

FUCHS GROUP

# FUCHS Principles on Health, Safety, Environment, Energy, Quality and Sustainability Management

*MOVING YOUR WORLD*



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## I FUCHS Group

Founded in 1931 as a family business in Mannheim, FUCHS is the world's largest independent supplier of innovative lubrication solutions, covering almost every industry and application. Today, the company's 6,000 employees in over 50 countries still share the same goal: to keep the world moving both sustainably and efficiently.

When developing individual solutions, FUCHS enters into an intensive dialogue with its business partners – acting as an experienced consultant, innovative problem solver and reliable team partner. Customer satisfaction is our primary goal, and all processes shall be aligned to meet customer requirements. A process-oriented approach involves identifying, understanding, and managing the interconnected activities that make up FUCHS's processes. By optimizing processes, FUCHS achieves better efficiency and consistency in its operations.

The resulting solutions - based on factual data and analysis rather than intuition or gut feeling - meet the highest technological requirements - and will help our customers to reduce operating costs and emissions. FUCHS lubricants reduce friction, wear and energy consumption. In this way, they help to reduce the CO2 footprint in the application.

They are a central component of many sustainable technologies of the future. Because at FUCHS, sustainability is not just an empty phrase, but an attitude - and thus the basis and aspiration of all entrepreneurial activities.

### 1.1 Business Model

#### LUBRICANTS.

FUCHS' focus is 100% on development, manufacturing, and distribution of highly efficient lubricant solutions and functional fluids as well as providing excellent service. This clear focus is what makes FUCHS stand out. FUCHS bundles products into complete solutions that match the exact requirements of our customers. FUCHS responds flexibly and quickly to challenges in a wide range of application areas and meets a wide range of national and international standards covering a broad range of more than 10,000 products. It is roughly divided into automotive lubricants and industrial lubricants. In a highly fragmented market, FUCHS is a leading provider of holistic solutions with global reach who is present in virtually all industry segments and provides holistic support to customers throughout the entire product lifecycle. Everywhere in the world.

#### TECHNOLOGY.

Advanced, process-oriented, and holistic solutions for lubricants and functional fluids are fundamental elements of FUCHS' success. Almost 10% of our employees are active in research and development. A worldwide network of professionals supports them with specialized skills so that intelligent solutions are created, tailored, and customized: whether it is a single product, services or a digital solution – or everything as a whole package. Our products and solutions reduce friction and wear, and sometimes even improve the manufacturing process itself, for example, with 360-degree project monitoring, digital lubricant monitoring, and sustainable supply processes. FUCHS continues to build technology leadership in strategically important application areas such as digitalization, new mobility, and sustainability. In doing so, FUCHS relies on the effectiveness, safety and sustainability of its lubricants and functional fluids along the entire process and value chain.

#### PEOPLE.

FUCHS is committed to keeping your world moving with over 6,000 employees. With a high level of understanding for industries, processes, and problem, FUCHS is team partner, problem solver and solution-finder for its customers by achieving the purpose of MOVING YOUR WORLD with ideas and a developer spirit.

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## 1.2 Management Systems and Certification

FUCHS firmly believes that clear structures and efficient processes are key to success. That's why FUCHS relies on proven management systems to guarantee the highest quality of its products and processes.

All FUCHS production plants are certified according to various international standards. Each FUCHS production plant has implemented a management system according to ISO 9001 (Quality) as a minimum requirement. In addition, most of the production plants are certified according to ISO 14001 (Environment). Several plants also hold an ISO 45001 (Health & Safety) certificate, as well as an ISO 50001 (Energy) certificate. FUCHS understands ISO 50001 as the instrument to continuously reduce energy consumption by an inherent management system. Therefore, FUCHS has committed to certify the production plants which are material for our global energy consumption.

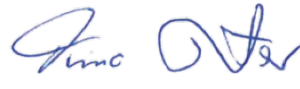
Further sector specific certifications and labels are implemented based on the local business needs. These include IATF 16949 and TISAX for the Automotive Industry, ISO 21469 / Kosher / Halal certifications for the Food Industry, EN 9100 certification for the Aerospace Sector, ISO 13485 / GMP for the Medical Industry as well as ISO 17025 for Laboratory Services.

All FUCHS management systems are based on legal and normative frameworks as well as Internal Policies and Standards. They are regularly checked internally through internal audit programs as well as externally by accredited certification bodies.

August, 2024



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## 2 Management Principles

The Principles of Quality Management (Customer Focus, Leadership, Engagement of People, Process Approach, Improvement, Evidence-based decision making and Relationship Management – described in chapter 4 and 5 of the harmonized structure) form the foundation of a robust management system, which helps FUCHS to ensure consistent quality, customer satisfaction and continuous improvement.

