

Future starts at home



*Future Report
for Fackelmann and Zenker
for the site in Germany*



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The figures from fiscal years 2019 to 2021 contained within our future report relate to both of our German production sites: Fackelmann GmbH + Co. KG in Hersbruck, Nuremberg, and Zenker Backformen GmbH & Co. KG in Aichach. This future report has been created with reference to the international GRI standards. The Global Reporting Initiative (GRI) provides guidelines for the creation of sustainability reports with the objective of transparency, standardization and comparability. In this future report, we provide information on successes already achieved as well as sustainable measures and improvements we are striving to implement with regard to economy, ecology and social affairs. We plan to publish our future reports every two years.

All of the information in our Future Report 2021 has been collected and prepared with the utmost care. Nonetheless, errors cannot be entirely excluded. Any forward-looking statements have been formulated based on current assumptions and estimations at the time of publication.

Dear Readers,

For us, sustainability means future viability. Those who act with sustainability in mind understand the consequences of their actions for the next generations – from an economic, ecological and social perspective. We think this goes without saying, which is why it has always been a core aspect of our corporate strategy. **We have followed the principle of sustainability since our company was founded around 100 years ago:** Heinrich Fackelmann laid the foundation for this as early as 1919 with the first wooden kitchen utensils. The events of the past few years have shown us that it is now more important than ever to read the signs of the times and consistently align our focus with sustainable economic management.

The most important task of the 21st century is to find solutions to climate change. We as the Fackelmann group of companies are committed to the climate goals of the United Nations, the 1.5 degree goal of the Paris Agreement and the resolutions of the International Climate Change Conference of the Parties. The global challenges of recent years were felt by everyone, including us. Taking responsibility and standing up to the challenges of our time requires us to follow a clear course within our company. Our expansion strategy, which we have been following since 1987, has enabled us to become a medium-sized company with a worldwide presence and global network. Thanks to this breadth, we are able to actively and emphatically influence all stakeholders in the value chain and thereby fulfill our responsibility towards our employees, customers, suppliers, partners and society.

With our comprehensive range of household goods and bathroom furniture, we are able to make a big difference in the lowest common denominator: our home. **We also want to take a holistic approach to sustainability; the world is our home and our future – it is imperative that we protect it.**

In this report, we outline the concrete measures we are taking to meet these challenges. With reference to the guidelines of the globally recognized Global Reporting Initiative (GRI), we present numerous key figures and fascinating insights into our company and our sustainability strategy.

We look forward to taking you through our journey so far in our first future report.

On behalf of the entire Executive Board, I hope you will find this report an interesting and informative read and would like to invite you to step towards the future with us.

With best regards,



Thomas Sperber
Chief Procurement Officer and Chief Sustainability Officer
Fackelmann Brands

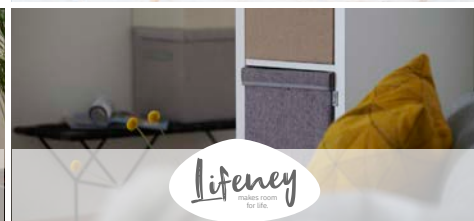
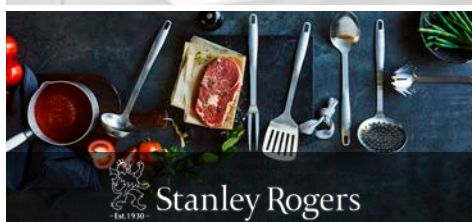



**Future starts
at home**

Future starts at home



As a company with production sites and sales offices on all continents, we maintain a sustainable focus on one of the most important places – our home.



In the more than 100 years since our company was founded, we have developed from a traditional commercial agency into a company with a global presence. Today, Fackelmann Brands offers a wide range of brands of kitchen utensils, household items, bathroom furniture and much more – and, with a huge range of over 10,000 items, is guaranteed to be found in every home: the place we really want to focus on when it comes to sustainability.

What unites us as a corporate family is our vision of the future and confidence in our shared creativity. We always keep pace with the times and do so with a keen innovative spirit.

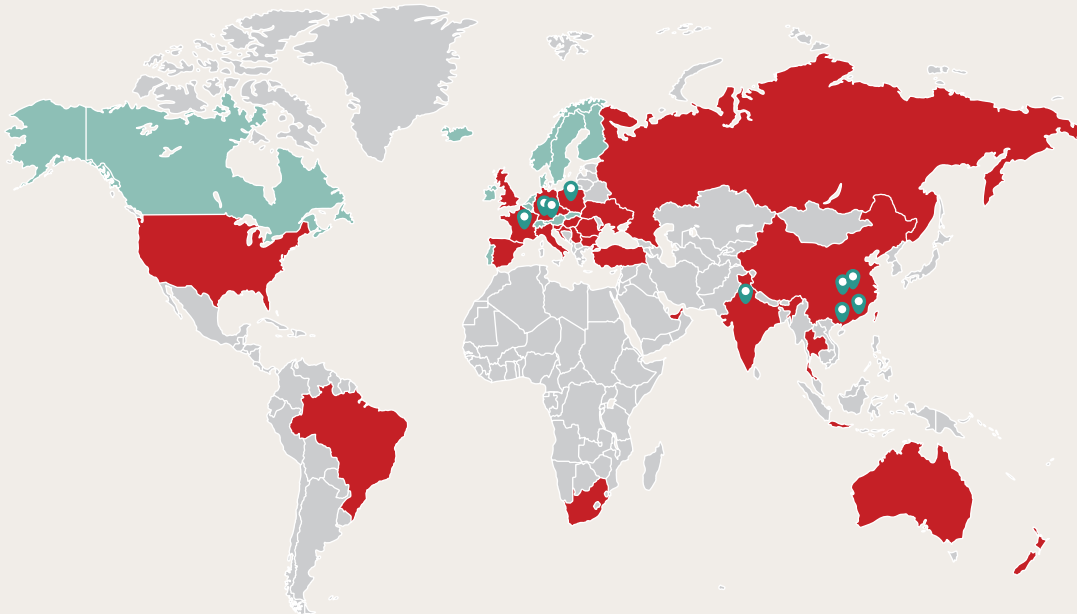
We see ourselves as one big family; we are a traditional German company under the management of the third generation, 100% owned by the Fackelmann family.

Alexander Fackelmann has been CEO of the company since 1992, when he took over the role from his father, Sebastian Fackelmann. In late 2019, he stood back from many operational aspects of the business but remains part of the family company as President of the Fackelmann group of companies. In this role, he continues to be actively involved in the company. Martin Strack has taken on the position of CEO.

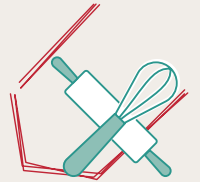
From Franconia to the whole world

Our versatile range is produced at our headquarters in Hersbruck and the Zenker headquarters in Aichach, as well as other locations, and in four other countries worldwide at a total of nine production sites – and is available throughout the whole world. Our brand family comprises a wide range of brands, some of which are produced at the two German production sites. From Germany, we primarily serve the European market.

>40
sites



>10,000
products



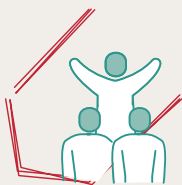
Production sites Business Units Sales

"As a world market leader, we lead the way – including when it comes to sustainability. Our objective is to establish industry-wide standards and to set a good example."

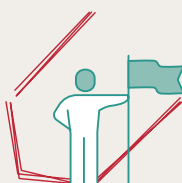
Martin Strack, CEO Fackelmann GmbH + Co. KG and Zenker Backformen GmbH & Co. KG



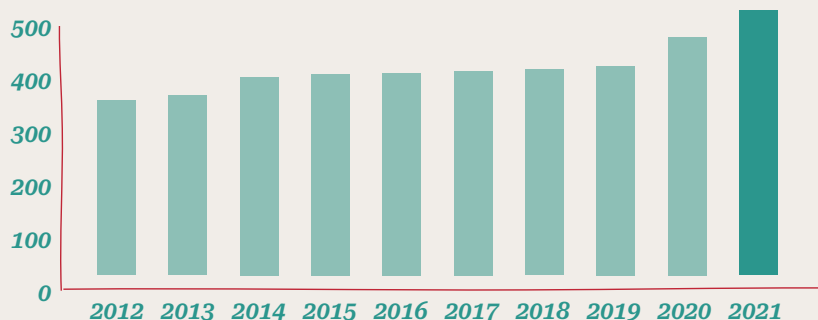
>2,600
employees



1919
company
founded



Our sales figures have increased continuously over the last few years:



Fackelmann

at the site in Hersbruck (Bavaria)



Alexander Fackelmann, President of Fackelmann Brands (left), with Martin Strack, CEO of Fackelmann GmbH + Co. KG and Zenker Backformen GmbH & Co. KG.

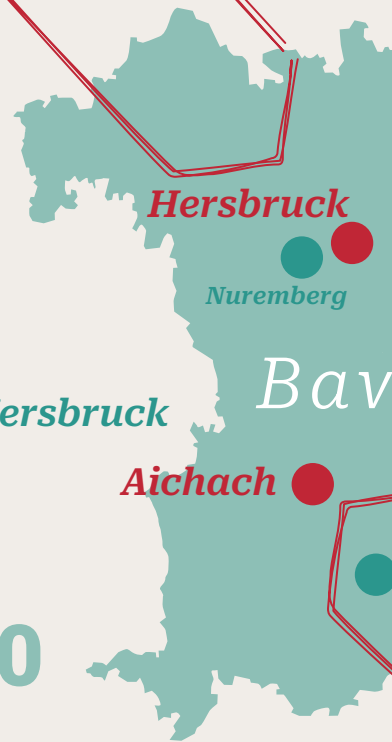
FACKELMANN®

Export to
58 countries

Bathroom furniture from Hersbruck
since 1963

Daily production:
Around 60,000
household products

750 items of bathroom furniture



Employees

2019
519
of which
23 trainees,
4 students

2020
556
of which
28 trainees,
5 students

2021
605
of which
25 trainees,
5 students



Zenker

at the site in Aichach (Bavaria)

