

Sustainability Report 2018

FUCHS PETROLUB SE



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1. Foreword



Dr. Lutz Lindemann,
Member of the Executive Board
CTO

Sustainability is a top priority at FUCHS. We aim to create sustainable value through our corporate activity – for our customers, employees, shareholders and society. As part of our commitment to sustainability in all that we do, we strive to achieve a leading sustainability position in the lubricants industry.

Our sustainability strategy is intended to make this aspiration a reality in key action areas and through a balanced management of economic, ecological and social factors. In 2018, we have again made significant progress in translating our sustainability strategy and goals into action.

The development of sustainable products and solutions has long been a key driver of growth and innovation at FUCHS. We have successfully advanced a number of projects, initiatives and measures.

We also aim to contribute directly to the achievement of the United Nations' Sustainable Development Goals with these projects. A systematic review of our contribution has been included in this report as a new feature.

A key prerequisite for the successful development of FUCHS in the field of sustainability is the enormous commitment of our employees around the world.

Like many other industrial sectors, the lubricants industry is undergoing disruptive changes triggered in part by the challenges of sustainability.

FUCHS is preparing for these change processes and is breaking new ground in a variety of ways: new cooperation models promise greater competitive capability and greater sustainability. To do so, we are seeking alliances with various market participants along our process and value chain.

Responsible action, strategic sustainability and economic success are inseparable at FUCHS. Sustainability can deliver key stimulus for growth in the industry, while at the same time opening up new and attractive business opportunities for us and enhancing loyalty among our suppliers and customers.

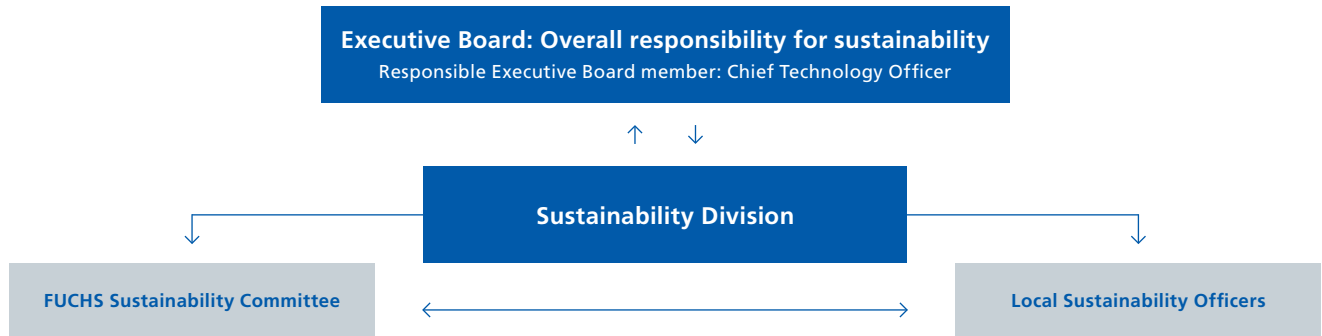
Yours,

A handwritten signature in black ink, appearing to read 'Lutz Lindemann', written in a cursive style.

Dr. Lutz Lindemann
Member of the Executive Board
CTO

2.1 Sustainability organization

Sustainability organization



The entire Executive Board bears responsibility for sustainability at FUCHS. The Executive Board member directly responsible is the Chief Technology Officer (CTO). The Executive Board defines the strategic sustainability framework in close cooperation with the Group's Sustainability division headed by the Chief Sustainability Officer (CSO).

The Sustainability division works closely with the Sustainability Committee and Local Sustainability Officers to pool the strategic frameworks set and coordinates the implementation of sustainability activities throughout the Group. The FUCHS Sustainability Committee (FSC) is made up of representatives from the Sustainability division, the Executive Director of FUCHS SCHMIERSTOFFE GMBH, and the global function heads of Procurement, Research

& Development, Product Management, OEM and Industry Sales. The members of the FSC ensure the sharing of information within the Group along the process and value chain. The Sustainability Committee meets two to three times a year.

