further decrease its energy and water consumption as well as the waste arising in production operations and to reduce CO<sub>2</sub> emissions.

In this way, FUCHS is planning to uphold the carbon neutrality achieved from 2020 in future years through increased internal optimization and standardization while scaling back compensation measures.

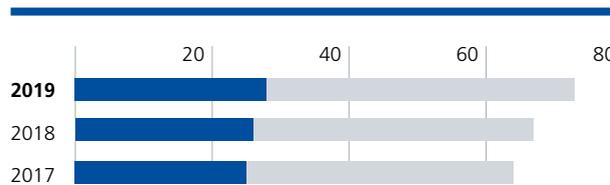
FUCHS is currently working to gain a better ecological understanding of the production processes specific to its portfolio and resource consumption of its locations on the one hand and on opportunities for further resource savings on the other. An internal sustainability initiative with a cross-departmental steering committee sponsored by the CTO is intended to ensure that processes continue to be optimized throughout the Group.

**Ecological indicators**

FUCHS' water consumption per ton of lubricant produced remained constant year-on-year, and its waste volume was even reduced back to the 2017 level.

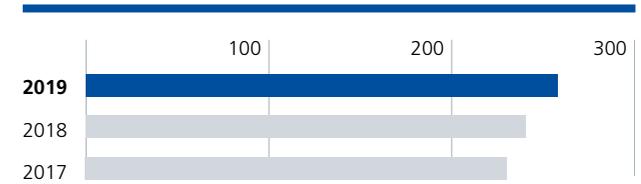
The fact that the indicators are still subject to climatic conditions even in spite of all the process optimization that has been achieved is shown by the development of energy consumption and the associated CO<sub>2</sub> emissions per tonne of lubricant produced. Adverse climatic factors in the US and Canada at the start of the year increased the energy consumption required for the storage and processing of raw materials. Another factor that caused indicators to rise were the various new plant buildings in which all production processes had to be tested on start-up without generating any effective production.

**CO<sub>2</sub> emissions**  
(in kilograms per ton produced)



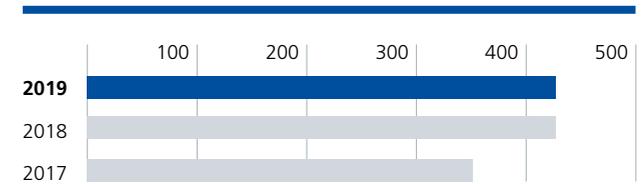
■ Scope 1: direct emissions through own energy generation.  
 ■ Scope 2: indirect emissions through purchased energy.  
 Basis: FUCHS production locations.

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



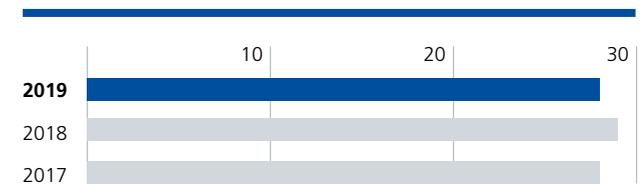
Basis: FUCHS production locations.

**Development of water consumption**  
(in liter per ton produced)



Basis: FUCHS production locations.

**Waste generation**  
(in kilograms per ton produced)



Basis: FUCHS production locations.

### 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

We see our employees as the foundation of our success. FUCHS undertakes to uphold human rights and labor standards and to promote health and safety in the workplace. As part of our sustainable personnel management, we have therefore implemented projects in the fields of health management, continuing professional development and work-life balance.

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. Employees are advised to be constantly mindful of potential hazards in their activities and their working environment, both in their own interests and in the interests of their co-workers.

40 % of the production locations were certified according to the OHSAS 18001 (Occupational Health and Safety Management System) at the end of 2019. Certificates in accordance with OHSAS 18001 may only be issued until March 11, 2021. Thereafter, only certification of health and safety at work in accordance with the new ISO standard 45001 "Occupational Health and Safety Management Systems" published in March 2018 is still possible. FUCHS has decided to strive for new certifications only in accordance with the new ISO standard 45001. As the requirements are more extensive than those of the previous OHSAS 18001 standard, the aim is to increase the share of certified production sites to 50 % in the next two years.