Export to
50 countries

Zenker has belonged to
Fackelmann Brands
since 2003

Daily production of
around 50,000
baking tins



Quality & tradition for
more than
130 years



Employees

2019
179
of which
6 trainees

2020
205
of which
6 trainees

2021
220
of which
5 trainees

Future starts with a good strategy

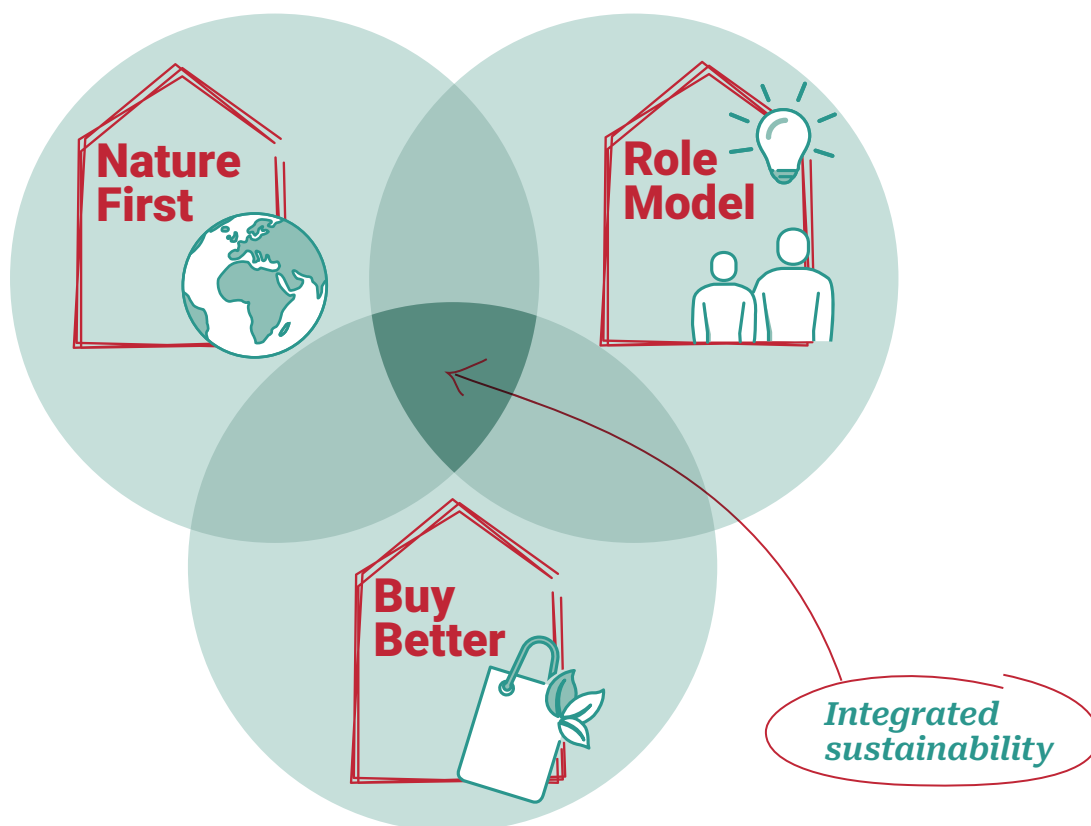
Fackelmann Brands' understanding of sustainability is based on three guiding principles and their dimensions: Nature First for environment and resources, Role Model for all aspects relating to people and social responsibility, and Buy Better for our products and the materials from which they are produced. The weighting of these three dimensions is based on the so-called interface model: all aspects are equal. We see it as our main task to continuously expand this interface.

Environment & resources

We make responsible use of resources and invest in efficient production sites and processes. **P. 28–37**

People & social affairs

We set a good example and take responsibility for our employees, customers, suppliers, partners and society. **P. 38–45**



Products & materials

With our sustainable products, we offer our customers a better choice. Selected raw materials, future-proof materials and conscientious packaging form the basis for our product development. **P. 14–27**

The materiality analysis

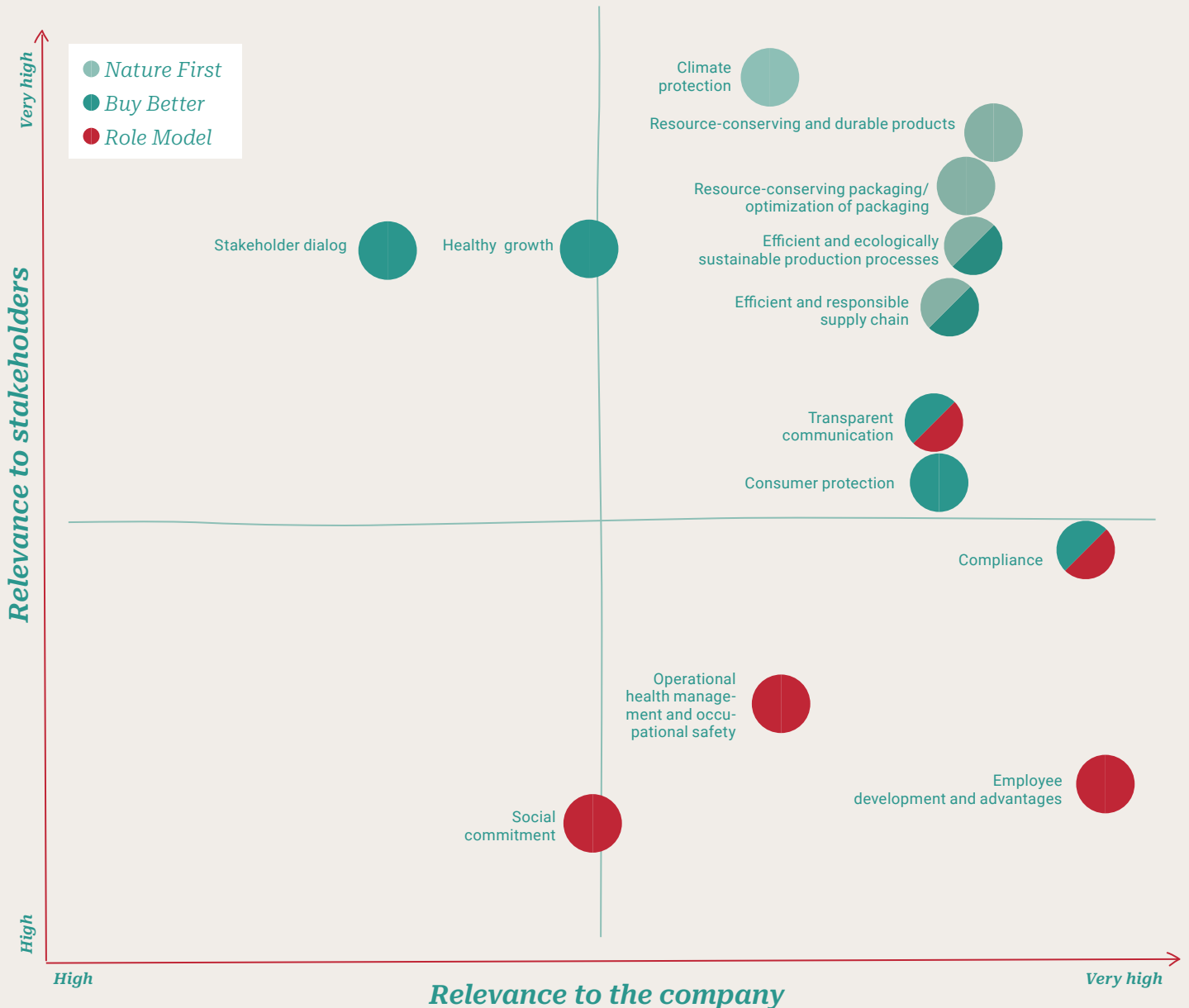
The most important considerations at a glance.

Which economic, ecological and social considerations are relevant to us and our stakeholders? We came to a conclusion with the help of a materiality analysis. With the support of various groups as well as external advice from a "Climate Impact Check" with the Fraunhofer-Institut für Intelligente Analyse- und Informationssysteme (Fraunhofer Institute for Intelligent Analysis and Information Systems) IAIS in Sankt Augustin, we visualized the most important considerations of the different interest groups.



Our strategic fields of activity

- Which products do we produce?
- How are these products produced?
- What are the effects of this?





Future starts with a good foundation

We cannot assume that the earth will be as livable in the future as it is now.

We want to make our own contribution to ensure that our world remains intact for future generations.

When it comes to future-proof and conscientiously produced products for everyday use, we want to lead the market in our segment – this is the Fackelmann Brands vision. We want to help shape a livable tomorrow today. With this in mind, we have set off on a sustainable journey into the future and are always thinking about ways we can make changes.

We want to offer our customers a versatile selection of durable and sophisticated products for the bathroom, kitchen and home, allowing them to design their home with sustainability in mind.

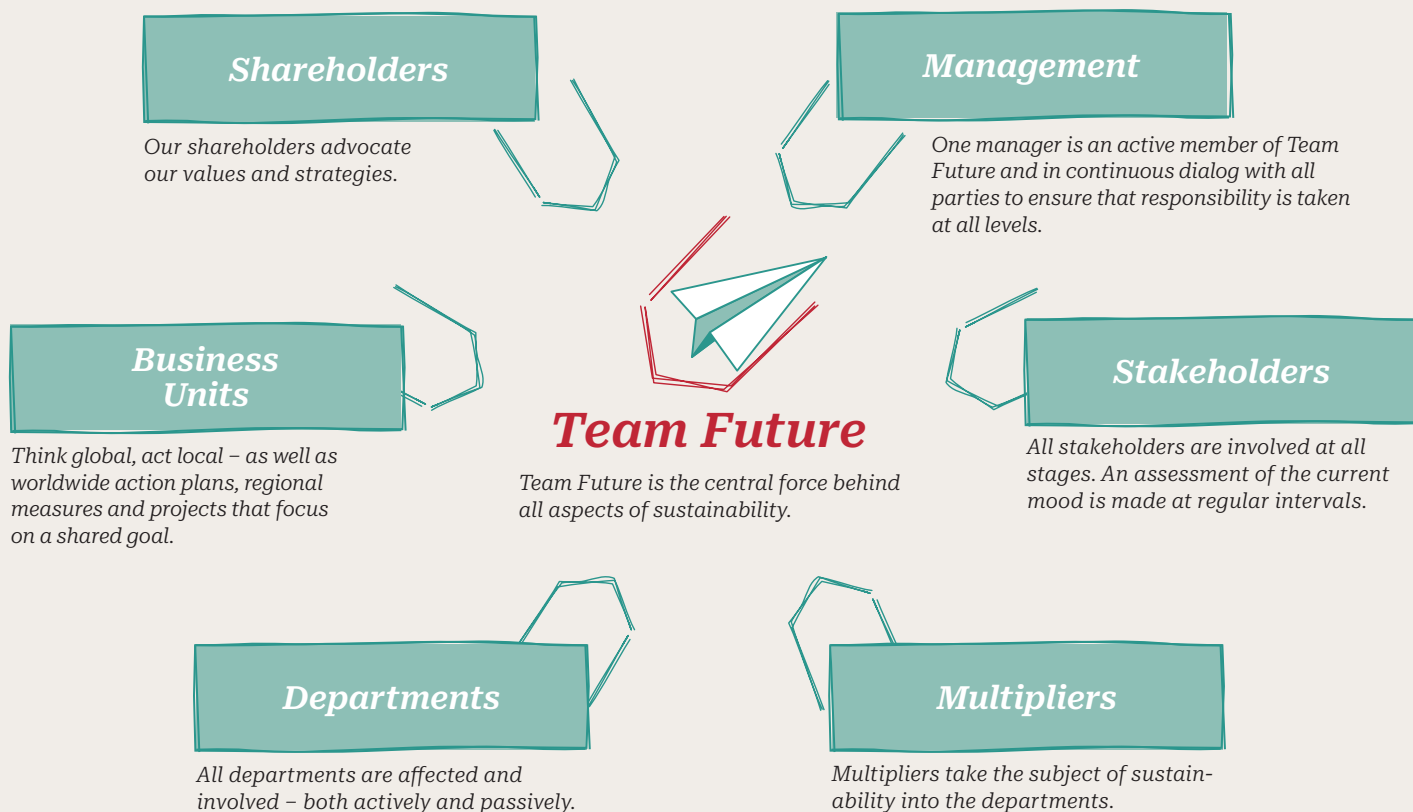
Team Future

Creating together, moving forward together.

