



Deutscher
Nachhaltigkeitspreis 2020

SIEGER
Großunternehmen



fischer 

**Sustainability
management by the
group of companies.**

Waldachtal, 2022

Sustainability Management

”Sustainability unites the aspects of environmental protection, technology and innovation with economic success and social responsibility.

At the fischer group of companies, we see the interplay of these aspects as a challenge encouraging us to live, work, and do business in harmony with nature.”

Professor E. h. Senator E. h. E. h. Dipl.-Ing. (FH)
Klaus Fischer

Introduction



Prof. Klaus Fischer (right), owner of the fischer group of companies and Marc-Sven Mengis, Chairman of the Managing Board

Sustainable business activity is responsible activity that strives for long-term economic success in harmony with the environment and society. The policies that take economic, social and ecological aspects into account are laid out in the fischer mission statement. Accordingly, the fischer group of companies works actively to fulfil its social responsibilities. The company plans its economic development with long-term and sustainable goals in line with social interests.

fischer's mission statement governs its leadership concept and interaction with the circle of persons (stakeholders) affiliated with the company. It also sets the stage for economic activity. This includes trust and collaboration, reliable and consistent action, mutual respect, performance-based compensation, and forward-thinking organisational formats and working methods. In addition, the company is actively engaged in PR work and protects the intellectual property of others – fischer requires such protection for itself as well – as well as working actively in relevant boards, corporations, and associations.

The fischer group of companies has always focused on qualitative growth in line with environmental concerns, society, and all employees. Accordingly, fischer is actively working to protect the environment, which includes company processes, as well as research and development on

resource-conserving products. On the path towards streamlining business practices that prevent wastage and increase value production, the fischer ProcessSystem was created in 2004, based on the Japanese concept of Kaizen. This system plays a key role in designing and optimising production, logistics, and administrative processes. In addition, it supports the company in achieving its strategic corporate objectives, and is applied as such. For this purpose, consistent sustainability management is essential. The group of companies considers its business processes as a whole as being connected by a regulating system. fischer undertakes to maintain the standards it has set in order to continuously improve the system – as well as each individual process – for the benefit of the customers and to avoid waste.

Targeted qualification and development of employees form the basis of the fischer ProcessSystem. A corresponding leadership culture enables systematic problem solving that it also supports consistently. In order to ensure the organisation is also highly flexible and focused on problem-solving management analyses problems that affect the development of company processes in a structured manner.

Beyond operational training, fischer is also committed to external projects to a great degree. Equal opportunity and balancing

work and family also have a high priority in the group of companies. Other priorities are occupational safety and health protection for employees.

Whenever economically feasible, fischer also supports social, cultural and sports initiatives and associations that correspond with company goals and values.

Yours, Klaus Fischer

Das **größte Kapital** und der **wichtigste Erfolgsfaktor** in unserem Unternehmen sind die **Mitarbeiterinnen und Mitarbeiter** – nicht Anlagen und Gebäude!

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fischer Sustainability Management during the 2021 calendar year:

Strategy and integrity.

This sustainability report fulfils all of the requirements of a non-financial declaration, in which we address environmental, employee, and social concerns, as well as compliance with human rights and anti-corruption measures on the basis of our business model. Climate protection is addressed thoroughly in the section on guiding principle 05 Energy and emissions.

The fischer business model

The operational business of the fischer group of companies is divided into the areas of Fixing systems with plastic, metal, and chemical product ranges, the fischer Automotive area, with system components for vehicle interiors, the fischertechnik area, with technical toys, the fischer Consulting area, with process consultation, as well as fischer Electronic Solutions, which develops and manufactures electronics solutions.

The production locations of the Fixing systems area are in Germany, Italy, the Czech Republic, Argentina, Brazil, China, and Vietnam.

The Automotive division maintains production plants in Germany, the Czech Republic, the USA, China, and Serbia, which deliver products to original equipment manufacturers (OEMs) and first tier suppliers.

Global distribution by the fixing systems area is primarily handled locally by the company's own international distribution companies. Distribution is handled through importers in countries where the fischer group of companies is not represented.

Impacts and effects of sustainability at fischer

Long before the planned introduction of a European-wide sustainability reporting obligation, fischer defined a proactive approach, introducing sustainability management in 2016 and publishing its own sustainability report.