Implementing these principles lead to greater competitiveness, increased customer loyalty, and better overall performance.

### 2.1 Leadership and Commitment

Management shall show a clear commitment to achieving high standards. This includes acting as role models for safe and responsible behavior, as well as regular communication of EH&S, Energy, Sustainability and Quality Management. It is the responsibility of management to set objectives, define and implement programs and provide sufficient resources for EH&S, Energy, Sustainability and Quality.

FUCHS affiliates shall establish a comprehensive overview of applicable compliance obligations, legal and contractual requirements. This

overview shall be reviewed and updated regularly, at least annually.

Roles, responsibilities, and accountabilities shall be clearly defined, assigned, documented, and communicated.

FUCHS affiliates shall ensure that employees are competent related to their respective roles, responsibilities, and accountabilities. Required training and education shall be defined in training plans, which are reviewed and updated regularly, at least annually.

### 2.2 Awareness and Communication

Awareness and communication are essential components of effective teamwork and organizational success, serving as the bedrock for building understanding and collaboration to support the commitments of this policy.

FUCHS affiliates are responsible to ensure that FUCHS employees and other persons working under FUCHS control are made aware of this policy and FUCHS' commitment to this policy, including their responsibilities and accountabilities within the management systems, in order to enhance knowledge and promote behavior that supports the commitments of this policy.

Effective communication between and among the levels and functions is crucial to the

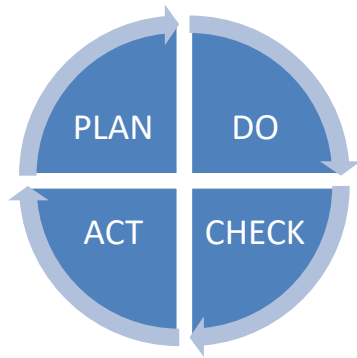
effectiveness of the management systems. It ensures that all team members are aware of their roles, responsibilities, and the expectations placed upon them, thereby minimizing misunderstandings and promoting a harmonious work environment.

Communication with external interested parties is an important and effective tool to provide important information to stakeholders, authorities, or emergency response services.

Therefore, FUCHS affiliates shall establish, implement and maintain documented processes for internal and external communication relevant to the management systems, taking into account FUCHS compliance and other obligations.

### 2.3 Performance Evaluation and Improvements

FUCHS is continuously looking for opportunities for improvement that follow the PDCA cycle and therefore values any idea or contribution to improving and maintaining the quality of our processes and products.



Internal and external audits shall be conducted regularly to ensure compliance, measure performance, and foster continuous improvement. FUCHS affiliates shall establish documented audit plans for internal and external audits. Those audit plans shall be reviewed and updated regularly, at least annually.

All accidents, incidents and identified non-conformities shall be documented including the root cause, which has been determined. The documentation shall also include corrective

actions taken as well as the evaluation of their effectiveness. The statutory reporting requirements for accidents and incidents must be complied with.

Preventive and corrective actions shall be defined, implemented, and documented to prevent the re-occurrence of non-conformities, accidents, or incidents.

### 2.4 Emergency preparedness and Response

Emergency situations are unplanned or unexpected events that create the need for an immediate response to mitigate their actual or potential consequences. Emergency situations may create adverse effects to FUCHS, for example through fires, explosions, spills or releases of hazardous substances, or natural events, such as flash floods, storms, typhoons, tsunamis, etc.

FUCHS affiliates shall establish, implement, and maintain documented processes to prepare for and respond to potential emergency situations, as required.

Contingency plans shall take into consideration most likely types and scales of emergency situations, equipment and resources needed, potential for emergency situations at nearby facilities (such as public roads, railway lines etc.),

the most appropriate method for responding, emergency organization and responsibilities, training and competency requirements, evacuation routes and assembly points, a list of key personnel and emergency response services (e.g. fire department) as well as internal and external communication processes.

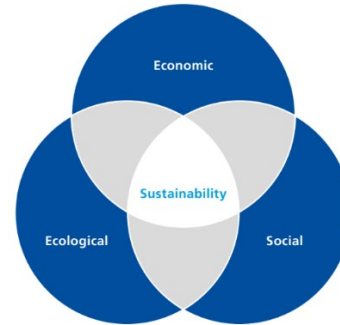
Respective contingency plans shall be defined and regularly reviewed by multidisciplinary teams. The defined response actions shall be regularly tested, at least annually. Any findings shall be documented. Adequate corrective actions shall be defined, implemented, and documented. Key points shall be included in employee's training plans.