Creative thinkers, advisors and an open mind; at the start of 2021, we established the "Team Future" task force at our headquarters in Hersbruck. This specialist team supports the management in all aspects of sustainability. Team Future is a focus group of employees from various areas of the business. It ensures that sustainability is firmly anchored in Fackelmann Brands in the form of various projects and also at manager level with Thomas Sperber as Chief Sustainability Officer.

We as a team have thereby set the course for the sustainable future of our company and are looking forward optimistically to the tasks involved in creating a sustainable home for the future.

**Do you have questions or suggestions for our Team Future?
Please get in touch at: teamfuture@fackelmann.de**



Fackelmann Brands as climate leader

The goals set by the United Nations provide a further compass for our sustainability measures by identifying areas in which we can make sustainable improvements.

This is the basis on which we can contribute to inter- and intragenerative justice.

We are able to make a positive contribution to the following six of the seventeen UN goals with our business activities and practices:



Agenda 2030 of the United Nations with its 17 goals for sustainable development (Sustainable Development Goals, SDGs) is a global plan for promoting sustainable peace and prosperity and protecting our planet.





Health and welfare

The health and welfare of all employees is our top priority. We do everything we can to safeguard and support this. Our operational health management enables us to focus clearly on the health of our employees.



High-quality training

We believe that training is the key to sustainable development. With our knowledge network specializing in the development of near-food products, we are able to clarify, share expertise and do good. We have been involved in the Europa Miniköche, which provides creative cooking workshops for children, for many years.



Human dignity, work and economic growth

Growth is important to use, but not at all costs. We place great importance on ensuring that our products are produced under the best possible conditions. This is implemented by means of our Code of Conduct and further standards such as BSCI.



Industry, innovation and infrastructure

We want to make a sustainable mark along the entire value chain. We are able to achieve this by changing our course, taking risks and playing a pioneering role. We have a strong leverage in product development in terms of material and design as well as in our production processes and our supply chains.



Sustainable consumption and production

Our products are sustainable companions in the homes of our customers – designed to be durable and manufactured in a manner that conserves resources.



Climate protection measures

Climate protection is very close to our hearts. We want to make our own contribution to tackling the 1.5 degree challenge and have therefore placed reducing our emissions at the top of our agenda.

More about Fackelmann as one of the 50 climate leaders:
www.50climateleaders.com/fackelmann-brands-engaging-with-social-responsibility/

Our 10 sustainability principles:



Whether small-scale, large-scale, short-term or long-term – with all of our sustainability measures, we always keep our eye on the bigger picture. As a sustainable company, we are heading into the future one step at a time.

1. **Keeping our eye on the bigger picture: the future starts at home.**
2. **Having the courage to rethink and change our course.**
3. **Global local heroes: Think global, act local. We think on a global and holistic level & act on a regional level through our business units.**
4. **Our values are deeply ingrained in every action and decision.**
5. **Economical entity: act economically and grow sustainably.**
6. **Responsible approach to economy, society and nature.**
7. **Products must fulfill our promise of quality.**
8. **We take everyone with us on our journey. Transparently, personally, trustfully and collectively.**
9. **We inspire and motivate one another and all stakeholders.**
10. **No one has to go it alone; we fulfill our global responsibility together.**





"Sustainability must be transparent and easy to understand. Our customers often find it difficult to navigate between the many terms, seals and labels. With our Buy Better guiding principle, we clearly explain which of our products are particularly sustainable and future-proof."

Alexa Faißt, Head of Product Development

Future starts with better products



Buy Better defines the way we act with regard to products, packaging and materials. In practice, this means always searching for the best, most sustainable materials and raw materials during product development. This is how we fulfill our promise of designing our products in a way that conserves resources, while ensuring that they are durable, easy to repair and functional. We always keep an eye on our supply chain and look for places where it can be made more transparent, shorter and more purposeful.

What exactly does that involve?

The passion and experience of our Fackelmann Brands family go into every single one of our products. We place great emphasis on material quality and functionality in order to provide our customers with real added value every day. During product development, we search for novel materials that satisfy our quality standards and future requirements.

In our household range, we focus on materials that do not have a complex composition and come from verifiably safe and transparent sources. In order to reduce the use of fossil resources, we replace many materials with those that are made completely or at least in part from renewable or recycled raw materials. Take, for example, cocoa shells for muffin cases or

carnauba wax for the coating on baking tins. Back in 2019, we replaced wood and paper items with FSC™-certified material. When it comes to new materials such as 2nd generation bio-plastic (New Green PP), we always look for ISCC certification.

We use high-quality chipboard and MDF boards, which we further process in Hersbruck, for our bathroom furniture. The forests that supply the wood we use are under strict observation. The quality and sourcing of accessories such as fittings, mirrors and electronic components always undergo rigorous testing. Certifications affecting the supply chain and materials are set to become even more relevant in future.

Future starts local and global

Rooted locally and at home throughout the world. We are proud to have manufacturing facilities both in Germany and worldwide. Many of our products are Made in Germany – produced at our Bavarian sites in Hersbruck and Aichach.

In Hersbruck, we primarily produce plastic kitchen utensils as well as bathroom furniture. In Aichach, we manufacture baking tins according to a 130-year-long tradition. All products that are Made in Germany are labeled accordingly on their packaging. Strengthening and protecting our German sites is hugely important to us. We make continuous investments that ensure their ongoing development – for our employees and the region.

We see ourselves as global local heroes, which means that, as far as possible, we produce our products in the place where they are sold. Our international production sites allow us to produce goods with specific target markets in mind and in close proximity to our customers. This shortens our transport routes and helps reduce CO₂ emissions. More than 100 years of experience in development, production and sales testify to our expertise along the entire value chain. It goes without saying that our German promise of quality also applies to our products that are not manufactured in Germany. We set the most stringent standards with regard to quality, safety and compliance at all production sites throughout the world. We clearly state the country in which a product has been manufactured on the back of our packaging.

Poland has become our *third-largest procurement country after Germany and China – in the case of printed packaging, for example.*

The site in Italy is gaining in significance.

*The three **Baltic States** are becoming important supply countries for furniture components.*

The most diverse range of granulates, paints and molds for our products is made at the plastics molding facility in Hersbruck.



Regional Sourcing with Fackelmann Brands

Our goal for the future is to strengthen and expand production in Europe.

1. Risk minimization:

Regional sourcing increases the resilience of our supply chains, as transport routes are made considerably shorter.

2. Planability:

Delays in acquiring materials have various consequences. If supply chains are secure, production can be planned and a continuous supply of goods can be guaranteed.

3. Cost advantages:

Shorter transport routes reduce the cost of transport and emissions.

4. Climate goals and sustainability factors:

Regional sourcing has a positive effect on environmental balance and makes it easier to satisfy ESG (Environmental Social Governance) requirements.

5. New and old business relationships:

Regional sourcing strengthens both new and old business contacts. Geographical proximity and simplified communication processes make it easier to work together.

Bathroom furniture production by Lanzet and Fackelmann in Hersbruck (excluding accessories):

100% Made in Hersbruck

Production of Zenker, Dr. Oetker and private label baking dishes:

96% Made in Aichach

Bathroom furniture and household products for all brands produced at the Hersbruck site and the private label brand:

49% Made in Hersbruck

62% of German turnover is produced in Germany.

30% of worldwide turnover is produced in Germany.

The main material used by Zenker in Aichach is steel. This is used to produce the most diverse range of baking tins.



Future starts with a vision

Our versatile product portfolio is at the heart of Fackelmann Brands.

We produce practical utensils for the kitchen, bathroom and home to the highest standards and with an innovative spirit and pronounced flair for details. Our products have been inspiring people throughout the world for more than 100 years.

We continuously question our status quo, particularly with regard to the sustainability of our materials, the protection of resources and our climate footprint. We continuously further develop our products and their packaging with the objective of making our range more sustainable one step at a time.

Our products are subject to the highest standards. They must be robust, durable and reliable. In order to satisfy our quality standards, we are constantly on the search for the ideal materials. These must fit seamlessly into the respective area of application while being more sustainable than those currently in use.

Innovative power and sustainable materials

Green PE

Green PE is a bio-based plastic that is made from the renewable raw material sugar cane and therefore preserves fossil resources. The sugar cane plant absorbs CO₂ as it grows, which reduces greenhouse gas emissions in the long term and protects the environment. There are no compromises to be made when using Green PE in place of conventional plastic. This plastic is just as harmless, safe and functional. The best example of this is the Fackelmann Ecolution range of kitchen utensils. By combining Green PE and

wood fibers, we have created a bio-based plastic that we use for the handles of our Ecolution kitchen utensils. These are therefore made almost entirely from renewable raw materials and have the same properties as handles made from oil-based plastics. The functional part of the kitchen utensils is 50% sourced from the bio-based carbon of the castor bean.

New Green PP

New Green PP is a bio-based plastic made from cellulose cultures, residues and/or agricultural waste. It is produced within the EU and satisfies the principle of mass balancing in accordance with the "International Sustainability & Carbon Certification (ISCC PLUS)" scheme. From a qualitative point of view, there are no compromises to be made when using New Green PP, as the plastic is just as harmless, safe and functional as conventional, oil-based plastics.

As well as preserving fossil raw materials, New Green PP also helps reduce CO₂ emissions. One kilogram of the renewable plastic absorbs up to four kilograms of CO₂.

Our Buy Better products

2011



Fackelmann The Greens: The Greens – the first sustainable product range – is introduced onto the market. Here, a proportion of the conventional plastic was replaced by the renewable raw material wood in the form of wood chips.

2019



- *Fackelmann Ecolution kitchen utensils with handles made from Green PE and wood fibers and half of the functional parts made from castor bean*
- *Expansion of the Fackelmann drinking straw range to include disposable straws made from FSC™-certified paper and reusable straws made from metal, glass and plastic*
- *Breakfast concept with Green PE*

2020



The starting point for the conversion and expansion of our kitchen and baking utensils in FSC™-certified wood quality.



Recycled aluminum

Our Fackelmann Ecolution pans are made from 100% recycled aluminum, which is recovered from scrap metal as part of the recycling process. Thanks to its positive properties, aluminum has many advantages over other materials: it is lightweight and can be easily molded into the desired shape while remaining resistant. Aluminum can be recycled almost 100% and without any loss of quality. Recycling conserves resources, reduces the load on landfill sites, reduces emissions and promotes the recycling process.

FSC™-certified wood and paper

FSC™ is the abbreviation for the Forest Stewardship Council™, an organization dedicated to promoting environmentally friendly, socially responsible and economically sustainable forest management. From wooden spoons to chopping boards, Fackelmann Brands produces around 180 items according to the specifications of the FSC™. The range includes products that are made entirely from wood (e.g. the classic wooden spoon), others that are partially made from wood and items that are made from paper (e.g. muffin cases). Our aim is to successively transform the entire range and to expand it to include products made from sustainable materials. Our paper packaging is also gradually being adapted and certified according to FSC™ standards.