Needs-driven continuing professional development is our foundation for developing specialist personnel and employees with high potential. As a global training institution, the FUCHS ACADEMY not only regularly offers seminars on a wide range of technical subjects; it is also a very popular learning platform for junior staff and employees with high potential, which helps to ensure the continuous and targeted further development of FUCHS employees.

We consistently pursue the objective of finding the optimum balance between the business interests of FUCHS and the private and family needs of our employees, and therefore help the latter to combine a career with family. Flexible working time models are an important part of this.

The social indicators, which have largely remained stable, form the basis for the strategic outlook of the Group's HR work.

## Social indicators

	2019	2018	2017
Average age of employees in years	43	43	43
Age structure of employees in %			
<30 years	15	16	16
31–40 years	29	28	28
41–50 years	27	28	28
>50 years	29	28	28
Average length of service of employees in years	10	10	10
Employee fluctuation <sup>1</sup> in %	4.2	4.7	4.1
Work-related accidents <sup>2</sup> per 1,000 employees	13	15	16
Days lost due to sickness per employee	8	8	7
Proportion of women in management positions in %	22	22	22
Average further training and education per employee in hours	13	14	15

<sup>1</sup> Share of employees leaving the company voluntarily.

<sup>2</sup> Number of accidents with an absence of more than three days.

### External: Society

In the context of its corporate citizenship, FUCHS takes social responsibility not just at its corporate headquarters in Mannheim, but also largely at its subsidiaries in other countries. FUCHS employees do volunteer work for a number of local projects, though existing social projects are also helped and funded by means of donations.

Corporate citizenship is a fixed component of the corporate culture at FUCHS. Around 30 % of projects, which are

selected by the national subsidiaries in line with respective local requirements, are focused on education – goal no. 4 of Agenda 2030: “Quality education”. A further 20 % of projects each are dedicated to goal no. 1 “No poverty” and goal no. 3 “Good health and well-being”. FUCHS is planning to set up an intranet platform where its companies can post their corporate citizenship activities as best practice examples for the FUCHS sustainability network, thereby inspiring others throughout the company.



FUCHS South Africa employees spending World Environment Day cleaning up the area around the plant in Isando, Johannesburg.



The participants of the FUCHS math support program at a local school in South Africa.

### 3 Sustainable Development Goals (SDGs)

FUCHS supports the implementation of the 17 Sustainable Development Goals (SDGs) that were adopted by the 193 member states of the United Nations in September 2015. The SDGs are an important step towards a common understanding of the challenges the company must tackle around the world to enable sustainable development. They cover the full range of sustainability issues that are relevant to all stakeholders – for industrialized, developing and emerging countries, companies and non-governmen-

tal organizations in addition to stakeholders from all industries and sectors along the value chain.

As a company, we firmly believe that these goals can promote joint action and accelerate progress towards sustainability. Given our broad product portfolio and our presence on a number of markets, our activities support most of the 17 SDGs and our products and solutions aim to contribute to the achievement of the SDGs in numerous ways.

The following table provides examples of how our commitment to sustainability contributes towards the achievement of global development goals. The areas presented here illustrate the breadth of the contributions we make through our business activities and our wider social commitment.