The companies are responsible for implementing sustainability activities at their respective offices. We have established a Local Sustainability Officer (LSO) at every national unit with production operations to act as the interface for the CSO.

The Executive Board sets out the binding strategy on Group-wide sustainability issues and projects in conjunction with the Sustainability division and the Sustainability Committee.

2.2 Sustainability management

The basic principles for sustainable business at FUCHS specified by the Executive Board are summarized in the form of a comprehensive sustainability guideline (FUCHS Sustainability Guideline).

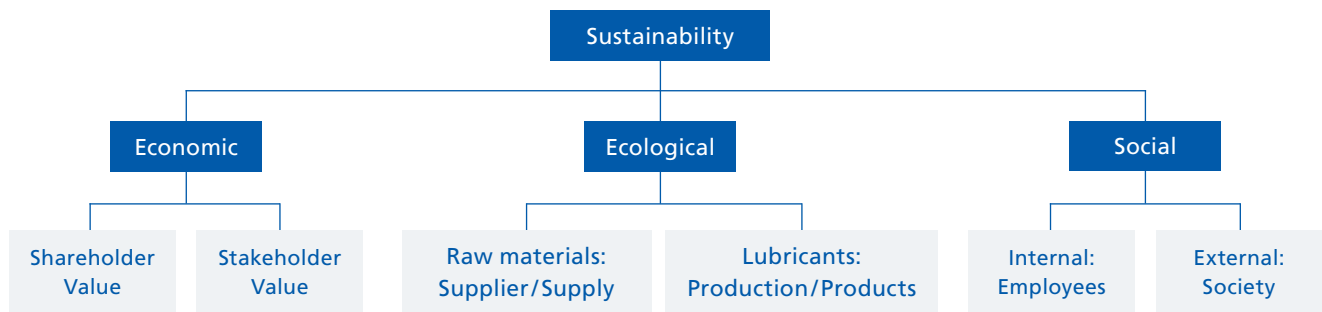
Sustainability at FUCHS means continuous development and optimization. We have been systematically working on improvements in various areas of sustainability since 2011, and in 2018 we achieved further milestones at our global FUCHS locations, in partnership projects with industrial companies within and beyond the lubricants and chemicals industry and in cooperation with the relevant lubricants industry associations.

Particular highlights include:

- the first FUCHS Global Sustainability Meeting held at the Group's headquarters. The event, the theme of which was "Tomorrowing Today – Futuring FUCHS", was attended by more than 30 FUCHS managers, including the local sustainability officers of FUCHS' global production companies, from around 20 countries, who met in Mannheim for the first time in spring 2018 to experience three days of Sustainability@FUCHS together. The focus was on strategic sustainability in supplier management and sales, Corporate Citizenship@FUCHS India as a best practice example, and the development of a global FUCHS sustainability project in working groups. The event was rounded off by guest presentations from FUCHS' sustainability project partners BASF and BMW;
- the formation of a Sustainability Task Force under the banner of the independent Union of the European Lubricants Industry (UEIL) in fall 2018, which will meet for the first time under FUCHS' leadership in spring 2019. The objective is to bring together selected stakeholders from the lubricants field for joint action in the task force (lubricant manufacturers, suppliers of raw material to the lubricants industry and customers or users of lubricant products) to develop harmonized sustainability standards, key performance indicators and benchmarks for the European lubricants industry that are practicable and can be implemented along the entire value chain and on the basis of which lubricant companies can measure, manage, modify and report on their sustainability moving ahead. This can also aid sustainability comparability – both from year to year and with other companies;
- the first FUCHS-EVONIK Forum (FEF) held in Darmstadt. In the spring of 2018, the division heads for sustainability, digitalization, e-mobility and innovation from both companies met for one day to discuss the above issues and jointly develop future concepts along the value chain. FEF has given rise to various partnership projects. The second FEF at FUCHS in Mannheim is planned for 2019;
- FUCHS' sustainability performance being awarded a "B" overall on a nine-level rating scale from "A+" to "E" by the independent German sustainability analyst "Sustainability Intelligence" in May 2018. FUCHS is therefore outperforming the MDAX average ("C +").