Carnauba wax

Baking tins must be able to meet stringent requirements; not only must they be heat-resistant, they must also feature a high-quality coating that enables the baked goods to be easily released from the mold. The coating on our Green Vision range of baking tins contains around 5% Brazilian carnauba palm wax – the maximum that is currently possible in order to fulfill the functions of the baking tin. The wax comes from the leaves of the carnauba palm, which, once the wax has been extracted, are used to cover roofs or to make baskets. The palms come from Fairtrade-certified plantations and do not have to be cut down in order to extract the carnauba wax.

Cocoa shells

The shells of the cocoa bean is classed as a vegetable waste product and is usually thrown away during the production of cocoa. It is suitable for processing into organic fibers as a raw material for packaging material – for example for paper muffin cases. We have replaced 40% of the material used to produce these with cocoa bean shell. The result: an unmistakable, innovative and sustainable product that makes worthwhile use of cocoa shells, which would otherwise be classed as a waste product. This use of a waste product contributes to a circular economy and marks a step towards a more sustainable future.

Our product management in Hersbruck encompasses more than 14 brands and develops solutions for the home.



2021



2022



- *Launch of Green Vision, the first carbon-neutral baking tin series from Zenker*
- *The Fackelmann Ecolution range is expanded to include pans made from 100% recycled aluminum and a handle made from at least 50% natural and recycled materials. The Fackelmann Marble and Balance pan ranges are also made from recycled aluminum.*

- *The Nirosta brand: knives with a plastic handle made from ISCC-certified New Green PP*
- *The Zenker brand: carbon-neutral transport covers for tarts, cakes and desserts also made from ISCC-certified New Green PP*
- *The Fackelmann brand: 2-K range made from ISCC-certified New Green PP*

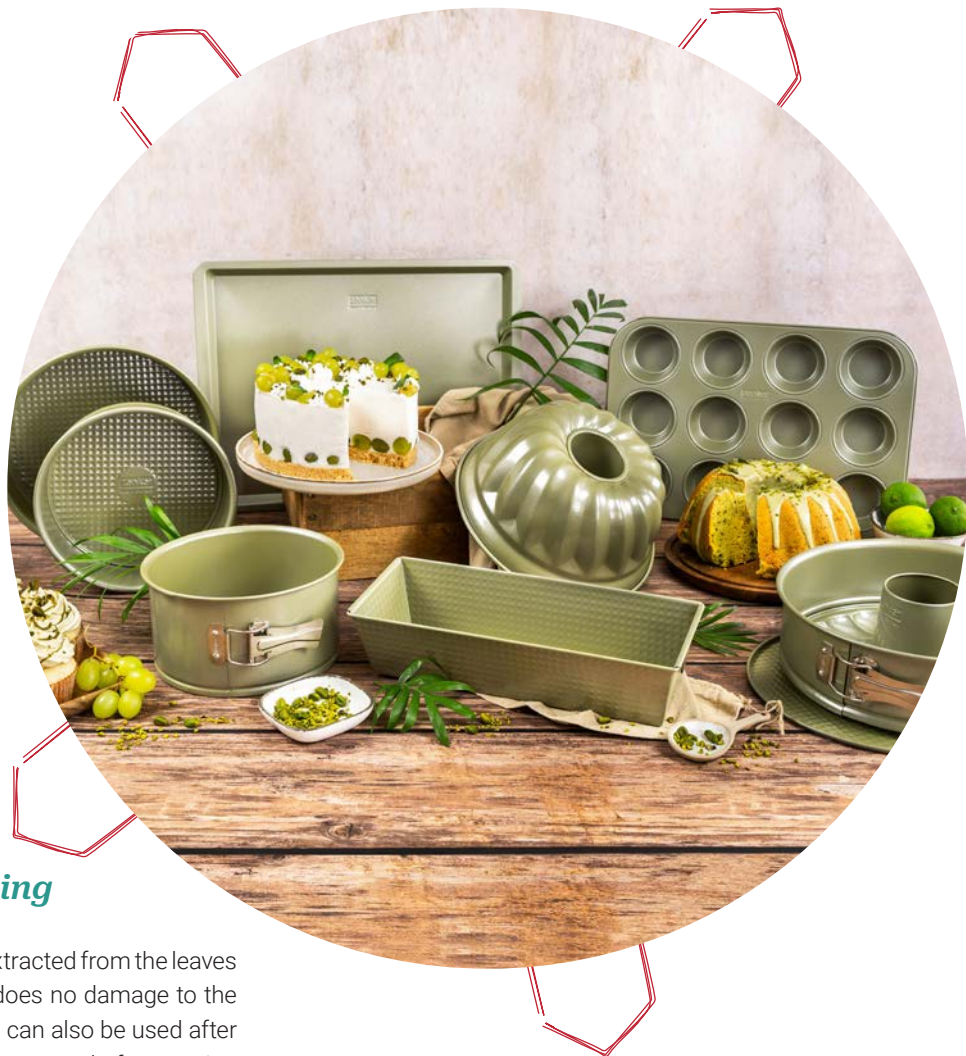
The carbon-neutral "Green Vision" baking tin series from Zenker

Innovative non-stick coating made from natural material

The coating, which contains carnauba wax, satisfies ILAG maximizing green standards and boasts optimum non-stick properties. We are currently able to replace the coating on our baking tins with 5% carnauba wax.

Fair treatment

The plantations from which the carnauba wax is harvested are IBD-certified. This certificate proves that the wax is harvested in accordance with social standards and under ecologically acceptable working conditions.



Resource-conserving

The wax for Green Vision is extracted from the leaves of the carnauba palm. This does no damage to the palm. The leaves regrow and can also be used after they have been harvested, for example for weaving or roofing.

Carbon neutrality guaranteed

We offset all unavoidable emissions produced during production by supporting various climate protection projects. This means that the products and the entire value chain are carbon-neutral.



Minimum packaging, maximum added value

It is important to us to use as little packaging as possible. We are therefore continuously working on optimizing our packaging solutions.

We package products in such a way that the necessary information is provided – no more and no less. If more is required, for example in the case of baking tins, we make sure the packaging provides added value – in the form of practical tips or a gift box.

For packaging made from paper and cardboard boxes, we use raw materials sourced by means of sustainable forestry, which are FSC™- or PEFC-certified or made from recycled material (e.g. Blue Angel). All packaging will be successively replaced by 2025.

Our internal packaging reduction project asks where we can reduce the amount of material used within the company, for example by dispensing with additional packaging or replacing existing product packaging. The implementation and final approval of measures takes place together with the Purchasing, Quality and Product Management team.

2019

Use of stretch film reduced

from 56 tons to 30 tons per year

This means

45% less material used

CO₂ emissions

Savings of 78,000 kg/year

The future starts at home

The goals of our Innovation Lab by Fackelmann Brands

- **By mid-2024:** All existing wood and paper items should be made from 100% FSC™-certified material. Only individual items from the basic range still need to be replaced. The current replacement rate is 97%.
- **By 2025:** 100% FSC™-certified packaging in all countries of employment.
- **By 2030:** 25% of all Fackelmann and Zenker products should be carbon-neutral.
- **By 2030:** 25% of products should be made from sustainable materials.



Future starts with local production

The bathroom furniture from the Fackelmann and Lanzet brands is produced at our site in Hersbruck. We have a comprehensive and holistic understanding of production, which affects both the origin and sustainable quality of our products.

We exclusively use high-quality wood from European forests for all bathroom furniture from Fackelmann and Lanzet. All wood placed on the market in the EU must satisfy EUTR – EU Regulation 995/2010 on timber products. This prohibits illegal felling. It also contributes to halting climate change.

Our furniture is based on MDF boards and chipboard. The majority of washbasins come from Europe. Accessories such as fittings or towel rails come from either Europe or Asia. We produce our siphon covers at our site in Hersbruck.

Saving energy and resources with intelligent packaging concepts

Within the scope of our environment and resource protection policy, we have introduced various measures with regard to packaging. As our bathroom furniture is extremely well packaged, we have a very low rate of transport damage and therefore a very small number of returns. The packaging is neither printed nor bleached and consists of FSC™-certified corrugated board that we cut to size ourselves to ensure only as much packaging is used as is necessary. These intelligent packaging concepts allow us to significantly reduce our logistics costs.

Around 85%

of the components of our bathroom furniture from the Fackelmann and Lanzet brands come

from Germany and Europe.

Percentage distribution of the wood in our chipboard

25% industrial log wood

Tree trunks that cannot be felled consisting of windfall timber and timber from thinnings

45% co-products

Residual wood from the saw-mill industry such as wood chips, sawdust, off-cuts

30% recycled material

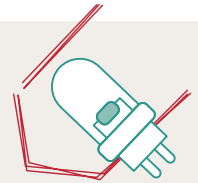
Post-consumer old wood (e.g. furniture, pallets, packaging material) as well as waste and cuttings



Our MDF boards consist

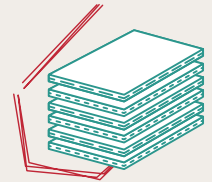
predominantly
of fresh fiber
from Europe.

LED lighting



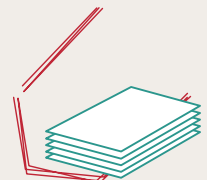
We have converted all of our mirror elements and mirror cabinets to LED lighting. This is not only more efficient, durable and low-maintenance but can also be changed easily without having to replace the mirror cabinet. The installed electronics are sourced 90% from Asia, 10% from Europe.

Chipboard and MDF boards



The use of chipboard conserves resources, as this not only uses log wood but also residual wood, post-consumer old wood as well as waste and cuttings.

Paper consumption



The increased use of QR codes and online material is designed to help further reduce our paper consumption. In future, for example, we will primarily refer customers to our digital catalog.

QR codes also help us reduce the number of pages in our care instructions, as we no longer need to print out every language version.

Future starts with quality

The quality of our products is a key sustainability factor. Supplying our customers with products that last makes us an inspiring, powerful and reliable partner. Safety and environmental consciousness are the top priority here.

We guarantee the safety of our products with a comprehensive product development process, our expertise in regulatory affairs and competent and trained personnel who ensure product conformity throughout every stage of manufacture. Our products are environmentally conscious as a result of the specific selected materials (e.g. sustainable ISCC material or FSC™-certified wood/paper), the efficient use of resources, an economical production process optimized with sustainability in mind and the shortest possible transport routes.

How we satisfy our quality standards

In order to satisfy our high quality standards, we have implemented a comprehensive quality management system for our processes and products as well as good manufacturing practice for materials that come into contact with food. Both at our headquarters in Hersbruck and at the site in Aichach, process stability, process quality, sustainability and continuous improvement take top priority.

We inspect all of the products we produce before they leave the factory.



Excerpt from our product tests

- Incoming goods inspection according to AQL
- In-process tests
- Final inspections
- Function tests and serviceability of the guaranteed product properties (e.g. baking and roasting tests, dishwasher tests, endurance tests, non-stick tests, corrosion tests)
- Regulatory compliance (e.g. multi-stage approval scenario for product packaging – including check for correctness and comprehensibility of usage instructions/symbols to ensure safe use and disposal)
- Chemical tests – routine tests and individual substances
- Mechanical tests – to prevent the risk of injury

Number of commissioned external test reports from test institutes

2019	2020	2021
874	1,250	1,059

Number of samples taken by regulatory authorities

2019	2020	2021
135	103	159

We exclusively use moisture-resistant multi-layer high-quality chipboard & high-quality metal hinges for the vanity unit from our Lanzet brand.