## SUSTAINABLE DEVELOPMENT GOALS

### United Nations Sustainable Development Goals

Goal	FUCHS' contribution and activities
 <p>1 NO POVERTY</p>	<ul style="list-style-type: none"> <li>■ The FUCHS Sponsorship Award has been awarded to various social projects in the Mannheim region every year since 2000 and is endowed with a total amount of EUR 75,000 also in 2019, e.g. Social Learning at the Maria Montessori School.</li> <li>■ FUCHS US handed out Thanksgiving hampers and Christmas toys at the Harvey House School of Ministry.</li> <li>■ FUCHS India sponsors 30 children each year through the Foster Care Organisation. Its sponsorship covers daily expenses and the costs of education for children from poor families.</li> <li>■ FUCHS India has teamed up with several schools to provide high-quality education, nutritious meals and other resources to children from families affected by poverty.</li> <li>■ In South Africa, the lack of access to education is one of the barriers that keep people trapped in poverty. Through its scholarship program, FUCHS South Africa invests to provide the means for those who would otherwise be unable to afford an education.</li> <li>■ In Italy, FUCHS financially supports an association that provides around 200 meals a day for homeless and poor people.</li> </ul>
 <p>2 ZERO HUNGER</p>	<ul style="list-style-type: none"> <li>■ In the US, FUCHS organized a meal for the homeless at St. Anne's Church in Chicago.</li> <li>■ FUCHS India entered into a partnership with two key organizations to provide impoverished children in Mumbai with balanced, healthy and nutritious lunches. Our donations to schools in Mumbai and Thane ensure that approximately 700 children are fed.</li> <li>■ FUCHS India entered into a partnership with schools in Dharavi and Ambarnath to provide milk and lunches for poor children</li> <li>■ Food donations, Mannheimer Platte e. V. for the homeless and poor (as part of the FUCHS Sponsorship Award)</li> </ul>

**United Nations Sustainable Development Goals**

## Goal

## FUCHS' contribution and activities



FUCHS is subject to various national and international health regulations at its different locations. At the end of 2019, 40 % of its production locations were certified according to OHSAS 18001 (Occupational Health and Safety Management System). As part of our sustainable personnel management, we have established various projects in healthcare management and established works healthcare management. This now includes extensive training in areas such as handling loads, skin protection and ergonomics at computer workstations. Furthermore, regular programs are offered at the Mannheim site, for the early detection of colon cancer, addiction prevention and healthy eating. We support initiatives established by employees to take part in sporting activities together as well as cooperations with fitness studios. We only offer products that are harmless to people and the environment. In developing our products, we only use raw materials that comply with all legal regulations and that have already undergone numerous inspections and assessments.

- Support and sponsorship for the work of the Regenbogenland children's hospice in Düsseldorf
- 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 in Ohio.
- FUCHS India initiated water sustainability projects in several villages approximately 100 kilometers from Mumbai.
- FUCHS South Africa has an annual program for its employees that covers nutrition, general health and mental health. Information is provided on specific topics, assessments are carried out and recommendations are made.
- FUCHS China supports a charity that provides medical treatment for the poor people in its local community.
- The "Abenteuer Essen – Frühkindliche Ernährungsbildung in der Metropolregion Rhein-Neckar" was created in 2014 to promote healthy living at a young age. FUCHS PETROLUB SE supports this project to boost the health awareness of the citizens of the Metropolitan Region Rhine-Neckar.
- In cooperation with its works occupational health department, FUCHS France organized various meetings around the FUCHS canteen to raise employee awareness about addiction (drugs, alcohol, cigarettes).

## United Nations Sustainable Development Goals

### Goal

### FUCHS' contribution and activities



Alongside vocational training, individual, needs-driven continuing professional development remains the foundation for developing specialist personnel and high potentials. Many of our social activities are about training and continuing professional development. Continuing professional development and lifelong learning for employees are a top priority at FUCHS. FUCHS encourages its employees to broaden their knowledge and skills according to their individual requirements:

As a global training institution, the FUCHS ACADEMY regularly offers seminars on a wide range of technical subjects and provides our sales experts, for instance, with a sound background knowledge of our products and their applications. The FUCHS ACADEMY is also a very popular learning platform for junior staff and employees with high potential, which helps to secure the continuous and targeted further development of our employees.

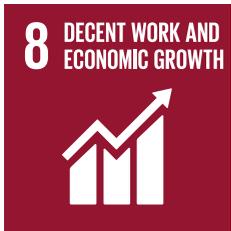
Our corporate citizenship activities include:

- FUCHS India pays the tuition for around 80 pupils from extremely poor families at the Anugrah Vidya Mandir school.
- FUCHS US provided the Harvey School District with three scholarships of USD 2,500.
- In India, FUCHS sponsors a school in Asia's biggest slum, where children below the poverty line are taught. FUCHS India donates notebooks, school materials and lunches.
- FUCHS India has broadened its support for an organization that develops e-learning kits for children to ensure a high-quality virtual school education.
- In South Africa, FUCHS is helping ninth grade students at schools in a local community in math by providing additional lessons.
- Donation by FUCHS China to promote sports activities and educational programs for 400 children at the local primary school
- FUCHS Portugal supported a project Teaching German to future engineers and technicians at the university in Portugal.
- Since 2008, FUCHS PETROLUB SE has been supporting the "Kick into life" initiative, a social partnership focusing on integration through sport. FUCHS PETROLUB SE finances supervisors and trainers, thereby creating a strong, personal connection.