The fischer group of companies' conviction that our future viability is dependent on environmental and social concerns is based on the fischer group of companies mission statement and our responsibility within society.

The sustainability strategy is anchored in our corporate strategy, and reflects our key strategic challenges through the acronym **TIGER**, which includes **T**echnology, **I**nnovation, **G**lobalisation, **E**cology and **R**esponsibility.

The sustainability goals themselves are operationalised and integrated into the cascading process of the company's Hoshin Kanri Management. Within this process, sustainability goals are broken down to individual areas during the annual goal adjustments, and serve as the basis for corporate management focused on sustainability. Key sustainability figures are monitored continuously.

Actively addressing **climate protection** and **meeting climate targets** requires targeted work and measures. The same is true of the topic of the **circular economy**. Innovation is the deciding success factor in this area. The innovative capacity and above average motivation of our workforce are outstanding assets as we manage major challenges. Innovation is both a corporate value and a kind of capital; fischer's innovative capacity is anchored systematically within the company, and is carrying the company reliably and continuously into the future (see guiding principles 08 and 12).

We work to avoid environmental contamination throughout our entire value creation chain, by making continuous improvements in the purchasing, production, and use of our products as described in detail in Guiding Principles 04 to 06.

In light of this, we at fischer consider environmental policy impacts and framework conditions to be an opportunity to continue improving as a group of companies (outside in approach). Relevant targets have been defined at fischer, and can be monitored. We do so with the help of the fischer sustainability compass (see p. 11), which covers the strategic fields of technology, innovation, globalisation, ecology, and responsibility.

For climate protection, for instance, that this means we must first determine the quantity of CO2 emissions produced by the company, our so-called corporate carbon footprint (CCF). The greenhouse gas balance measures direct and indirect emissions by the company and its value creation chain.

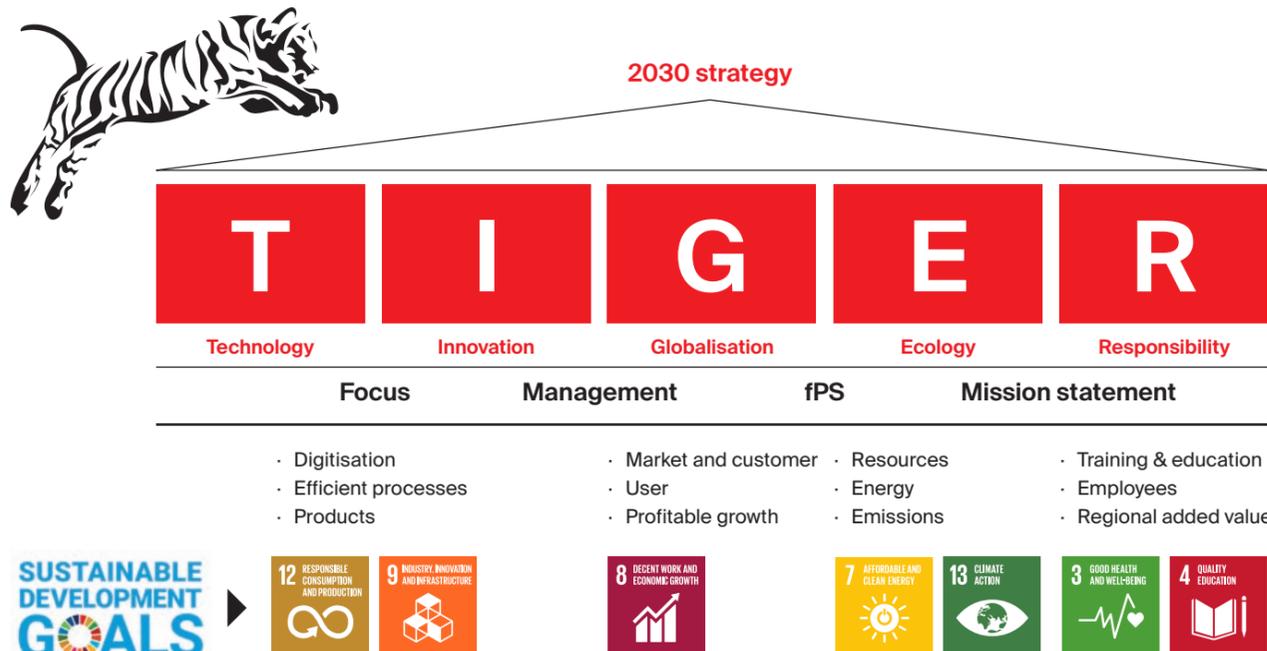
Since it is not possible to avoid all CO2 emissions, we must take targeted steps to reduce and avoid CO2 emissions as much as possible. We do so at fischer, for instance, by taking steps to improve energy efficiency, continuously implementing process optimizations, and converting to renewable energy (see Guiding Principles 04, 05 and 12).