Quality is not merely achieved, it must be created – this is why product tests are an integral part of our work. These include regular internal and external tests by accredited test institutes in the following areas:

- Chemical safety
- Mechanical safety
- Serviceability and fitness for use
- Regulatory compliance

All of our product tests, which start during the development process, are based on regulatory requirements, customer requirements and internal quality standards.

Auditing is mandatory in order to demonstrate conformity in different areas. This includes:

- Certification audits
- Customer audits
- Supplier and internal audits.

Excerpt from the quality management system for our bathroom furniture

1. Products with electrical components:

During production, the safety of mirror cabinets is checked using testing equipment at testing/measuring stations. A 100% test of all electrical connections is carried out on all switches and sockets. Our mirror cabinets are also subjected to an electromagnetic compatibility test (EMC test) in order to ensure compliance with the emission and immunity requirements of the EMC Directive.

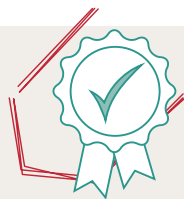
2. Products without electrical components:

Every workstation in the production area contains procedural instructions that describe what needs to be tested and how, including tolerances, in addition to the activity in question. A risk analysis, which is stipulated by a standard, is created for every bathroom furniture series. This procedure ensures that our quality standards are satisfied and guarantees maximum customer safety.

3. External items:

We carry out strict quality controls on all incoming goods and products that are not produced at our German sites.

The pillars of quality management



Quality management

Regulatory affairs
Standards, laws, authorities



Future starts in the country of origin

We keep an eye on our entire supply chain.

The fact that a sustainable approach is required in order to guarantee a future-proof supply to society has become a global consensus. We are convinced that anyone who wants to continue doing business long into the future must start with their supply chain. This is why we take the requirements of various stakeholders and apply them to a sustainable and transparent supply chain.

Our aim is to combine economic success with a responsible approach to the environment, people and society along the entire value chain. In order to achieve this, we require our direct suppliers to comply with ecological and social standards. Sustainable supply chain management also offers several opportunities; our commitment allows us help establishing sustainable business practices in the market – and thereby make a valuable contribution to respecting and preserving human rights as well as protecting the environment and climate.

Transparency and responsibility along the entire supply chain

Supplier management at Fackelmann:

1. Code of Conduct for suppliers
2. Self-disclosure for suppliers
3. Personal contact
4. Supplier evaluation

1. Code of Conduct for suppliers

This is where we define the ideal supplier relationship. It serves as an instrument for specifying the way in which products are manufactured. Products must be manufactured in a socially acceptable manner and in ecological harmony with nature. In 2023, we are planning to revisit and revise our Code of Conduct.

Our current Code of Conduct can be found at: www.fackelmann.com/download

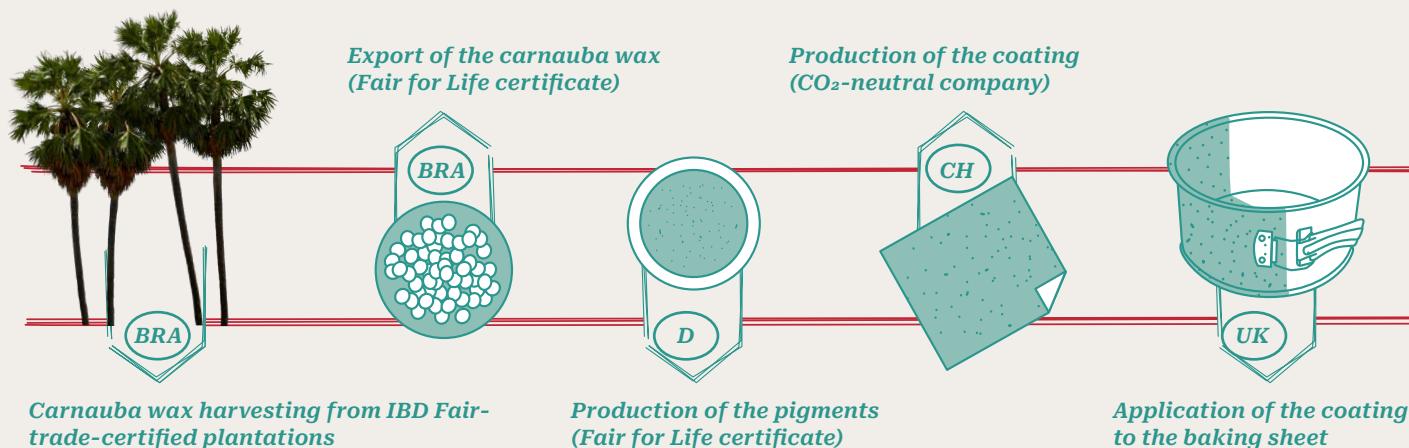
2. Self-disclosure for suppliers

In addition to our Code of Conduct, we introduced a further project in 2023 with the objective of ensuring the efficient management of our supply chain. As part of this project, a supplier self-disclosure was drawn up, designed to help us with the implementation of the upcoming supply chain law. Suppliers must provide structured and detailed information regarding various aspects of their company – for example their upstream supply chain, production conditions, quality management and assurance.

We also request information regarding social aspects and environmental issues, measures relating to which the suppliers have already pledged to implement in the Code of Conduct. The self-disclosure is examined and evaluated by the specialist departments.

Green Vision transparency – we operate in globally networked supply chains

How does the transparent supply chain for our Zenker “Green Vision” product series work?



3. Personal contact

Despite the existence of modern means of communication, we (our colleagues in the Far East) still have an on-site presence with our suppliers. Open and transparent communication on an equal level with our partners is important to us. Without a local presence, it would be difficult to purchase products from Western Europe in Asia, for example. Our own on-site purchasing organizations (EQH and MCP) allow us to provide our suppliers with personal and continuous support and to oversee and, if necessary, intervene in their processes. Structured quality controls at our suppliers' sites are an important element in trusting and transparent supplier relationships.

4. Supplier evaluation

All factors involved in cooperation – e.g. quality, transparency, communication – are incorporated into a comprehensive evaluation of suppliers. We revise this process continuously to ensure that we can identify any deviations in good time and introduce any necessary countermeasures. If a supplier fails to meet requirements or is found not to be demonstrably and sustainably working to ensure compliance or improvements, we will terminate the supplier relationship immediately. For suppliers in high-



risk countries, the evaluation also incorporates certification according to the amfori Business Social Compliance Initiative.

Specification of the country of origin – transparency for end consumers

Transparent communication is extremely important to us. We specify the country of origin on the packaging of all our products. This enables our customers to see exactly where their product has come from. We are also working on communicating further details regarding the country of origin openly and transparently. We have already achieved this with our Zenker Green Vision baking tin series.



Production and sale of baking tin
Zenker Backformen
GmbH & Co. KG

D

Our headquarters in China: European Quality Housewares in Hong Kong.



Locations abroad

How it all began

In 1987, we set an important milestone for international business. With the foundation of European Quality Housewares in Hong Kong, we opened the door to the Far East. From this point on, the Asian market and increasing production could be managed on site.

What happened next

We have more than 40 business units worldwide and manage production sites in Germany, France, Poland, China and India. We have developed a series of measures to support us in making our supply chain management as future-proof as possible. Each individual measure helps us and our partners fight corruption as well as child, forced and compulsory labor, and promotes a more environmentally friendly approach to the climate and resources.

Production sites at a glance:

- **France:** Fackelmann France SAS, Bussang (since 1994)
- **Poland:** Fapro Sp. z o.o, Uzdowo (since 2015)
- **India:** Fackelmann Inda Household pvt. Ltd., Jaipur (since 2022)
- **China:** Loyal Way Housewares Ltd., Yangjiang City (since 2006); Fackelmann Plastic & Metal Fty. Ltd., Shenzhen (since 2011); New Stars Plastic & Metal Products Co., Ltd., Dongguan (since 2016); Dongguan Xin Heng Kitchenware Company Ltd., Dongguan (since 2019)

The future starts at home

Our plans

- To further increase the degree of digitalization in the supply chain
- To implement a global resilience strategy
- To reduce CO₂ emissions
- To further develop partnerships and strengthen cooperation



"In order to further strengthen the future viability of our locations and restore outsourced production, we prioritize investments in efficient systems, closed loops and conserving resources. For us, "Made in Germany" is not only an important mark of quality, but also of sustainability. Short transport routes are just one example of this."

Daniel Melch, Head of Plastic Production, Hersbruck



Future starts with our ecosystem

With our Nature First guiding principle, we have committed ourselves to nature. Nature is the source of all life and our home and it is vital that we protect it. With our strategy, we are consciously setting the course for a sustainable future worth living. Improved processes and various projects contribute to reducing our impact on nature on the one hand and to preserving it to the best of our abilities on the other.

What exactly does that involve?

Deep-rooted in Germany and at home throughout the world: this applies to our products as well as their manufacture. At our headquarters in Hersbruck and the Zenker headquarters in Aichach, Bavaria, we set the highest standards for our production and operate within closed energy and resource loops wherever possible. Waste wood from the furniture production in Hersbruck is burnt in a biomass boiler and used to heat the site.

The waste heat from the plastic production is used to heat process water via a heat recovery plant. In Aichach, the waste heat

from production machines and compressors is used to heat the logistics center and management building.

At both German sites, we use photovoltaic systems to generate solar energy and have installed energy-saving LED lighting. We make sure that appropriate measures are implemented at all of our production sites throughout the world. We have been recording our CO₂ emissions at our headquarters in Hersbruck since 2019 and at the site in Aichach since 2021 and offset these by supporting various international climate protection projects. In 2021, we also presented the first carbon-neutral series from the Zenker brand.

Future starts with every step

As an international company, we see it as our responsibility to actively promote sustainability in the economy as well as climate protection.

Together with 49 globally active companies, Fackelmann Brands is part of the global "50 Sustainability & Climate Leaders" initiative. We have made it our joint mission to work toward the 17 UN goals for sustainable economic management and climate protection one step at a time.

We want to continue to reduce our emissions and are already making good progress – as demonstrated by the CO₂ balance of both our sites in Germany and our products. The yearly calculation of our Corporate Carbon Footprint represents an important step in continuously reducing our greenhouse gas emissions. The Corporate Carbon Footprint, or CO₂ footprint, is the calculation of all greenhouse emissions produced across all divisions of a company.

Within the scope of our "E-Mission" emissions strategy, we are working on reducing our CO₂ emissions in all business areas – in the context of the Paris Agreement and the Greenhouse Gas Protocol, or GHG Protocol for short. Here we follow the three principles of Avoid, Reduce, Offset: We avoid and reduce our emissions whenever possible. If this is not possible, we offset them.

Our "E-Mission": Avoid, Reduce, Offset

1. Avoid what can be avoided:

- Waste-free production processes (plastic production using special tool designs)
- Closed heating circuit at the site in Hersbruck with a regenerative energy carrier (waste wood)
- Energy-efficient production lines
- Partial self-generation of electricity by means of photovoltaics on production halls

2. Reduce that which cannot be avoided:

- Conversion to LED lighting
- Short transport routes
- Efficient route planning
- Use of resource-conserving materials
- Durable products and high product quality

3. We offset emissions that we can neither avoid nor reduce.

We offset our emissions by supporting certified climate protection projects in cooperation with climate partners. We offset our Corporate Carbon Footprint for 2021 by supporting climate protection projects in China, India and Malawi.