**United Nations Sustainable Development Goals**

Goal	FUCHS' contribution and activities
 <p><b>5</b> GENDER EQUALITY</p>	<p>FUCHS respects employees' rights to equal treatment, regardless of race and nationality, religion and belief, gender and sexual orientation, political or trade union activity, age, illness or disability or other personal characteristics. FUCHS considers mixed management teams to be an effective means of enhancing the company. For this reason, we also place particular emphasis on actively supporting women and ensuring that appropriate consideration is given to them when filling management positions.</p> <ul style="list-style-type: none"><li>■ In the US, FUCHS volunteered at the "Girls STEAM Ahead" for high school women interested in working in science, technology, engineering, art and math.</li><li>■ FUCHS Spain took part in an external program for the integration of women who had left the world of work for a prolonged period due to child-care back into engineering careers.</li><li>■ FUCHS India supports the Majhi Maitrin organization to provide extra tuition for schoolgirls who cannot afford the fees, etc. This is intended to promote high-quality education for girls from backgrounds with financial difficulty, and to help them learn more outside the classroom and receive additional tuition to enhance their self-esteem.</li></ul>
 <p><b>6</b> CLEAN WATER AND SANITATION</p>	<ul style="list-style-type: none"><li>■ FUCHS India supported the construction of toilets in rural villages to provide sanitary facilities and to boost villagers' general health and well-being.</li></ul>

**United Nations Sustainable Development Goals**

Goal	FUCHS' contribution and activities
 <p><b>7</b> AFFORDABLE AND CLEAN ENERGY</p>	<ul style="list-style-type: none"><li>▪ FUCHS offers the latest lubricant technologies for wind turbines for the production of wind energy.</li><li>▪ FUCHS South Africa invested in a solar energy project to add clean energy to its energy mix.</li><li>▪ FUCHS China uses solar water heaters to heat water in its sanitary facilities.</li></ul>
 <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>	<ul style="list-style-type: none"><li>▪ Thanks to constant growth and investment, e. g. in the construction of new lubricant plants and office buildings, FUCHS provides good and secure jobs for a large number of people. The number of employees around the world rose to around 5,600 year-on-year in 2019.</li></ul>
 <p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<ul style="list-style-type: none"><li>▪ FUCHS invests in process optimization with the aim of keeping energy consumption, water consumption and the amount of waste generated in production low and reducing it all the time.</li><li>▪ FUCHS China helped its local community to build a road to improve traffic conditions.</li><li>▪ FUCHS Spain is working with development centers to improve the quality of end products with new production technologies such as 3D printing (R&amp;D Advanced Technology Project).</li></ul>