## 3 Sustainability

Lubricants have a significant impact on sustainability by lowering friction and wear, which enhances energy efficiency and equipment durability, and this helps to support environmental sustainability. FUCHS' commitment to economic sustainability is reflected in its efforts to ensure that these practices also support financial health and business growth. Social sustainability is addressed by ensuring that operations are ethical, support community well-being, and promote a safe and inclusive workplace. By balancing these three pillars, FUCHS upholds its responsibility to foster a sustainable future.

Sustainability is commonly understood as a balanced interaction between three core elements: Economic, Social, and Ecological aspects. The Economic aspect refers to the system's ability to generate wealth and resources efficiently, while ensuring stability and fairness. The Social aspect is concerned with maintaining and improving societal well-being, which includes health, education, justice, and equality. The Environmental aspect involves the careful management of resources to prevent degradation of our planet's ecosystems and biodiversity. These three pillars are interconnected and equally important. They provide a framework for considering the impacts of actions and policies on different aspects of sustainability. By balancing

these three pillars, FUCHS can work towards a sustainable future that meets our needs without compromising the ability of future generations to meet theirs.



### 3.1 Economic Sustainability

Economic Sustainability is the basis of FUCHS' business success and independence as a company with family roots. FUCHS is convinced that empowering its customers to act more sustainably is also the key to greater efficiency and thus to significant economic savings and value creation potential. This is not only the basis for the long-term economic success of our customers - but also for our own. If FUCHS' partners are strong, so is FUCHS. Only if FUCHS acts on a solid economical basis, FUCHS can be a reliable and long-term partner for our customers and stakeholders, not least for our employees who rely on FUCHS' stability. FUCHS Value Added and a reliable Dividend Policy are instruments to achieve economical sustainability.

### FUCHS Value Added (FVA)

The central economic key figure for the corporate management of the Group is the FUCHS Value Added (FVA), which in addition to earnings, also takes into account the capital employed. The relevant earnings indicator is EBIT. The capital employed is reflected in the net assets and financial position. Value is created only if the income generated exceeds the cost of the capital employed.

Capital employed is significantly influenced by investments in property, plant and equipment, investments in intangible assets and the development of net operating working capital (NOWC). Fixed assets are controlled by means of investment appraisals, while the NOWC is controlled by the targeted management of its components (inventories, trade receivables and payables, prepayments received trade receivables and payables, advance payments received and customer rebate liabilities).

Other key performance indicators in addition to the FVA are revenue growth, profitability, and liquidity. FUCHS has defined clear metrics and targets for each of these indicators: The aim is to achieve annual sales growth in the midsingle-digit percentage range.

## Dividend Policy

FUCHS SE's dividend policy aims to increase the annual dividend allowing shareholders to participate in the company's success through an appropriate payout.

## 3.2 Ecological Sustainability

Sustainability in ecological terms is per se a main purpose of lubricants. Thus, they make a decisive contribution to reducing corrosion, wear, and friction. Protection against corrosion and wear allows longer machine or tool life, thus enabling more sustainable investments and preventing energy and material expenditure for premature replacement of the capital good.

Less friction means that less energy is needed to operate all kinds of machines. In this way, FUCHS lubricants actively contribute to the conservation of natural resources during the use phase at our customers. This saving of resources is also a top priority for FUCHS during the production process. In an age of increasingly scarce natural resources, the primary objective must be to use energy, water, and raw materials responsibly in order to enable future generations to live in good conditions. This applies to the production processes at FUCHS as well as to the application at our customers.

To this end, FUCHS not only considers and optimizes the own value chain but sees the greatest ecological levers with the customers. This is what FUCHS concentrates innovation and engineering skills on.

Compliance with relevant laws and regulations that apply to environmental protection is a task and obligation for FUCHS. The Group takes particular care to ensure a responsible use of energy and water, as well as raw materials. FUCHS places a priority on sustainable growth that guarantees the protection of the environment, a sparing use of its natural resources and respect for the living conditions of future generations.

### Net zero Strategy

FUCHS has set itself the goal of reducing its global Scope 1, 2 & 3 emissions to zero by 2040 ("Net Zero", "cradle-to-grave").

By pursuing the Net Zero goal, FUCHS has committed to reducing its global emissions by 90% until 2040 compared to the base year 2021. The following emission categories are considered in FUCHS' Corporate Carbon Footprint calculation:

Scope 1: Direct emissions

Scope 2: Indirect emissions from energy purchases

Scope 3:

- 3.1 Purchased goods & services
- 3.2 Capital goods
- 3.3 Fuel and energy-related emissions (not included in Scope 1 and 2)
- 3.4 (Upstream) transport & distribution
- 3.5 Waste
- 3.6 Business travel
- 3.7 Employee commuting
- 3.11 Use of sold products
- 3.12 Handling of sold products at the end of their life cycle.