*The Fackelmann site
in Hersbruck.*



Future starts at home
We are currently working on making more of
our business units carbon-neutral.

Our CO₂ footprint

at the sites in Hersbruck and Aichach.

In order to increase transparency and generate comparable figures, we disclose our CO₂ footprint according to Scopes 1, 2 and 3 of the Greenhouse Gas Protocol (GHG). This helps us as a company to keep an eye on our emissions and provides the impetus for us to continuously reduce our emissions. We calculate our emissions figures with the support of climate partners.

Our site in Hersbruck is already classed as Scope 2 carbon-neutral. This is because we have been using waste wood to generate heat for the Hersbruck site for more than 30 years. In our latest calculation, we redefined Scope 3 for Hersbruck – in future, for example, the transport routes for our products will be attributed to the CO₂ footprint of our products. Our Corporate Carbon Footprint for 2021 is therefore significantly lower than in the previous year 2020.



The Zenker site in Aichach.

Total emissions

Hersbruck site (Sebastian-Fackelmann-Straße)				Aichach site					
		Scope 1	Scope 2	Scope 3		Scope 1	Scope 2	Scope 3	
2019	4,788.2 t CO ₂	16%	0%	84%	2021*	1,380.3 t O ₂	2.9%	54%	43.1%
2020	6,082 t CO ₂	11%	0%	89%	The total emissions for mid-2020 to mid-2021 are currently available for the Aichach site				
2021**	2,429.1 t CO ₂	24.1%	0%	75.9%					

Scope 1

Direct emissions from equipment belonging to the company and the company fleet

Hersbruck site	
2019	764.5 t CO ₂
2020	639.7 t CO ₂
2021	548.2 t CO ₂

Aichach site	
2021*	40.1 t CO ₂

Scope 2

Indirect, external greenhouse gas emissions produced from bought-in energy

Hersbruck site	
2019	Zero
2020	Zero
2021	Zero

Aichach site	
2021*	745.8 t CO ₂

Scope 3

Indirect, external greenhouse gas emissions along the value chain

Hersbruck site	
2019	4,023.7 t CO ₂
2020	5,442.3 t CO ₂
2021	1,844.8 t CO ₂

Aichach site	
2021*	594.4 t CO ₂

*Data collected between mid-2020 and mid-2021

**The transport volume of materials and products was no longer taken into account in Scope 3 and is attributed to the PCFs.

By supporting climate projects, we can help to permanently improve the living conditions of many children.



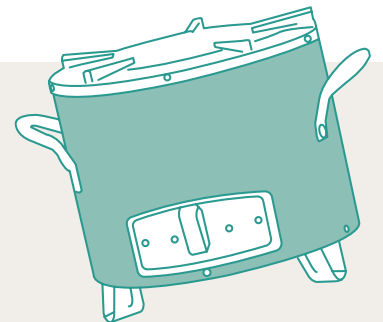
Greater climate protection thanks to carbon-neutral products

"Green Vision" from Zenker is our first carbon-neutral product series. It is manufactured entirely at the site in Aichach.

A Product Carbon Footprint indicates the volume of CO₂ emissions for a product or product series. All factors are taken into account for its calculation; from raw materials to manufacture, transport and use, all the way through to disposal, all emissions are included. We calculated our first product CO₂ footprint based on our Zenker "Green Vision" series. How have we achieved carbon neutrality for "Green Vision"? On the one hand by implementing short transport routes and using environmentally friendly materials, on the other hand by offsetting all emissions produced during the manufacturing process. This makes "Green Vision" sustainable and 100% carbon-neutral. In 2022, we presented another carbon-neutral series.

Clean stoves in Peru

For more than 10 years, Microsol has been supporting the Qori Q'oncha project and families in poor rural areas of Peru. The project includes the first program of activities to be certified according to the Gold Standard. The optimization of 106,056 stoves has already improved the lives of 493,277 Peruvians. Projects from six project developers are currently being implemented in nine regions of Peru: Piura, Cajamarca, La Libertad, Huánuco, Cusco, Huancavelica, Arequipa, Moquegua and Tacna.



The energy-efficient Jikoko stoves not only help reduce emissions but are also easy and intuitive to use.

101,640 kg
CO₂ equivalent

How does drinking water protect the climate?

Around two billion people throughout the world do not have access to clean drinking water. Many families boil their water with the most simple means on an open fire. This is not energy efficient at all and requires a huge amount of fuel, which in turn contributes to deforestation. Depending on the region, this is affecting increasingly large areas. The simplest ways to obtain clean drinking water include chemical cleaning, for example with chlorine, mechanical cleaning with water filters or the installation of new drinking fountains.



Accessing clean drinking water used to be a daily challenge for many families – this situation has improved significantly thanks to the Odisha project.

Efficient cooking in Kenya

The Kenya project we support oversees the distribution of so-called Jikokoa stoves and, as such, contributes to halting climate change. At the same time, we are helping to improve living conditions throughout Kenya. The Jikokoa stoves enable families to save time and money that would otherwise be used for cooking and buying coal. What's more, the Kenya project has already improved the health situation of many families, created more than 200 local jobs and sustainably strengthened the role of the woman within the family.

101,610 kg
CO₂ equivalent

Clean drinking water in Odisha, India

Every year, more than two million children die from cholera or typhus in India - diseases that are spread primarily through unclean drinking water. Only 32% of Indian households have access to treated water. Many households solve this problem by boiling water on an open fire and are therefore exposed to the smoke this produces, which in turn causes respiratory illnesses or eye infections. The widespread use of firewood also contributes to increased deforestation in the region. We support the Odisha project in providing the means to chemically treat water with chlorine on site. The chloride solution used for this is produced on site and the water can be purchased at low cost from small rural stores or is delivered directly to people's doors.

101,610 kg
CO₂ equivalent



How do stoves protect the climate?

Every year, more than 4 million people die as a result of inefficient, environmentally harmful open fires. Women and small children are particularly susceptible to serious respiratory and eye diseases caused by air pollution. The efficiency of the traditional three-stone fire is also extremely low; the majority of the fire's energy goes unused and disappears into the air. New stoves made of simple metal or clay offer many more advantages: the energy fed in is used more efficiently, there is a far lower risk to the families' health, the families save a huge amount of money on fuels and at the same time reduce their emissions of harmful CO₂.

The roof areas of our new warehouse in Hersbruck are used for the photovoltaic system.



Future starts with a circular economy

Important resources will not last forever. Finding our way to an economic system that makes intelligent use of raw materials and further reduces emissions is a huge challenge both for us and for future generations. It has therefore become even more important for us as a company to find renewable alternatives.

"Efficient production processes, intelligent production management and waste reduction are hugely important to us. We regularly analyze our processes, eliminate weak points and optimize our results."

*Horst Bär,
Head of Production*



Within a circle, nothing gets lost. This is the principle of a "Circular Economy". This means reusing existing materials as far as possible and using new resources as little as possible. It also includes avoiding and reducing waste. We are taking several small steps to follow this principle at our sites in Hersbruck and Aichach.

Environment & resources – how we manage energy, water and waste

We use closed energy and material loops to set high standards in our production processes. Selected examples of this include photovoltaic systems to produce our own electricity, the burning of wood chips from the furniture production to heat the Hersbruck site and the use of waste heat from our production machines and compressor for producing baking tins to heat the logistics center and administrative building in Aichach.

Energy



Hersbruck site

- We have been using 100% green electricity in Hersbruck since 2019. In 2021, we installed a PV system on our new warehouse, and this was put into operation in January 2022. With this PV system, we are able to achieve an electricity yield of approximately 735,000 kWh per year with an average of 1,000 hours of sun. We expect to save around 600 t CO₂ per year in this way.
- We cover our heat requirement by burning biomass left over from production. We produce approximately 500 t of this "waste" every year, which produces around 2,400,000 kWh of heat.
- We are about to convert all of our lighting to LED technology. This represents a savings potential of 50% to 70%, particularly if we also control the individual elements by means of motion detectors or daylight sensors.
- We are also working on creating a more sustainable infrastructure outdoors. After clearing an open space of around 1,800 m², which is now covered with a gravel lawn and is able to store water, we have installed six electric car charging points – with eight further charging points being prepared. Cleared open spaces that are not being used are also being planted with wildflowers.
- We are also investing in the latest generation of energy-saving plastic injection molding machines.
- Some of the unavoidable scrap material from the plastic production is broken up and fed back into the production cycle for use in new Fackelmann products.
- We are also investing in energy-saving motors for the extraction system and a new drying system for the plastics molding facility.
- Between 2019 and 2021, we invested around 1,350,000 euros in our site with sustainability in mind.

Fackelmann energy consumption

	2019	2020	2021
Total	6,221,067 kWh	6,308,678 kWh	6,235,942 kWh
Renewable electricity	3,247,127 kWh	3,292,856 kWh	3,254,891 kWh
Biomass	2,973,940 kWh	3,015,822 kWh	2,981,051 kWh

Aichach site

- Electricity generation on the roof of the logistics hall in Aichach: the photovoltaic system has been in operation since the end of March 2021 and has an output of 562.8 kWp. Around 80% of the electricity that is generated is used in-house. In 2021, we achieved an output of 437,763 kWh and a saving of approximately 360 t CO₂.
- The waste heat from production machines and compressors is used to heat the logistics center and administrative building. This covers around 30% of our energy requirement for heating.
- We have installed energy-efficient LED lighting, including presence detectors to prevent constant lighting, in all plants.
- More efficient production processes: we are gradually converting our production lines to servo technology. Two lines have already been converted. Here, energy is only used during the pressing process and electrical braking energy is fed back into the grid and used in-house.
- Virtually all industrial trucks have an electric drive.
- We invested a total of 1,395,000 euros in these conversions.

Zenker energy consumption

	2019	2020	2021
Total	2,143,275 kWh	3,188,121 kWh	3,371,511 kWh
Electricity	1,643,542 kWh	1,859,775 kWh	1,897,617 kWh
Natural gas	499,733 kWh	1,328,346 kWh	1,473,894 kWh

The photovoltaic system on the roof of our logistics hall in Aichach is also capturing energy from the sun and helping reduce CO₂.



Water and wastewater



We do not use any fresh water for our production processes at our headquarters in Hersbruck. The water used to cool our plastic injection molding machines is cooled in a cooling unit and always fed back into the circuit. Fresh water is used exclusively for sanitary purposes, e.g. for showers and kitchens.

Water consumption

	2019	2020	2021
Fackelmann	3,836 m ³	4,164 m ³	4,350 m ³
Zenker	1,251 m ³	1,310 m ³	1,401 m ³

We conserve resources – no fresh water is used for production in Hersbruck and various packaging materials have been eliminated by switching to paper pallet boxes in Aichach.