We at fischer focus on consistently seeking out and taking advantage of potential improvements and reductions in our own CO1 emissions in scope 1 and beyond, in particular for potential savings in scope 3. Many different activities in scope 2 are also ongoing. In 2018, we converted our German production sites to green power from renewable energy sources.

All in all, our goal is to successively increase the percentage of energy generated in-house.

fischer's sustainability agenda and reporting structure are oriented towards the WIN Charter (Wirtschaftsinitiative Nachhaltigkeit (Sustainable business initiative) of the state of Baden-Württemberg) The WIN Charter requires commitment, personal initiative and open communication from companies, and is aligned with the economic structure of Baden-Württemberg. Its regional components are one of its outstanding features. With the twelve Guiding Principles of the WIN-Charter, companies commit to basic values, a responsible approach to the environment and identification with their region. Aspects such as human rights and employee rights, integration, and resource efficiency also play a significant role. The WIN Charter fulfils EU directive 2014/95.

fischer sustainability strategy.



Review processes for implementing our sustainability activities

We have established the following processes for reviewing sustainability aspects in relation to our business activities and monitoring implementation of our sustainability activities:

Human rights

- The fischer mission, set forth in the 'Code of Conduct', has been translated into 28 languages and is applied in all of our international activities.
- External partners abroad must sign the "Business method regulations".
- Consistent supplier management monitors compliance with the standards, from supplier selection to the order award process, to when goods are received.
- Human rights violations in the supply chain, as well as personnel-related issues like discrimination or sexual harassment, can be reported across Europe via the fischer whistleblower system.
for full information, see Guiding principle 01

Social & employee concerns

- We align ourselves with the "Vision Zero" DGUV strategy for avoiding workplace accidents.
- Employee surveys identify additional strains related to work organisation.
- Continued training sessions are initiated, and the relationship between continued training costs and total wages serves as a key figure for management.
- Different social activities promote employee collaboration and solidarity, which helps reduce fluctuation rates.
for full information, see Guiding principles 02 and 07

Environmental concerns

- Challenges in the areas of emissions, resource and energy management, and the development rate of environmentally-friendly products are managed with the fischer sustainability compass and fischer NH radar. Specific key figures and parameters are coordinated with the general management and linked with controlling.
- The CCF of the entire group of companies will be entered into the balance sheet from scope 1 to 3 in accordance with the GHG for the 2021 year; our climate protection strategy will be developed on this basis.
 - The fischer ProcessSystem (fPS) and the Blue Path at fischer ensure firstly that our product portfolio becomes more environmentally-friendly, and secondly that we continue to make progress in manufacturing, transportation, and assembly.
 - At locations certified in accordance with ISO 14001, the recycling rate of the waste generated during production of plastic fixings is almost 100%.
 - The same rate applies to the portions of waste from which the materials can be used, or that can be utilised for thermal generation.
 - The supplier structure at the respective locations is ideally national in focus, with the goal of achieving the shortest possible transportation routes.

- Our primary quality review criterion is the ppm of customer complaints regarding product quality.
- Service level: Our distribution centres guarantee a high level of quality service and on-time delivery.
- We measure our degree of innovation on a rolling basis, based on the percentage of revenue from new products compared to total revenue (not more than four years old).

for full information, see Guiding principles 04 and 06

Sustainable and fair finances, anti-corruption

- When making investment decisions, employee matters and environmental aspects are also included in investment decisions in addition to economic aspects.
- Financing is generally declined if it would limit the group of companies' autonomy.
- Profitable growth within the group is measured based on growth in revenue from the previous year (in %).
- The "Code of Conduct" company agreement contains binding rules of conduct on compliance provisions.
- There are central points of contact within the national companies where tips and violations can be reported.
- An online decision-making tool has been provided to help with handling advantages.

for full information, see Guiding principles 09 and 10

Challenges on the path to a sustainable future

The fischer group of companies is confronted with a variety of risks, as well as opportunities, on its path to a sustainable future. To identify and counteract these challenges early on, we feel it is important to continuously review and develop our processes in the sustainability area.