2.3 Sustainability dimensions

Sustainability Dimensions



FUCHS' sustainability activities combine economic, ecological and social aspects of the management approach. FUCHS' sustainability management therefore covers the three sustainability dimensions of economy, ecology and society.

Economic sustainability

FUCHS considers economic responsibility the long-term alignment of its business with the objective of continually increasing company value for the benefit of its 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 management report for more information. → [24 2018 annual report](#)

Economic indicators

in € million	2018	2017	2016
FUCHS Value Added (FVA)	251	250	257
Earnings before interest and tax (EBIT)	383	373	371
Net operating working capital (NOWC) in %	23.4	22.3	21.8
Total dividend payout*	131	126	123

* Dividend proposal for 2018.

Ecological sustainability

For FUCHS, sustainable business also means consideration of the environment and careful use of its natural resources. The aim of guaranteeing living standards for future generations is a top priority for FUCHS. The company therefore pays particular attention to the responsible use of energy, water and raw materials.

For FUCHS, ecological sustainability specifically means measuring and, wherever possible, reducing the company's ecological "Footprint". Relevant factors here are its impact on the environment and resources used in connection with extracting and sourcing raw

“Footprint” vs. “FUCHS print”

Sustainability Assessment		“Footprint”					“FUCHS print”	“Footprint”
		Raw materials (usage)	Transport (incoming raw materials)	Lubricant production (processing & blending)	Transport (outgoing finished products)	Utilization phase (application)	Disposal (end-of-life-cycle)	
Ecological indicators								
Energy consumption	n. a.	n. a.	x	n. a.	x	n. a.		
Water consumption	n. a.	n. a.	x	n. a.	x	n. a.		
Waste generation	n. a.	n. a.	x	n. a.	x	x		
CO ₂ emissions	x	x	x	x	x	x		

materials by our suppliers, processing and blending in lubricant plants, the delivery of the finished lubricants to our customers and the ultimate disposal of these products. Ecological sustainability for FUCHS also refers to the ecological “FUCHS print.” Here, FUCHS seeks to quantify and, where possible, increase the positive effects achieved by customers during the use phase of FUCHS lubricant products by reducing friction, wear and corrosion. The table above provides an illustration of the ecological sustainability performance indicators that we use to try to measure and reduce the company’s “Footprint” and based on which we have made it our mission to quantify and increase the company’s “FUCHS print”.

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.

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 CO₂ 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.

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 to increasing the amount of environmentally friendly raw materials in our own production processes.

Lubricants: Production/Product

A key aspect of ecological sustainability management is FUCHS' certification in accordance with the relevant ISO standards. As of the end of 2018

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

The preparation for re-certification according to IATF 16949 has required more capacity than originally planned at most production locations. The 2017 target will therefore be modified. In the next two years, four further production locations are to be certified according to ISO 14001.

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.

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. Nevertheless, its goal is to continuously reduce its ecological footprint through environmentally friendly 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 arisings in production operations and to reduce CO₂ emissions.

Production locations FUCHS Group

	Number per country	ISO 14001	OHSAS 18001	ISO 50001
Argentina	1	1		
Australia	2	1	2*	
Belgium	1			
Brazil	1	1		
China	2	2	2	
Germany	7	5	2	5
France	1	1	1**	
India	1	1		
Indonesia	1	1	1	
Italy	1		1	
Japan	1			
Canada	2			
Mexico	1			
Poland	1	1	1	
Russia	1	1	1	
South Africa	1			
South Korea	1	1		
Spain	1	1		
Sweden	1	1		
USA	4			
UK	1	1	1	1

* Certified according to AS 4801.