The emission fields not mentioned in the above list of Scope 3 categories were analyzed and found to be either not material or not relevant. The reduction pathway has been calculated on a global basis and has been broken down to local goals in FUCHS affiliates. A set of measures has been defined from which the local companies select those measures that have the greatest influence on the respective circumstances regarding emission mitigation.

As the majority of FUCHS' corporate emission stems from purchased goods and services, FUCHS puts highest priority in engaging with its suppliers to reduce the carbon footprint of their products. FUCHS encourages its suppliers to set own targets regarding energy saving by e.g. reducing and/or replacing fossil sources as this represents the only way to decarbonize the lubricant industry.



## Energy Management

Although the production processes at FUCHS are not considered energy-intensive, FUCHS strives to reduce energy consumption continuously and to switch to fossil-free energy sources.

FUCHS affiliates shall establish, implement, and maintain documented processes to measure, and reduce their energy consumption based on local circumstances. It is their responsibility to set annual targets and objectives for reducing their energy consumption to demonstrate continuous improvement. ISO 50001 is the chosen framework to achieve this, and FUCHS commits to step-by-step certify our production facilities acc. to this standard.

Regarding resulting GHG emissions FUCHS affiliates shall foster the transition from fossil energy sources to green sources. This can be reached by switching to the purchase of green energy generated from renewable sources from the local power suppliers and/or the own production of energy e.g. by installing Photovoltaic systems on FUCHS sites.

## Waste and Wastewater Management

Waste management is an essential part of FUCHS sustainability efforts. FUCHS is committed to reducing its waste generation and ensuring that any waste FUCHS produces is handled safely and

responsibly. FUCHS affiliates measure and monitor the volumes of waste and wastewater generated.

The majority of waste generated by FUCHS comes from the production sites. FUCHS avoids waste by following the Reuse - Recycle - Dispose hierarchy. Residual quantities from manufacturing processes, such as flushing fluids, are preferably reused in new production batches. If this is not possible, these residual quantities and product waste are forwarded to recycling companies that use them to produce new raw materials. As part of the sustainability strategy, FUCHS actively prefers circular raw materials instead of fossil sources, provided the quality and pricing are competitive.

A large number of [FUCHS' production sites](#) are already ISO 14001-certified; this is the basis for FUCHS to work according to certified processes that prioritize waste prevention (Reuse + Recycle) over waste treatment. The treatment, transportation and processing of waste is highly regulated by law in many countries. FUCHS strictly adheres to these regulations and laws and only works with partners who meet these requirements. FUCHS also ensures that any waste produced in FUCHS facilities is handled safely and in compliance with all applicable local regulations. This includes proper labelling, storage, and disposal of hazardous waste, as well as monitoring and reporting generated waste as well as disposal activities.

FUCHS production facilities shall develop, implement, and maintain documented processes to measure, avoid or minimize their waste and wastewater generation, applying the following hierarchy of approaches:

- a) Reduction or elimination at the source;
- b) Reuse or recycling of materials within the process or the facility;
- c) Reuse or recycling of materials offsite;
- d) Recovery or treatment on or offsite;
- e) Controlled waste or wastewater disposal.

FUCHS affiliates are required to set annual targets and objectives for reducing their waste or wastewater generation to demonstrate continuous improvement.

FUCHS production facilities shall be equipped with containment systems and oil separators to avoid contamination of soil, water, and public sewage systems. Wastewater contaminated with hazardous substances shall not be emitted to public sewage systems and will be treated as hazardous waste. Discharges from containment systems shall be regularly controlled.

## Emissions other than greenhouse gases / Pollution Prevention

FUCHS Production Facilities shall develop, implement and maintain documented processes to measure, avoid or minimize emissions into air, soil or water or pollution of the environment, where applicable. It is their responsibility to set annual targets and objectives for reducing their emissions accordingly for continuous improvement.

To prevent air pollution, FUCHS implements stringent controls on emissions from our production facilities. During the blending of lubricants there are only few non-GHG emissions into the air. Nevertheless, FUCHS invests into advanced filtration systems and adopts cleaner production technologies to minimize the release of volatile organic compounds (VOCs) and other harmful pollutants into the atmosphere. For soil pollution prevention, FUCHS enforces rigorous spill prevention and response protocols. All facilities are designed with containment measures to prevent any accidental leaks, and FUCHS conducts regular inspections to ensure the integrity of the storage and distribution systems. FUCHS also advocates for proper disposal and recycling of used lubricants to prevent soil contamination.

FUCHS understands the importance of safeguarding water quality and is dedicated to preventing water pollution by ensuring that any water that is discharged meets or exceeds environmental standards.

## Water Consumption

As a lubricant producing company, FUCHS recognizes that water is a critical resource. FUCHS is committed to reducing its water footprint by implementing water-efficient practices throughout the operations. This includes investing in water-saving technologies, regularly monitoring and managing our water usage, and striving to reuse and recycle water wherever possible.