All aspects of sustainability are highly important to the fischer group of companies. The following section focuses on the topics of human rights, social & employee concerns, environmental concerns, and sustainable and fair finances.

Human rights

The fischer group of companies is aware of its responsibility to protect human rights, in particular in relation to risks along global value creation chains. The problems involved in doing so are complex, and range from human rights violations during raw material mining, to access to clean drinking water, bans against child and forced labour, and even equal opportunity and an anti-discrimination prohibition in the workplace. Today, responsible supplier management and choosing our partners carefully are fundamental components of our corporate activities. By promptly implementing the Supply chain due diligence act, the goal of which is to better protect human rights and the environment in the global economy, fischer is upholding its statutory obligations in addition to its high ethical and moral principles. Human rights violations, for instance in the supply chain, as well as personnel-related issues like discrimination or sexual harassment, can be reported across Europe via the fischer whistleblower system. Corrective measures can then be taken to improve the situation in the long term.

Social and employee concerns

The fischer group of companies recognises its social responsibility, and sees the health and safety of its employees as an important pillar contributing to the company's success. The COVID-19 pandemic has made clear the importance of long-term health and occupational safety management. Preventative measures to protect health and prevent work-related accidents have been established at fischer for many years, and are being continuously expanded. fischer aligns itself to the DGUV "Vision Zero" strategy, which aims to ensure working environments free from accidents and work-related illnesses. Social challenges arise around the world. In the fischer group of companies, we take a strong stance on social issues. Our employees work on a variety of social projects, such as providing aid to Ukraine or supporting those affected by flooding in the Ahr valley.

Demographic change, coupled with a lack of trained professionals, is another important challenge. The fischer group of companies is meeting this challenge by offering attractive working conditions and a wide range of training and educational programmes. Handling the digital transformation, which fischer considers to be an opportunity, is part of this same context.

We at the group of companies see social responsibility as closely linked to sustainability, and aim to solve social problems for the long term. Education is a central key. Our company owner, Prof. Klaus Fischer, works personally in this area, providing significant support to educational programmes and social institutions.

Environmental concerns

Mining and processing of different materials, in particular raw materials, poses environmental risks. The fischer group of companies is meeting these risks with a certain selection of its partners.

Climate change is having the greatest impact on the environment. Climate protection measures in the climate package passed in November of 2019 and the EU Commission Green Deal, as well as other climate policy activities - such as higher energy prices and stricter regulations - should be considered both an opportunity and a risk. Challenges in the areas of emissions, resource and energy management, and the development rate of environmentally-friendly products are managed with the fischer sustainability compass and fischer NH radar.

Sustainable and fair finances

Sustainable and fair financing, with the central goal of creating long-term corporate assets, is a fixed part of the fischer corporate strategy. There is a risk of funds coming from or flowing into illegal activities such as money laundering, terrorism, and corruption.

Even such allegations would have a long-term negative impact on a company's reputation. The fischer group of companies is meeting these risks with a variety of compliance activities. Preventative measures, such as in the areas of anti-corruption, money laundering, preventing the financing of terrorism, and complying with sanction regulations, are complemented by implementing laws and standards like the Foreign Trade and Payments Law or the Dual Use regulation.

In order to ensure sustainable and fair financing, the fischer group of companies considers employee concerns and environmental aspects in its investment decisions, alongside business-related aspects.



The check list.