** Certified according to ISO 45001.

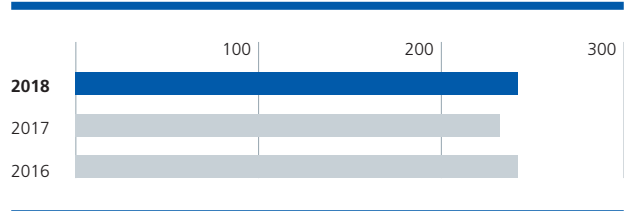
In 2018, the management of FUCHS' global production locations gathered data on quantified reduction targets for 2025 as regards waste generation in lubricant production and energy and water consumption. FUCHS is currently working to gain a better ecological understanding of the production processes specific to its portfolio and resource consumption of its locations on the one hand and on opportunities for further resource savings on the other. Quantifiable targets for ecological sustainability indicators will then be formulated for 2020 and beyond on the basis of these findings.

In 2018, FUCHS was able to maintain respectively reduce its energy consumption per ton of lubricant produced, CO₂ emissions specific to energy consumption, water consumption and waste generation as against 2016. The above mentioned environmental sustainability indicators have increased slightly compared to 2017. Water consumption for 2016 and 2018 is consistent with typical average consumption in production. The significantly lower figure in 2017 arose as a result of imprecise water readings at one of our major plants due to modernization work.

For the first time, the share of renewable energies was reported for a third of our production plants, which account for around 50% of our global energy consumption. This share was 27% in 2018.

Development of energy consumption

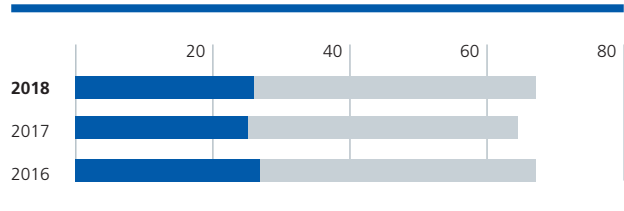
(in kilowatt hours per ton produced)



Basis: FUCHS production locations.

CO₂ emissions

(in kilograms per ton produced)

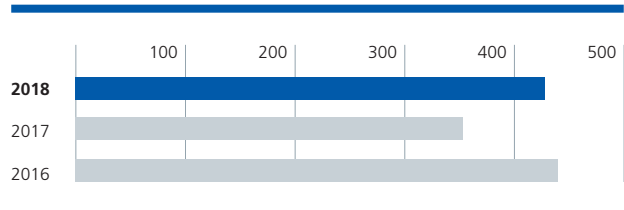


- Scope 1: direct emissions through own energy generation.
- Scope 2: indirect emissions through purchased energy.

Basis: FUCHS production locations.

Development of water consumption

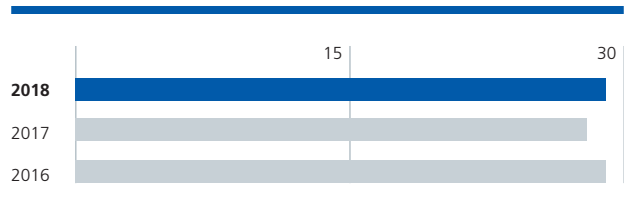
(in liter per ton produced)



Basis: FUCHS production locations.

Waste generation

(in kilograms per ton produced)



Basis: FUCHS production locations.

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 for 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.

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 2018. 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 resolved to only seek new certifications in accordance with the new ISO 45001, the requirements of which are more extensive than those of the previous OHSAS 18001 standard. It is also intended 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

Social indicators

	2018 ²	2017 ²	2016 ¹	Chemical industry*
Average age of employees in years	43	43	43	43
Age structure of employees in %				
<30 years	16	16	14	
31–40 years	28	28	29	
41–50 years	28	28	28	
>50 years	28	28	29	
Average length of service of employees in years	10	10	10	
Employee fluctuation ³ in %	4.8	4.1	3.6	
Work-related accidents ⁴ per 1,000 employees	15	16	13	15
Days lost due to sickness per employee	8	7	7	17
Proportion of women in management positions in %	22	22	20	22
Average further training and education per employee in hours	14	15	17	

¹ FUCHS production locations (Group representativeness: 90%)/number of employees not including trainees.

² FUCHS Group locations/number of employees including trainees.

³ Share of employees leaving the company voluntarily.

⁴ Number of accidents with an absence of more than three days.