Waste



- We make continuous improvements in our production area and have been able to further reduce the amount of waste we produce in relation to our turnover.
- By using an innovative, weight-reduced high-performance film and optimizing our machine parameters, we have already been able to reduce the amount of stretch film used at Fackelmann and Zenker by a total of 56 tons to approximately 30 tons per year – this means we require around 45% less material and have reduced our CO₂ emissions by around 78,000 kg a year. In one year, we save an entire truck load (40 tons) of film.
- In May 2021, we switched from metal crates to paper pallet boxes for the internal transport in warehouses and on company premises and for transporting the plastic covers produced by Fackelmann for Zenker. These are considerably lighter and easier to store; each storage space in the warehouse now holds four units instead of two. This change has also brought about further savings when it comes to returning the collapsed boxes; fifteen units can now be transported per delivery instead of two. We no longer use any smaller packaging materials such as foil bags or adhesive tape. The amount of corrugated board used to protect the products has also been reduced by 6,780 kg per year as a result of introducing this new type of reusable packaging.

Waste produced at the Fackelmann Hersbruck site

	2019	2020	2021
Wastepaper	227.79 t*	315.62 t*	314.93 t*
Industrial waste	157.49 t	180.06 t	199.84 t
Metal	35.22 t*	22.85 t*	38.53 t*
Construction waste	8.08 t	7.32 t	18.26 t
Glass	27.40 t*	17.44 t*	11.54 t*
Film	18.86 t*	18.09 t*	16.94 t*
Polystyrene	60 m ³ *	50 m ³ *	30 m ³ *
Wood	29.33 t	63.18 t	6.46 t
Ash	8.66 t	13.35 t	9.38 t

**Waste that is treated and reused or recycled or fed back into the circuit by means of other recovery processes.*



Waste produced at the Zenker Aichach site

	2019	2020	2021
Old wood mixture	9.58 t*	20.37 t*	14.23 t*
B19 department store	53.58 t*	135.82 t*	159.94 t*
Plastic pallets	0.26 t*	-	0.21 t*
Copper cables	0.93 t*	0.18 t*	0.72 t*
Brass	-	-	0.02 t*
Mixed and collected scrap	5.09 t*	45.24 t*	11.10 t*
Operating supplies containing oil	0.31 t*	0.40 t*	0.54 t*
Paper and cardboard boxes	97.1 t*	4.01 t*	9.54 t*
PE compound films	9.05 t*	8.59 t*	8.29 t*
Black plate	1234.95 t*	1338.20 t*	1497.97 t*
Small electrical appliances	0.37 t*	-	2.49 t*
Other packaging	-	0.01 t*	0.02 t*
V2A sheet steel	-	-	42.2 t*
Tin plate	24.21 t*	18.04 t*	36.5 t*
Gearbox and motor scrap	0.63 t*	-	-
Organic chemicals	0.05 t*	-	-
Fluorescent tubes	0.06 t*	-	-
Heavy scrap	5.09 t*	-	-
Bulky waste	1.58 t*	-	-
Aluminum	-	0.54 t*	-
Chrome steel	-	0.80 t*	-
Insulating material	-	2.46 t*	-
Stainless steel	-	1.17 t*	-
Solvents	-	4.11 t*	-
Shredder material	-	3.07 t*	-
Industrial waste	15.63 t	18.41 t	20.01 t

*Waste that is treated and reused or recycled or fed back into the circuit by means of other recovery processes.

We have our own colony of bees at the site in Hersbruck to remind us of the importance of species conservation.



Welcome to the Bee City

We give honeybees a home

Protecting biodiversity is another pressing challenge of our time. The extinction of entire species of plants and animals is accelerating at a shocking rate. It is important that we do our bit to raise awareness of this important issue. Having our own colony of bees at our headquarters in Hersbruck allows us to fully engage with this subject; it is a project run by and for employees. By creating the space for sharing knowledge, educating others, getting actively involved and taking care of the bees together, the project also makes an important contribution to our corporate culture.

Honeybees and other bee and insect species play an important role in preserving biodiversity and the functioning of our ecosystem. Our world exposes them to countless risks: their food sources and habitats are disappearing and they are increasingly threatened by diseases, pesticides and pollution.

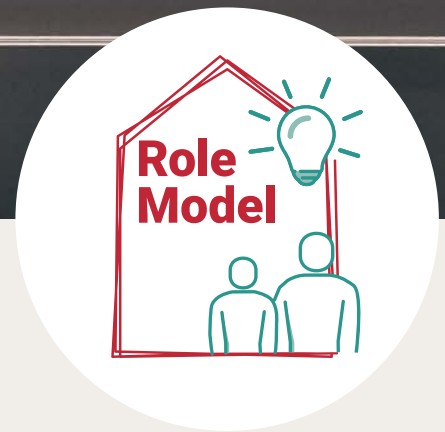
Green spaces provide food sources for insects

Since 2021, the site in Hersbruck has been home to our "Bee City" – a colony of 50,000 bees. Around 20 employees take care of the bees under expert supervision. The primary objective of this project is to share knowledge and raise awareness of this important subject. We provide regular updates on this project in the Bee City news, where we share our knowledge and experiences and ensure that everyone in the company is aware of the bees' progress. By way of supporting our honeybees as well as many other wild bees, insects and birds and thereby making a contribution to preserving biodiversity, we are landscaping vast expanses of our roof, park and gravel areas. In recent years, this area measured approximately 1,800 m². Wild bees and many other regional insect species have a smaller range than the honeybee. This means that they benefit from multiple small food sources in the immediate vicinity.



"Sustainability starts with a mindset. As the head of a family company, it was important to me to make my business future-proof from the outset. The motivation for me, my brother Norbert and our father and grandfather has always been to preserve our company for future generations. We fulfill our responsibility as a family company through our social commitment. We support regional and international projects that benefit children and families in need."

Alexander Fackelmann, President of Fackelmann Brands



Future starts with you and me

We want to set a good example and inspire others with our behavior, our values and our way of doing business. This includes maintaining an open corporate culture based on respect for one another and the opportunity to unlock potential. The health of our employees and continuously improving our processes play a central role within our company. We believe our internal and external educational work holds the key to sustainable development.

What exactly does that involve?

Upholding social standards and optimum working conditions for employees, creating space for their further development and advancement and establishing a positive working atmosphere are at the heart of what we do here in Germany and at more than 40 company locations throughout the world. These standards are certified and examined by means of detailed internal audit systems and higher-level regulations such as the BSCI that apply not only to the corporate family but also to everyone involved in the supply chain. We hold regular discussions with our employees and share our experiences for the benefit of all stakeholders by means of transparent communication. In ad-

dition to this exemplary behavior, transparency, openness, accessibility and education for the Fackelmann Brands family and society as a whole are at the heart of our Role Model guiding principle.

Future goals include maintaining our current working conditions and social standards to a high level and continuously adapting to new circumstances. We also want to maintain our reputation as a role model when it comes to education by continuing our material campaigns, workshops, campaign days, projects, assignments and social commitments such as our Bee City, the Europa Miniköche and the Fackelmann charitable children's foundation.

Future starts with our health

Healthy employees form the backbone of a company and are also a prerequisite for its future success. We at Fackelmann Brands have introduced measures and instruments to enhance the occupational safety, health and performance of our employees.

The way in which we do business and work together on a day-to-day basis has a direct impact on the health of our employees. As well as health checks, we offer an extensive range of sports and fitness activities. In this way, we fulfill our social responsibility as an employer and inspire our employees to adopt a more conscious and healthy lifestyle. We have established a clear distribution of responsibilities with regard to health management as well as codes of conduct that have proven effective since they were introduced.

Offers and benefits for employees – for a healthy work-life balance

Our in-house health management takes care of the physical as well as mental health of our employees. This includes a varied range of sports and health courses, various campaign days as well as measures at the workplace such as "Safe lifting". These measures are organized and supervised by our Human Resources departments in Hersbruck and Aichach. We also fund ergonomic and efficient modifications at workstations as well as equipment and individual customizations.

What does health management mean to Fackelmann Brands? It means having a clear focus on the protection of health. Regular exercise and good stress management not only keep fit, but also prevent many illnesses. We want to take care of the needs of different target groups while prioritizing individual offers. Our aim is to continuously expand health management and workplace health promotion in order to provide a versatile and regular offering that benefits every employee.

Keeping fit at the workplace

When selecting and putting together the courses we offer, we focus on three core themes:

- Physical health
- Mental health
- Medical care and occupational safety.

Yoga offers the perfect antidote to day-to-day work.





"Good corporate health management forms the basis for the wellbeing and satisfaction of our employees and is a top priority for us. We know that a company cannot reach its full potential without healthy and satisfied employees."

Vera Philipp, HR Manager

Physical health

When it comes to physical health, we distinguish between exercise classes, sports courses, one-off campaigns and services offered by external experts. Our weekly yoga class in Hersbruck, for example, is extremely popular. The class is led by a certified yoga teacher, is held outside during the summer and was also offered online during the COVID lockdown. Participation in district and corporate races is actively encouraged and subsidized within the company.

Various sports groups are also meeting again following a long break due to COVID. These include running groups and Nordic walking groups, for example. Our employees are also able to use our company-owned e-bikes. Measures to improve back health as well as health days with health checks are offered on a regular basis.

Mental health

When it comes to mental health, we try to take care of the needs of different target groups. Training measures for managers, such as the "Healthy Management" workshop, or health days for junior staff that focus on a healthy diet, exercise and stress management, are offered on a regular basis. Various options are available for all employees. These include courses on addiction prevention, mindfulness and cognition training as well as specialized presentations on relaxation, breaks and motivation.

Medical care and occupational safety

Our third core theme is medical care and occupational safety. This covers annual training, for example, as well as appointments with our company doctor, our works council, our safety specialist and our safety officers. Together with our company doctor, we also hold regular safety committee and integration management meetings.

Prevention and health promotion at Fackelmann



- Cycle to work campaign
- Newsletter with health tips
- Health circle
- Yearly campaigns such as "Safe Lifting", health day, gym
- Stop smoking service
- Subsidies for/purchase of equipment such as work glasses, padding, mouse mat, etc.



Future starts with our employees

As well as having a responsible approach to nature and the environment, our corporate family is particularly important to us. The way we work together is characterized by mutual respect, a real sense of community and the opportunity to further develop our individual skills – across all levels.

We are continuously working on concepts that enhance the satisfaction of our employees – particularly when it comes to health, flexibility at the workplace and opportunities for training and promotion. Fostering talent, consolidating and expanding skills, offering opportunities for further personal and professional development – these are the specific objectives at the heart of our employee management. By establishing various communication channels, we are in constant dialog with one another, which enables us to respond more quickly and directly to suggestions, requests and criticism.

Guidelines for a healthy working environment

In order to ensure compliance within our company, we have drawn up resilient guidelines that apply across all levels of the company and support our family structures.

- Our compliance guidelines for employees encourage exchange and support equal and meaningful cooperation.
- The Code of Conduct that applies to our supply chains helps maintain fair and long-term partnerships.
- Our employees can use our reporting system in confidence to notify us of a breach of rules.

"I have had plenty of opportunities for further development over the years and have always had the freedom to put forward my own ideas. I take responsibility for my own training and always try to support younger colleagues with help and advice."

Ramazan Gedik, Shift Supervisor
Plastic Production, Hersbruck



"My dual course of study was unbelievably varied. I was able to participate in a large number of projects designed to help shape the future."