FUCHS affiliates shall develop, implement, and maintain documented processes to measure, avoid or minimize their water consumption. It is their responsibility to set annual targets and objectives for reducing their water consumption to demonstrate continuous improvement.

Additionally marine resources are vital for the health of our planet and its inhabitants. As a company that operates in an industry which might have potential impacts on marine environments, FUCHS is committed to minimizing its impact on these precious resources. FUCHS does not explore or harvest marine resources.

## Biodiversity

Biodiversity is the variety of life on earth, including all living organisms and the ecosystems they inhabit. As a lubricant producing company, FUCHS recognizes that our operations have the potential to impact biodiversity. Therefore, FUCHS is committed to minimizing the impact on the environment and preserving biodiversity. All sites are predominantly built in designated industrial areas chosen by local authorities to limit impact on biodiversity. FUCHS strives not to operate near protected habitats.

FUCHS aims to limit our impact on biodiversity by implementing sustainable practices throughout its operations. This includes reducing the carbon footprint and other emissions, minimizing waste generation, and promoting the use of renewable resources. FUCHS also commits to prevent any spills or leaks of our products that could harm biodiversity.

FUCHS aligns our biodiversity measures with the impact of our business activities along the value chain with the focus on three impact areas: supply chains, sites and production, and product impact.

FUCHS corporate sustainability goals on climate protection, product portfolio assessment, circular economy, water management and responsible procurement also help to protect biodiversity.

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FUCHS is committed to making a difference to the environment and society by protecting biodiversity. By doing so, FUCHS can ensure that future generations inherit a healthy planet with thriving ecosystems.

### Products and Product Developments

FUCHS develops and produces lubricants and functional fluids that are primarily used in customers' operations to ensure and improve functioning of machinery and equipment by reducing wear and friction and protecting against corrosion. High-quality lubricants help to extend the service life of machinery and increase its energy efficiency. FUCHS collaborates closely with many customers to develop customized products that are precisely tailored to the application to ensure optimal operation and minimize losses. Sustainability criteria have been defined to ensure that during the development process sustainability-relevant requirements are considered.

With its Product Sustainability Classification (PSC) Methodology aligned with WBCSD PSA-Standard FUCHS increasingly rates the performance of its products acc. to three aspects: economic sustainability, product safety and compliance and sustainable benefits in application. Low performance in e.g. criteria for product safety cannot be compensated by any potential benefits

in the overall rating. With this tool FUCHS is enabling itself to steer the product portfolio acc. to sustainable criteria and thus ensure that this portfolio is being continuously transformed to a higher sustainability contribution than already today.

### Product Stewardship and Animal Welfare

FUCHS is committed to Product Stewardship to ensure that our products do not pose any risk to people and the environment. It is the responsibility of FUCHS affiliates to develop, implement and maintain adequate documented processes to ensure regulatory compliance with applicable international, regional, and national regulations of all products they place on the market. This includes correct classification and labelling of products for handling and transport, SDS generation and compliance with applicable international, regional, and national regulations for marketability, chemical inventories, registration, and notification requirements. It is the responsibility of FUCHS affiliates to ensure that product stewardship experts have relevant qualifications and regularly receive refresher training with regards to relevant regulatory changes. Respective trainings must be included in the training plans of the affiliate.

Most FUCHS products are formulations of various raw materials. It is the responsibility of FUCHS

product stewardship experts to validate the incoming raw material information provided by suppliers before use for the product risk assessment. FUCHS is committed to eliminate the risks from hazardous chemicals in our products or reduce them to a minimum. Testing of products shall only be conducted where legally required or where it is deemed essential to protect safety, health, and environment.

FUCHS provides compliant SDSs for customers in more than 30 languages, including information on emergency hotlines, which provide support in case of incidents or emergencies. FUCHS product stewardship experts are also in charge to respond to customer requests, provide support and counselling with regards to our products.

FUCHS does neither own nor operate animal testing facilities. Furthermore, FUCHS does not support any animal testing except where legally required or where it is deemed essential to protect safety, health, and the environment. FUCHS is committed to the responsible reduction, refinement, and replacement of animal testing by using the best available approaches, including New Alternative Methods (NAM's), and those approved and accepted by regulatory bodies having jurisdiction over product safety testing. Where animal testing is legally required, the best and most appropriate testing standards will be used. Testing will only be conducted in

laboratories which are accredited according to the Good Laboratory Practice (GLP) standard, and which have an animal welfare policy in place.

### Strategy to reduce and substitute substances of concern

In the context of new upcoming chemical regulations worldwide combined with an increasing demand for more sustainable products it is FUCHS' goal to provide its customers with products which meet these requirements and expectations.