* Chemical industry figures in Germany (base year: 2016)/comparability with global FUCHS Group figures is limited.

External: Society

As part of its corporate citizenship (CC), FUCHS and its local companies support volunteer work in various ways at the company's locations around the world.

CC is a fixed component of the corporate culture at FUCHS. FUCHS companies all over the world have supported more than 100 scientific, cultural and social projects since 2012. More than half of all FUCHS subsidiaries are involved in this field.

Around 30% of CC activities focus on education, while healthcare and the fight against poverty each account for 20%. Roughly 60% of support activities take the form of donations, around 20% is social sponsorship and approximately 10% of the projects have employees getting involved personally in the context of corporate volunteering. In the future, the FUCHS sustainability network will also present CC activities and best practice examples, thereby triggering new CC ideas and stimulus.



FUCHS is committed to proper nutrition for children in India.

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-governmental 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.

United Nations Sustainable Development Goals

SUSTAINABLE DEVELOPMENT GOALS

Goal	FUCHS' contribution and activities
 <p>1 NO POVERTY</p>	<p>FUCHS employees support various social projects in a number of countries to combat poverty in the form of donations in kind, financial support and corporate volunteering. Examples of this include:</p> <ul style="list-style-type: none"> ■ The FUCHS Sponsorship Award, which has been awarded to various social projects in the Mannheim region every year since 2000, and in 2018 again had a total prize fund of €50,000 ■ In the US, FUCHS provides funding for the “Toys for Tots Literacy Program”, whose mission is to supply books and other learning materials to underprivileged children via donations. ■ In Germany, FUCHS provides financial support for DKSB, a children’s charity that works to integrate refugee children. ■ In Australia, FUCHS sponsors an annual Christmas party for children in need. ■ In India, a dormitory was built for girls on the grounds of the Anugrah School.
 <p>2 ZERO HUNGER</p>	<ul style="list-style-type: none"> ■ In India, FUCHS sponsors the “ISKCON Food Relief Foundation”, whose mission is to provide impoverished children in Mumbai with one balanced, healthy and nutritious meal a day

United Nations Sustainable Development Goals

Goal

FUCHS' contribution and activities



FUCHS is subject to various national and international health regulations at its different locations. 40% of the production locations were certified according to the OHSAS 18001 (Occupational Health and Safety Management System) at the end of 2018. As part of our sustainable personnel management, we have implemented various projects in healthcare management and established works healthcare management. This now includes extensive training in areas such as load handling, skin protection and ergonomics at computer workstations. Furthermore, at the Mannheim site, for example regular programs for the early detection of colon cancer, addiction prevention and healthy eating are offered. 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.

Our corporate citizenship activities include:

- Financial aid for remote villages in India. Toilets are built and a balanced diet is provided for malnourished children.
- Financial support and new equipment for the Surf Life Saving Club in Australia
- FUCHS sponsors the "Sports for All" program in China, which is available for free to 8,000 children per week.
- Support and sponsorship for the work of the Regenbogenland children's hospice in Düsseldorf
- Supporting the NASEOH (National Society of Equal Opportunities for the Handicapped) in India in the form of social sponsorship, distributing mobility aids (crutches, wheelchairs, etc.) for impoverished and needy people with walking disabilities.
- In France, supporting the organization CESAP, whose mission is to care for children with multiple disabilities.



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:

- In South Africa, employee corporate volunteering project at the "New Jerusalem Children's Home", which provides a home and education for orphaned children
- Financial support for the education and skills development training of blind girls in India
- German lessons for future engineers and technicians at the university in Portugal
- Scholarships for students in Canada at the Northern Alberta Institute of Technology.
- Math lessons for 230 pupils at risk to stay down in South Africa
- School fees are waived in full or in part for around 350 underprivileged children at the Anugrah School in India.