	Defining focal areas	Qualitative documen- tation	Quantitative docu- mentation
Guiding Principle 01 – Human rights and employee rights	-	✓	-
Guiding Principle 02 – Employee welfare	-	✓	✓
Guiding Principle 03 – Stakeholder groups	-	✓	-
Guiding Principle 04 – Resources	✓	✓	✓
Guiding Principle 05 – Energy and emissions	✓	✓	✓
Guiding Principle 06 – Product responsibility	-	✓	-
Guiding Principle 07 – Corporate success and jobs	✓	✓	✓
Guiding Principle 08 – Sustainable innovation	✓	✓	✓
Guiding Principle 09 – Financial decisions	-	✓	-
Guiding Principle 10 – Anti-corruption	-	✓	-
Guiding Principle 11 – Benefits for the region	✓	✓	-
Guiding Principle 12 – Incentives to think in new ways	-	✓	-

The following additional sections were edited:

Additional section: Non-financial declaration	✓
Additional section: Climate protection	✓

Sustainability efforts on site

Klaus Fischer donates 100,000 euros for integrative daycare after catastrophic flooding

Our company owner Klaus Fischer is supporting the reconstruction of a daycare centre for disabled and severely disabled children in Bad Neuenahr-Ahrweiler with a donation of 100,000 euros. The money can be used to rebuild the facility, and purchase urgently needed equipment and therapeutic devices.

Key area:

- ✓ Resources
- ✓ Education for sustainable development
 - Mobility
 - Integration

Type of funding:

- ✓ Financial
- ✓ Material
- ✓ Personnel

Blue Path at fischer.

The fischer group of companies set forth its guiding focus for the future in the 2025 Strategy. This defines the company's long-term goals and their medium-term implementation.

This also includes the further expansion of the Blue Path. The stations represent examples of various sustainability activities and are intended to promote and continuously enhance awareness for this topic - both within and outside the company. The colour blue symbolises the ocean, the sky and the earth - in expert circles it also represents sustainability. fischer sustainability projects have already won many awards, including the 2020 German Sustainability Prize in the "Large company" category.

As part of the strategic focus, the topics of digitisation, globalisation, innovation, technology and processes became the main themes. The interplay of managerial staff, the fischer ProzessSystem and the fischer mission statement, as well as a focus on sustainable activities, serve as the foundation for successful development. There are also explicit descriptions and documentation of both planned and implemented sustainability projects at different points throughout the company grounds. The route between the stations forms the Blue Path. Passers-by at the headquarters in Tumlingen will notice an efficient shuttle system in the Global Distribution Centre. The company was distinguished by Environmental Technology Baden- Württemberg (UTBW) as one of the "100 companies for resource efficiency" for this effort.

Sustainability Management at the fischer group of companies incorporates the twelve guiding principles of the Wirtschaftsinitiative Nachhaltigkeit (WIN - Sustainability Economic Initiative) of Baden-Württemberg, as well as the Sustainable Development Goals (SDG) of the UN.



Guiding Principle 01

Human rights and employee rights.

As a company that is active worldwide with locations in 38 countries, as well suppliers and customers around the world, the fischer group of companies considers it its duty to actively support human and labour rights.

Following the fischer mission statement, all company activities are based on the basic values “innovative, personally responsible and reputable”, and follow the goal of generating profit. These basic values are the benchmark for daily work at the company, and the foundation for successfully shaping its future. The fischer mission statement applies to all employees worldwide as the “Code of Conduct”, and has been translated into 28 languages. One key area is the group’s reputable conduct, as one excerpt from the mission statement shows: “We behave in an appreciative and self-critical manner, are trustworthy and reliable, take heed of rights, norms and cultures, and expect our partners to do the same. We give ourselves rules and adhere to them.” In order for all new employees to become familiar with the mission statement as soon as possible, they receive a mission statement training during the Welcome Days. This is intended to create a foundation for the transfer of company values into personal action. Through annual training on the mission statement and inclusion of the basic principles in the performance assessment, managers at the group of companies ensure that employees consistently live out its principles.

Appreciation is a topic of particularly high importance to company proprietor Prof. Klaus Fischer. At fischer, people are the focus – as shown by the company’s high investments in education and training as well as in the many social activities provided. Collaboration with

the worker’s council is trusting and constructive. After the works agreement 2025, compulsory redundancies have been excluded at all German locations of the fischer group of companies.