Therefore, FUCHS is committed to minimizing the use of substances of concern as defined in the EU Corporate Sustainability Reporting Directive (CSRD) and the corresponding European Sustainability Reporting Standards (ESRS). The use of Substances of Very High Concern (SVHC) according to Article 59(1) of regulation (EC) No.1907/2006 (REACH) shall be substituted or minimized, in particular for non-essential societal use and in consumer products.

In case a SVHC substance is prioritized to be included into Annex XIV (List of substances subject to Authorisation) of EU REACH, FUCHS will in close cooperation with customers and suppliers substitute the respective chemical in the related FUCHS product(s).

As FUCHS is highly committed to occupational safety and environmental protection, FUCHS has introduced a strict raw material approval procedure. The introduction of new raw materials with the GHS classifications listed below is only permitted for products with defined applications for which no less or non-hazardous alternatives with equivalent technical performance are available, provided that they are used under strictly controlled conditions to avoid exposure to humans and the environment.

- CMR Classification Category 1A, 1B
- Specific Target Organ Toxicity (STOT) Single Exposure Category 1
- Specific Target Organ Toxicity (STOT) Repeated Exposure Category 1
- Acute Toxicity Category 1 or 2, (oral, dermal, inhalation)
- Respiratory Sensitizers, Category 1, 1A, 1B
- Endocrine Disruptor, Category 1
- PBT, vPvB, Category 1
- PMT, vPvM, Category 1
- Germany: Water Hazard Class (WGK) 3

If the classification of FUCHS products in one or more of the hazard classes listed above cannot be avoided, FUCHS will provide its customers with all necessary information for safe use and disposal.

### Life cycle assessment (LCA)

Life Cycle Assessment (LCA) is a methodology used to evaluate the environmental impact of a product or service throughout its entire life cycle, from raw material extraction to disposal. For FUCHS LCA is an essential tool for assessing the environmental impact of lubricants and identifying opportunities for improvement.

LCA can help to identify areas where FUCHS can reduce its environmental impact, such as by using more sustainable raw materials, improving production processes, and reducing waste generation. It can also help to compare the environmental impact of different products and make informed decisions about which products to produce, which packaging to prefer or how formulations could be improved regarding their impact on sustainability.

FUCHS is committed to use LCA as a key methodology to evaluate the ecological impact of our products along the whole value chain and thus also avoid burden shifting from one to another environmental impact category by individual measures.

## Plants and Production Processes

FUCHS operates production facilities that comply with applicable regulations for occupational safety and environmental protection. Through continuous development of new processes and optimization of existing ones, FUCHS achieves a steady increase of safety and cost-efficiency while simultaneously reducing the consumption of resources and the burden on the environment.

## Fire Prevention

Fire safety is an indispensable aspect of any workplace, as it protects lives and safeguards businesses from catastrophic losses. It is the responsibility of FUCHS affiliates to establish adequate measures for fire prevention, including:

- Structural fire prevention such as implementation of fire compartments, escape and rescue routes, usage of adequate building material
- Engineering measures such as usage of fire extinguishers, sprinkler systems, fire alarm systems, appropriate detection systems, appropriate containment systems
- Organizational measures such as the supply of emergency telephone numbers, evacuation plans, regular fire drills, training and communication, assignment of evacuation assistants, proper handling, and storage of combustible and flammable materials.

## Transport and Warehouse Safety

FUCHS affiliates shall develop, implement, and maintain documented processes for the transport of Dangerous Goods in compliance with applicable regulations, where necessary. The processes shall take into consideration correct classification, labelling and packaging of dangerous goods, adequate training of employees or other people involved in the transport of dangerous goods, loading, and unloading of vehicles, filling of bulk tanks, inspections of vehicles and transport equipment, security provisions as defined in the UN Model Regulations (Orange Book).

Warehouses are buildings, areas or rooms in buildings or outdoor areas intended for the storage of hazardous and non-hazardous materials. This also includes containers or cabinets.

FUCHS affiliates as operator of a warehouse must ensure that it is operated in accordance with its intended purpose; in particular, it may not store any products with properties and in quantities that are not covered by the permit. The assessment of the intended operation of a warehouse shall be based on the operating license for the facility, including all relevant application documents, supplements, ancillary provisions, conditions, time limits and operating regulations referred to in the

permit. Permits are binding regulations for the operator. It is the responsibility of the operator of a warehouse to update the permit in case of significant changes.

The operator of a warehouse shall develop and maintain a "Hazardous Substances Inventory" of hazardous substances stored, which provides information for the preparation of the risk assessment and necessary safety measures in the warehouse.

For emergencies, the hazardous substances inventory should be available outside the warehouse; if necessary, a storage plan indicating the storage classes and the associated storage quantities is useful.