United Nations Sustainable Development Goals

Goal	FUCHS' contribution and activities
 <p>5 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 way of significantly strengthening the company. For this reason, we also place particular emphasis on the dedicated support of women and ensure that appropriate consideration is given to them when filling management positions in the company.</p>
 <p>6 CLEAN WATER AND SANITATION</p>	<p>FUCHS supports a number of projects in this field, especially in India, such as:</p> <ul style="list-style-type: none"> ■ An organization in India that has the technical capacity to collect greater quantities of rainwater than before as a result of building wooden ground sills in order to provide local farmers with more water for agriculture ■ FUCHS India supports a project to provide better drinking water in an Indian village near Mumbai, which in future will save the women there from having to travel long distances to fetch drinking water. ■ Financial support for building toilets and sanitation facilities in India
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<ul style="list-style-type: none"> ■ FUCHS offers the latest lubricant technologies for wind turbines for the production of wind energy. ■ For the first time, the share of renewable energies was reported for a third of FUCHS' production plants, which account for around 50% of the Group's global energy consumption. This share was 27% in 2018.
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<ul style="list-style-type: none"> ■ 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 large numbers of people. The number of employees increased by 5% year-on-year to around 5,500 worldwide in 2018.
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<ul style="list-style-type: none"> ■ FUCHS invests in process optimization with the aim of keeping energy consumption, water consumption and the amount of waste generated in production low. ■ Support to improve infrastructure in India (e. g. access roads to schools)

United Nations Sustainable Development Goals

Goal

FUCHS' contribution and activities



- 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.
- Sponsorship of a sports program by the Williamstown Cricket Club for physically handicapped children in Australia
- Integration of refugee children in Germany



- Providing equipment for the volunteer fire department at the Weilerbach location
- 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 Rhine-Neckar Metropolitan Region
- We have sponsored the endowed chair of CSR at the University of Mannheim since 2016 and continue to do so.



- FUCHS develops, produces and sells numerous lubricant products optimally tailored to customers' respective applications, 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. 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.



- 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. In the next two years, four further production locations are to be certified according to ISO 14001.
- The production site in Mannheim was presented with an award by the Alliance for Greater Resource Efficiency for its comprehensive energy and CO₂ reductions.
- FUCHS India has launched various ecological initiatives to preserve the environment and to use natural resources close to the Ambernath plant near Mumbai (waste reduction programs, planting trees, etc.).
- For FUCHS, ecological sustainability specifically means improving the company's ecological "Footprint" wherever possible. Relevant factors here are its impact on the environment and resources used in connection with extracting and sourcing raw materials by our suppliers, processing and blending in lubricant plants, the delivery of the finished lubricants to our customers and the ultimate disposal of these products. Ecological sustainability for FUCHS also refers to the ecological "FUCHS print." Where possible, FUCHS seeks to increase the positive effects achieved by customers during the use phase of FUCHS lubricant products by reducing friction, wear and corrosion.

United Nations Sustainable Development Goals

Goal

FUCHS' contribution and activities



This goal is supported by some of our sustainability activities and products, but it does not relate directly to our core business.



- 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.



- FUCHS respects human rights and actively combats corruption and bribery.
- FUCHS has implemented a compliance management system (CMS) to ensure legally compliant and social-ethical conduct.
- FUCHS operates according to basic principles based on the UN Global Compact (UNGC) of the United Nations and the International Labor Organization (ILO).
- 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 at → www.fuchs.com/group/the-company/corporate-governance/guidelines



FUCHS is involved in various partnership projects within and beyond the lubricants and chemicals industry to achieve its sustainability goals in the context of the SDGs, including a current project with sustainability experts from BASF's Fuel and Lubricant Solutions business unit, with the aim of developing a standard by which lubricant products can be assigned to quantifiable sustainability categories.

- FUCHS is a signatory of the International Council of Chemical Associations' Responsible Care Global Charter. FUCHS is committed to this initiative's guidelines.
- FUCHS is involved in the "Chemie³" 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).
- 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 will meet for the first time under FUCHS' leadership in spring 2019.
- 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.
- In the field of research, FUCHS is already working intensively with partners on the solutions of tomorrow. Current FUCHS research projects can be found on our website at → www.fuchs.com/group/technology-sustainability/technology/research-initiatives

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