## United Nations Sustainable Development Goals

Goal	FUCHS' contribution and activities
 <p><b>10</b> REDUCED INEQUALITIES</p>	<ul style="list-style-type: none"> <li>■ The signing of the Modern Slavery Act Statement in the UK underscores FUCHS' determination to prevent the criminal exploitation of human labor, for instance in the form of human trafficking, forced and child labor or slavery, beyond its own operations also in its supply chain.</li> <li>■ FUCHS South Africa is involved in government-funded programs to aid historically disadvantaged communities, including people with disabilities, women and black citizens. FUCHS advocates and supports the employment of these groups.</li> <li>■ FUCHS US works with organizations such as "Aspire" to employ and hire people with disabilities on a voluntary basis.</li> <li>■ In France, FUCHS supports the CESAP organization, whose mission is to care for children with multiple disabilities.</li> <li>■ FUCHS India has partnered with an organization that advocates for equal social opportunities for disabled people, and regularly contributes to the distribution of mobility aids.</li> <li>■ FUCHS India supports high-quality education for blind girls at the Kamla Mehta Dadar School for the Blind in the south of Mumbai.</li> </ul>
 <p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p>	<ul style="list-style-type: none"> <li>■ Cooperations and partnerships in series of events with chambers of industry and commerce, universities, student and graduate organizations and schools, all also focusing on boosting sustainability in the Metropolitan Region Rhine-Neckar.</li> <li>■ FUCHS has been funding the endowed chair for CSR at the University of Mannheim since 2016 and will continue this support.</li> <li>■ FUCHS South Africa supports various community-based NGOs working on issues such as cancer and caring for orphans and other at-risk groups.</li> </ul>
 <p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<ul style="list-style-type: none"> <li>■ FUCHS develops, produces and sells numerous lubricant products optimally tailored to customer requirements, as well as emission-reducing and environmentally friendly products. Thanks to their friction reduction, wear and corrosion protection properties, FUCHS lubricants positively contribute to prolonging the working life of machinery. Compared to conventional alternatives, they also increase the efficiency of customers' production processes and thus make a positive contribution to saving on energy, cutting back greenhouse gas emissions and thereby conserving resources. We encourage our suppliers to use more sustainable raw materials, and can thereby offer our customers and consumers innovative products that reduce their ecological footprint.</li> <li>■ FUCHS Brazil installed special applications in its sanitary facilities to reduce the consumption of fresh water when washing hands and flushing toilets.</li> </ul>

**United Nations Sustainable Development Goals**

Goal	FUCHS' contribution and activities
	<ul style="list-style-type: none"><li>■ 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. Four further production locations are to be certified according to ISO 14001 in the next two years.</li><li>■ FUCHS has calculated its production-specific CO<sub>2</sub> emissions and supports global climate protection projects to offset this as part of its carbon neutral strategy.</li></ul>
	<ul style="list-style-type: none"><li>■ This goal is supported by some of our sustainability activities and products, but it does not relate directly to our core business.</li></ul>
	<ul style="list-style-type: none"><li>■ 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.</li><li>■ FUCHS South Africa employees took part in the voluntary clean-up of the area around the plant in Isando, Johannesburg.</li></ul>

## United Nations Sustainable Development Goals

Goal	FUCHS' contribution and activities
 <p><b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<ul style="list-style-type: none"> <li>■ FUCHS respects human rights and actively combats corruption and bribery.</li> <li>■ FUCHS has introduced a Compliance Management System (CMS) to ensure lawful and socially ethical conduct.</li> <li>■ FUCHS operates according to principles based on the UN Global Compact (UNGC) of the United Nations and the International Labor Organization (ILO).</li> <li>■ FUCHS has also produced and published its own codes, policies and guidelines that govern the standards of how FUCHS employees work together and 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.</li> </ul>
 <p><b>17</b> PARTNERSHIPS FOR THE GOALS</p>	<ul style="list-style-type: none"> <li>■ In 2019, FUCHS performed an eco-efficiency analysis of various hydraulic fluids in cooperation with BASF's Fuel and Lubricant Solutions unit.</li> <li>■ FUCHS is a signatory of the International Council of Chemical Associations' Responsible Care Global Charter. FUCHS is committed to this initiative's guidelines.</li> <li>■ FUCHS is involved in the "Chemie 3" sustainability initiative sponsored by the German Chemical Industry Association (VCI), the Mining, Chemical and Energy Industrial Union (IG BCE) and the Federal Association of Employers in Chemistry (BAVC).</li> <li>■ FUCHS heads a Sustainability Task Force under the banner of the independent Union of the European Lubricants Industry (UEIL) that was formed in fall 2018, and that met quarterly under FUCHS' leadership in spring 2019.</li> <li>■ FUCHS supports the Code of Responsible Conduct for Business Initiative of the Wittenberg Center for Global Ethics (WZGE). Since 2016, FUCHS has also been involved in a multi-industry initiative of German companies to establish sustainability networks in developing and emerging countries, which is coordinated by the sustainability network econsense together with the WZGE.</li> <li>■ FUCHS South Africa is a member of the charitable ROSE Foundation (Recycling Oil Saves the Environment), which prevents oil pollution and promotes recycling.</li> </ul>

## Imprint

### **Published by**

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