Safety data sheets (SDS) for the hazardous materials stored shall be obtained and kept up to date. They provide important information on the ingredients of the product, possible hazards that may occur, safe handling and storage as well as measures for prevention and in the event of danger. If a SDS is not available, relevant information must be obtained from the manufacturer or supplier.

In order to protect workers and environment from potential hazards of the stored materials, the operator of a warehouse is responsible for carrying out a risk assessment and documenting

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the outcome including the required risk management measures.

The general requirements for Emergency Preparedness and Response (please see 5.4) and Occupational Health and Safety (please see 7.2) also apply.

### **Site Security**

FUCHS affiliates shall establish adequate measures to ensure appropriate site security including entrance control, visitor management, gate services, reception service, fire watches, alarm intervention as well as protection against theft, vandalism, and damage according to local requirements.

## 4 Social responsibility

FUCHS is aware of its social responsibility and executes its activities considering this responsibility. FUCHS complies with the respective applicable laws at the local, national, and international level, and act according to the fundamental principles based on the UN Global Compact.

Social responsibility is an important aspect of FUCHS' sustainability efforts. FUCHS promotes social responsibility by supporting local communities. Internally this is achieved by providing safe and modern employment opportunities. Externally FUCHS is investing in community development projects. FUCHS does not preset those projects centrally out of the Groups' Holding company but entrusts this responsibility to the hands of the local affiliates. In this way, it is ensured that projects and members of society that need this help most at the respective FUCHS location are supported.

### 4.1 Human Rights & Labour Standards

The topic of human rights also has a very high priority at FUCHS. To ensure that the highest standards are applied at all FUCHS locations regarding equal rights, prohibition of discrimination, fair wages and regulated working hours, prohibition of child and forced labor,

FUCHS has set and published its own Human Rights Policy along with the FUCHS Code of Conduct. FUCHS is also committed to addressing the issues of social and ecological responsibility to its suppliers beyond the boundaries of its own entities. For this purpose, the FUCHS Supplier Code of Conduct was developed and communicated to the suppliers.

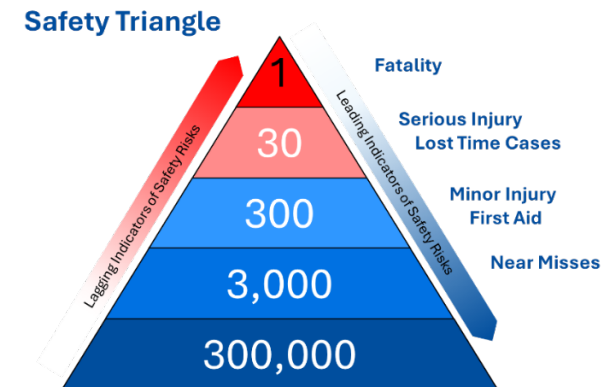
FUCHS has established a global Human Rights Officer, who oversees and steers the risk management in terms of human rights and acts as an internal and external go-to person for all human rights related aspects.

In addition to the globally valid International Labour Organisation (ILO) standards, which FUCHS commits itself to comply with, local regulations extend the areas addressed above to include the respective country-specific regulations.

### 4.2 Occupational Health and Safety

Safety at work has priority for FUCHS. FUCHS affiliates shall ensure safe working conditions for FUCHS employees and people working under the control of FUCHS that are in line with applicable legal requirements governing occupational health and safety. FUCHS promotes and monitors safety at work through worker's participation, communication and awareness, risk assessments, safety rules, seminars, and audits.

The safety triangle, also known as Heinrich's triangle or Bird's triangle, is a theory of industrial accident prevention. It shows a relationship between serious accidents, minor accidents and near misses. It has become a cornerstone of the modern health and safety philosophy. This idea proposes that if the number of minor accidents is reduced then there will be a corresponding fall in the number of serious accidents.



Employees participation and consultation and an open failure culture results in improved safety, health, and well-being. It increases the awareness of occupational safety and health issues, as well as enhances the employees' commitment to health and safety, which will help to

- Reduce accidents and ill health and associated costs,

- Develop a positive health and safety culture,
- Increase job satisfaction,
- Increase quality and productivity at the workplace.

FUCHS affiliates shall establish adequate instruments to foster worker participation and consultation.

FUCHS affiliates shall develop, implement, and maintain documented procedures for recording, analyzing, reporting, and documenting work-related incidents and accidents including fatalities. In case of an accident, adequate corrective and preventive actions shall be defined, based on the outcome of the root cause analysis, implemented, and documented (see also 5.3 Performance Evaluation and Improvement).

Work-related fatalities and accidents, injuries or ill-health resulting in at least one day of absence from work must be recorded quarterly in the central FUCHS reporting tool, as well as the number of days lost, and the total hours worked during the reporting period.