Felicia Postler,
Junior Communication Manager



Join the conversation to help shape the future

Green Box: Feedback welcome: the Green Box is the place where we collect suggestions, compliments, criticisms and suggestions for improvement at the site in Hersbruck. It is overseen by the works council, which discusses the topics that arise in every meeting – including with the Board of Management. Responses and results are shared with our employees on the intranet.

Team Box and Works Council Box: At the site in Aichach, the Team Box and the Works Council Box are the interfaces between employees and managers. Installed in central locations within the company, these boxes represent a "sympathetic ear", where any concerns can be expressed by name or anonymously. The Works Council Box in Aichach is predominantly used for personal concerns addressed to the works council, which are then discussed in confidence in personal meetings. The works council then takes these concerns to the Board of Management, where they are sometimes discussed in the presence of the person affected. The Team Box in Aichach is primarily used for suggestions for improvement, which are discussed together with production managers. The Board of Management then decides whether or not these should be implemented.

Annual employee review

Dialog is extremely important to us, so once a year we invite our employees to take part in an employee review. This provides the opportunity for regular discussions. The objective of these confidential meetings is not only to provide mutual feedback, but also to identify potential for personal further training and development. Our managerial training, for example, provides differentiated training content for administration and production. This includes content designed to help identify individual potential as well as training on negotiating skills, dealing with conflict and team leadership.

Future Matters project Hersbruck

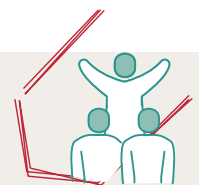
Investing in the future: what actually is a sustainable product? How can we make our company more sustainable? What does a sustainable future look like at Fackelmann in 20 years? These and similar questions and considerations by our trainees are important factors in the sustainable further development of our company. Within the scope of the Future Matters project, we give our trainees the opportunity to share their vision for the company's future with us. As part of a workshop, the participants work independently on concepts and practical solutions that will help shape the future and therefore become an important part of our sustainability strategy. We hold a meet & greet day during which the projects, hacks and ideas the trainees have come up with are presented, worked up by Team Future and then made available to all employees on the intranet as an impetus for sustainability.

The Future Matters project is driven by the commitment & imagination of our trainees.



Our benefits at a glance:

- Flexible working models
- Health management: yoga classes, health days with a free check-up, presentations on health topics, participation in sports events
- Company subscription to the Nuremberg transport association
- Employee events
- Corporate benefits: Special discounts from various partners and in our outlets
- Allowances such as end-of-year bonus or vacation/Christmas allowance as well as anniversary bonus
- E-bike rental
- Subsidized/paid for further training



Employee key figures

	Fackelmann Hersbruck			Zenker Aichach		
	2019	2020	2021	2019	2020	2021
Total	519	556	605	179	205	220
Full-time	460	488	524	164	189	201
Part-time <i>Part-time models are tailored to each individual employee.</i>	59	68	81	15	16	19
Female*	204	229	257	108	119	133
Male*	315	327	348	71	86	87
Trainees	23	28	25	6	6	5
BA students	4	5	5	0	0	0
Retention rate <i>following training/studies</i>	100%	100%	83%	100%	100%	83%
Average sick days	5.43%	5.13%	5.10%	5.80%	5.35%	4.88%
Occupational accidents	13	4	13	4	7	14
Job tenure <i>(average in years)</i>	14	13	12	13	12	10
Company anniversaries	40 years	2	1	-	1	2
	30 years	-	-	-	6	4
	25 years	13	9	6	1	2
	10 years	7	11	9	5	2

*Non-binary not currently recorded.

Future starts with our society

Whether it is for children, the region, healthy eating or sport – our social commitment has many faces.

We feel part of a community. Our social commitment is therefore diverse and applies to many areas of our society. With the Fackelmann charitable children's foundation, we support regional and international projects in schools, nurseries, institutions and charities that primarily support children and families in need.

Our major projects include the "Europa Miniköche" and "AckerRacker" (gardening for children) – both educational programs that teach children all about healthy eating and cooking.

We also provide immediate help in emergency situations; we have recently supported Save the Children, which is providing humanitarian aid to children affected by the war in Ukraine.

"Taking responsibility and giving something back to the region means a lot to us."

Alexander Fackelmann,
President of Fackelmann Brands



Young participants in the "Europa Miniköche" cook up a feast

Something that is very close to our hearts is supporting the regional Hersbruck group of the "Europa Miniköche" project. For more than thirty years, Europa Miniköche GmbH has been organizing cooking workshops for children aged between ten and twelve. From growing the crops to harvesting the ingredients, all the way through to preparing and serving the dishes, over the course of two years, the "mini chefs" learn everything there is to know about the kitchen, cooking and healthy eating from experienced chefs and an expert nutritionist. This exceptional non-profit project has been transforming the food habits of children and families for decades. In 2010, Alexander Fackelmann took on the patronage of the regional Hersbruck group and in July 2022 extended our support to the whole of Germany.

There is always something on offer for the mini chefs; tips and tricks relating to healthy eating, communal planting, harvesting and food preparation, visiting farms in the region, and serving and eating the dishes they have prepared together are amongst the highlights of the monthly meetings. The project covers a huge amount of content; nutrition, health, environmental protection and teamwork are just some of the subjects the children learn about and take with them into their later (professional) lives.



"Look what's growing!" The "AckerRacker" educational program teaches nursery children how to grow vegetables through play.



Cooking with joy and creativity, learning everything there is to know about healthy eating and growing food; Alexander Fackelmann has been a patron of the regional Hersbruck "Europa Miniköche" group since 2010.

Caring for our region – the Fackelmann thermal bath in Hersbruck

Since September 2010, the wellness bath in Hersbruck has been known as the "Fackelmann Therme". By sponsoring and putting our name to the bath and providing financial support for renovations, we are sending a clear message to the Hersbruck region and its inhabitants.

"AckerRacker" – where adventure and responsibility are cultivated

In 2022, we became a regional sponsor of "AckerRacker", a multi-award-winning educational program that sparks nursery children's interest in nature and sustainability. Children aged between three and six learn about growing crops on the nursery's own land. The Altstadtzwerge from Hersbruck were the first nurseries in Nuremberg to enter into the program.

Staying on the ball

In the sports sector, Fackelmann is one of the main sponsors of the Franconian HC Erlangen premier league handball team. "The team's continuous development is reflected in its strong position in the league table. And they may not yet have reached its full potential, which means we are delighted to support the HCE on its path to success. Taking the leap into the European championships is certainly within reach and, as an international company, we are looking forward to the next few years", says Alexander Fackelmann, longtime member of the supervisory board of HC Erlangen.

Our Fackelmann projects

Charitable children's foundation

- Regional and national projects supporting children

Local sponsoring

- Product sponsoring through tombolas, advent calendars, etc.
- Social institutions and associations, for example, the Hersbruck Tierheim (animal shelter)
- Fackelmann Therme Hersbruck

Long-term projects

- Europa Miniköche
- AckerRacker

Short-term relief projects

- Save The Children Ukraine
- Fundraising campaign for flood victims following the catastrophic flooding in Rhineland-Palatinate and North Rhine-Westphalia in July 2021

Sports sponsoring

- HC Erlangen
- Local sports clubs

Zenker – from the region, for the region

1. Every year, we donate products from our factory sales to social institutions in Aichach such as the food bank, the Caritas day-care center and counseling centers as well as children's and youth associations and facilities for people with disabilities.
2. As sponsors of the local football club, we support children from refugee families. We provide the entire team with jerseys featuring our Zenker logo.
3. We also donated money for Ukrainian children to the school friends' association.

Future starts with a mission

The objective of our first future report is to give an insight into how sustainability is anchored in our company and the progress we have made with regard to our guiding principles. The key figures we have presented, which are with reference to the GRI standards, ensure transparency and help us identify potential for improvement.

Our next report will be published in 2024. In this, we will report on the progress we have made and share further experiences and measures.

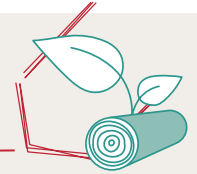
The points below will provide the focus for forthcoming projects:

- Revision of our compliance strategy and our Code of Conduct
- Testing of an integrated management system
- Expansion of the key figure system
- Calculations of further Product Carbon Footprints
- Preparation for a worldwide strategy rollout
- Completion of a large-scale stakeholder survey
- Further risk assessments within the supply chain by means of a supplier self-disclosure system

"It is important to us that we further develop our company, our products, our employees and our business relationships, rise to challenges, draw conclusions, make full use of potential and seize opportunities."

*Caroline Jakober,
Sustainability Manager
Fackelmann Brands*

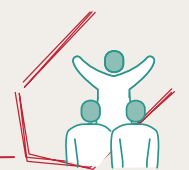




Environment & resources

Total	Fackelmann Hersbruck			Zenker Aichach		
	2019	2020	2021	2019	2020*	2021
Total	4,788.2 t CO ₂	6,082 t CO ₂	2,429.1 t CO ₂			1,380.3 t CO ₂
Scope 1	764.5 t CO ₂	639.7 t CO ₂	548.2 t CO ₂			40.1 t CO ₂
Scope 2	0	0	0			745.8 t CO ₂
Scope 3	4,023.7 t CO ₂	5,442.3 t CO ₂	1,844.8 t CO ₂			594.4 t CO ₂
	*Data collected between mid-2020 and mid-2021					
Energy consumption	2019	2020	2021	2019	2020	2021
Total	6,221,067 kWh	6,308,678 kWh	6,235,942 kWh	2,143,275 kWh	3,188,121 kWh	3,371,511 kWh
Electricity	3,247,127 kWh	3,292,856 kWh	3,254,891 kWh	1,643,542 kWh	1,859,775 kWh	1,897,617 kWh
Biomass	2,973,940 kWh	3,015,822 kWh	2,981,051 kWh	-	-	-
Natural gas	-	-	-	499,733 kWh	1,328,346 kWh	1,473,894 kWh
Water consumption	2019	2020	2021	2019	2020	2021
Total	3,836 m ³	4,164 m ³	4,350 m ³	1,251 m ³	1,310 m ³	1,401 m ³
Waste	2019	2020	2021	2019	2020	2021
Waste generated (t)	512.83 t	637.91 t	615.88 t	1,458.48 t	1,601.42 t	1,803.77 t
Waste generated (m³)	60 m ³	50 m ³	30 m ³	-	-	-
Reused or recycled waste (t)	309.27 t	374 t	381.94 t	1,442.85 t	1,583.01 t	1,783.76 t
Reused or recycled waste (m³)	60 m ³	50 m ³	30 m ³	-	-	-
Waste forwarded for disposal (t)	203.56 t	263.91 t	233.94 t	15.63 t	18.41 t	20.01 t

People & social affairs



	Fackelmann Hersbruck			Zenker Aichach		
	2019	2020	2021	2019	2020	2021
Number of employees	519	556	605	179	205	220
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Legal notice

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Conception and realization:

Eberle GmbH Advertising Agency GWA
Goethestrasse 115
73525 Schwäbisch Gmünd

Picture credits:

Gettyimages (Pages 6–7, 23, 26–27, 32–33, 36), Shutterstock
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report to**

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