The fischer group of companies takes its responsibility for corporate due diligence throughout the supply chain seriously. In selecting its partners, fischer is conscientious and performs audits as part of its supplier management before delivery begins. These audits not only consider efficiency, but also evaluate the potential partner in terms of how it treats people, safety, and the environment. External partners of the company are committed to complying with social standards with regard to human rights, working conditions and protecting the environment. They confirm this by signing the “Regulation of business methods”. The Supplier Management division provides an important contribution to ensuring compliance with these specifications, by keeping an eye on compliance with standards – from supplier selection, award of contract, incoming goods and everything in between. If applicable rules are violated, or in case of negligence, fischer’s intention is to forego collaboration or end the existing supply relationship as a last resort if necessary.



Guiding Principle 02

Employee welfare.

Motivated employees are a crucial factor in mastering the current and future challenges of a globalised, fast-paced world economy. This is one important reason why the fischer group of companies invests so much in promoting the health of its workforce, in order to ensure the health of all. A freely available company physician and fitness courses at the Klaus Fischer Training Centre contribute to this goal. Regular audits throughout the entire company ensure that all work stations – in the office as well as in production or logistics – are ergonomic. Currently, all work stations are successively being equipped with height-adjustable desks and acoustic elements, so that they represent a modern office concept with a focus on ergonomics and noise reduction.

The fischer group of companies has its own fitness studio for its workforce and retirees, which can also be used outside of work hours. Professional fitness trainers and physiotherapists are available to answer questions and help you achieve your athletic goals, as well as improve your health and well-being. In addition to high-quality muscle development or endurance training equipment, the fitness studio also offers a variety of sports and

health courses (such as yoga, back fitness, jumping fitness, HIT) and physiotherapy services (such as massages, Kinesio taping, vibration therapy). In addition, now employees can take advantage of full-body EMS training as part of their personal training services. Electromyostimulation training (EMS) is a highly effective, efficient training method for increasing muscular strength and mass, and reducing body fat.

Health-related subjects also play an important role outside the fischer fitness studio: A nutritionist supports the employees with nutrition presentations and “Healthy nutrition weeks” at the company restaurant. In addition, the topic of “sleep” has been included in seminar series and presentations, giving interested employees the opportunity to improve the quality of their sleep with the help of an external consultation. Many presentations and seminars are held digitally. These measures are able to reach all interested employees at the fischer group of companies, across all locations.

Healthcare is another important part of company health management. Examinations, such as skin cancer screenings and colorectal cancer screenings, are offered regularly. Likewise, our company physician offers annual flu shots, as well as vaccinations against the coronavirus in 2021.

In order to optimise the workload for employees, an employee per division survey was also held in each area starting in 2021 on the topic of "Healthy working conditions together". The goal of this was to identify psychological strains in the workplace resulting from a poorly designed work organisation or work materials. Doing so can help improve working conditions at fischer and increase employee satisfaction and well-being.

The company restaurant offers diverse, freshly prepared menus as well as salads or vegetable buffets daily. In addition, there is a low-fat and delicately steamed healthy option for everyone who would like to enjoy a particularly conscious and healthy diet. All meals are subsidised by fischer so that employees can enjoy high quality food at an attractive price. The company restaurant at the Tumlingen headquarters has received the award "Germany's Best Cafeteria" for the fourth time in a row. This time, the award was given out for innovative food service ideas within the company during the coronavirus. In an increasingly hybrid working world, corporate food service professionals play a new role, and must develop into sites within the company where people love to come together, hold discussions, and experience the company's appreciation.

Jurors in the renowned Food & Health initiative particularly praised the fact "that there is training on the topics of nutrition, cooking, and health" during their review this year of the in-house Klaus Fischer Training Centre. It was founded in 2010; since that time, there have been around 12,000 registrations for almost 800 courses from many different areas, such as health, cooking, nutrition, as well as language, memory training, time and conflict management, and communication or body language.

With its many measures focused on corporate health management, fischer ensures a high level of health at its German locations, especially compared to companies of similar size in Baden-Württemberg and nationwide.

Making breaks and work hours more flexible provides an even larger window of time to take a class during the lunch break, another way of promoting a good work/life balance.

Occupational safety at fischer

Occupational safety and employee health have always been highly important to the fischer group of companies. An occupational safety structure that has been established over the course of decades ensures that there is an awareness of legal and official requirements and that these are also comprehensively implemented. Well-developed preventative work, based on the "Vision Zero" DGUV strategy, is intended to avoid all work-related accidents within fischer. This strategy is based on the conviction that any accident can be prevented if managers and employees do the right thing in advance.