This information will be used to calculate the work-related injury rate, related to 1,000,000 hours worked:

$$\text{Work - Related Injury Rate} = \frac{\text{Number of Injury Cases} \times 1,000,000}{\text{Total Hours worked (own workforce)}}$$

Risk Assessment at the workplace shall be conducted prior to implementation of new or changed activities as well as for existing activities. It shall include physical, chemical, and biological hazards, the type and level of exposure as well as ergonomic and psychosocial factors, which can have a negative impact on the health and the well-being of employees. The assessment shall be adequately documented and updated regularly, at least every 5 years.

Adequate control measures shall be implemented to eliminate the hazards and reduce the risks from exposure, following the hierarchy of control measures (so called **STOP**-Principle):

- **S**ubstitution or replacement of substances, products, processes
- **T**echnological / Engineering Controls, such as local exhaust ventilation, or encapsulation
- **O**rganizational control measures, such as access control, training, or job rotation
- **P**ersonal control measures, such as personal protective equipment.

The effectiveness of the Control measures shall be regularly reviewed and documented, at least every 5 years or in case of accidents or incidents.

Housekeeping is crucial to safe workplaces. Effective housekeeping can help to control or eliminate workplace hazards, prevent injuries, and improve productivity and morale, as well as make a good first impression on visitors. FUCHS affiliates shall develop, implement, and maintain a documented housekeeping program, which plans and manages the orderly storage and movement of materials from point of entry to exit. Adequate monitoring programs shall be implemented and documented, where applicable, to ensure that occupational exposure limits of hazardous chemicals are not exceeded. The monitoring programs shall be regularly reviewed and updated, at least every five years or in case of accidents, incidents, injuries, or the occurrence of an occupational illness of employees.

Adequate Medical Surveillance programs shall be implemented and maintained, where the risk of occupational injuries or illnesses exists or when legally required. The medical surveillance programs shall be documented and updated regularly, at least annually. The ILO List of occupational diseases can be used as a recommendation if there are no specific regulatory requirements.

Additionally, preventative Health programs can help to prevent workers from illnesses and to increase the well-being of employees.



In an emergency, every minute counts. That is why every person is legally obliged to help another person in an emergency - as long as they do not put themselves in danger.

FUCHS affiliates are responsible for organizing first aid in their facilities by providing the appropriate organizational, material and personnel conditions to ensure that employees receive first aid in the event of an accident at work and can be treated in accordance with the principle of the rescue chain.

This includes at least:

- Adequate number of trained first aiders;
- Dressing material and rescue equipment if necessary;
- Reporting equipment for emergency calls;
- First aid rooms, if applicable;
- Rescue plans.

Every employee must be instructed regularly, at least once a year, about the first aid facilities and the correct behavior in the event of accidents and acute illnesses in the company.

FUCHS affiliates shall also ensure that all first aid measures are documented and reviewed regularly.

It is the responsibility of FUCHS affiliates to provide employees and other people working under the control of FUCHS with sufficient and appropriate training and instruction on health and safety. The training and instruction must take place before the persons start to work, when there are changes in responsibility, or when new work equipment or new technology is introduced. It must be adapted to changes, documented, and repeated regularly, at least annually.

### 4.3 Corporate Citizenship

FUCHS has a responsibility to its stakeholders, which includes not only its shareholders but also its employees, customers, and the communities in which it operates.

As a corporate citizen, FUCHS focuses on several key areas:

**Environmental Stewardship:** The production of lubricants involves the use of natural resources and might result in the emission of pollutants. Therefore, FUCHS invests in technologies and practices that minimize its environmental impact. This includes recycling initiatives, energy-efficient operations, and the development of environmentally friendly products.

**Employee Welfare:** FUCHS provides safe working conditions, fair wages, and opportunities for professional development. FUCHS also promotes diversity and inclusion in the workplace.

**Community Engagement:** The company contributes to the local community through charitable donations, volunteer programs, and partnerships with local organizations. FUCHS also offers educational programs to raise awareness about the importance of proper lubrication for machinery and vehicles.

**Ethical Business Practices:** FUCHS commits to operate with integrity. This involves ensuring transparency in its operations, adhering to fair trade practices, and maintaining high standards of quality for its products.

By focusing on these areas, FUCHS demonstrates its commitment to corporate citizenship. This not only benefits the community but also contributes to its long-term success and creates value for all its stakeholders.

Every FUCHS affiliate shall plan and execute local CSR-projects which foster well-being in local neighborhoods and societies and whose project goals can be attributed to at least one of the 17 UN Sustainability Development Goals. Every affiliate shall spend minimum 0.1% of the local EBIT for these projects.

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