There are multiple building blocks that contribute to achieving the "Vision Zero" goal:

- Detailed risk assessments are prepared in close collaboration with employees, which are used to analyse all work areas and define measures for safe workplaces.
- All employees can contribute actively in the area of occupational safety: Critical situations in the workplace or near accidents must be reported to the relevant entities. Solutions to correct and minimise risks are created daily on the shop floor, then approved directly for implementation.
- The digital first aid log can be used to evaluate areas where injuries could occur, in order to define and implement further accident avoidance measures.
- A complete analysis of incidents describes their causes in detail. Then, measures are defined in collaboration with managers and employees, in order to reduce these risks to an acceptable range.



- Planned tasks are reviewed through an on-site risk analysis (last minute risk analysis). Specific measures are implemented before beginning work in case of potential hazards.
- Potential hazards when working with or through third-party companies and service providers are included in a construction site-specific risk assessment. Further specific measures are defined for safety at construction and work sites where necessary.

Preventative measures for reducing and preventing work-related accidents also include mandatory training sessions for all managers on "Responsibility for occupational safety". In addition to the fundamental principles of occupational safety law, managers learn about relevant rights, obligations, and available actions, and learn how to properly conduct trainings. The annual occupational safety training by management can be completed as a hybrid brief instruction / e-learning course. The oral instruction can be shortened, but not replaced, by completing an occupational safety e-course. In addition to making training transparent and uniform, the primary purpose of this is to ensure that the content is better retained by employees.

Staff members begin learning about the topics of occupational safety and health protection during the Welcome Days or on the shop floor each day. By actively supporting the employee, the safety topics can be addressed directly while preventative measures are worked out and implemented.

Company anniversaries

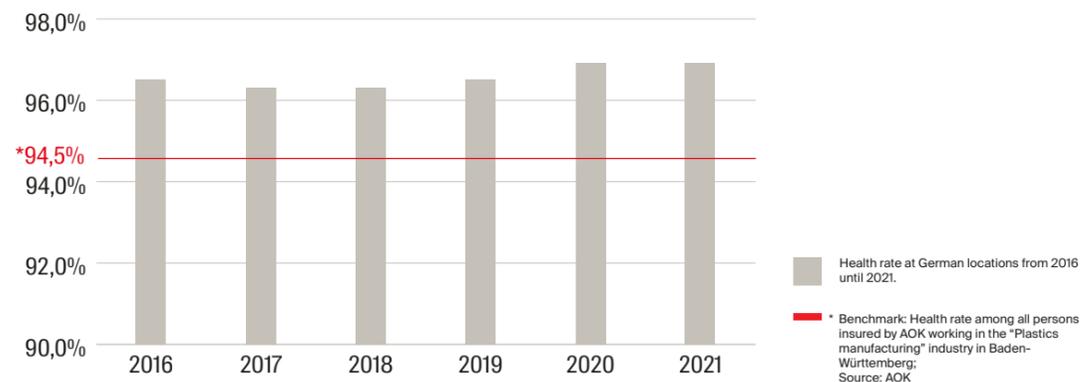
Company anniversaries are celebrated at the fischer group of companies after 10 years with the company, and then every 5 years thereafter. Workers celebrating an anniversary receive a bonus, gift, or travel voucher in recognition of the occasion. The type of bonus is dependent on the anniversary being celebrated. In addition, employees who have been with the company for at least 20 years are invited to a traditional annual anniversary celebration and honoured officially by our company proprietor, Prof. Klaus Fischer, at a celebration.

Loans at favourable conditions

In order to help bridge financial shortfalls, the group of companies provides loans and advances to fischer employees at very favourable conditions.

Support Association

Employees and their relatives can also receive assistance in emergency situations with payments from their own Support Association. This service can be utilised when employees find themselves in need through no fault of their own and cannot get out of the situation on their own.



The health rate for 2021 was **96.9%**

this means that fischer employees are healthier than average.

Guiding Principle 03 Stakeholder groups.

Stakeholder dialogue

In addition to internal suggestions from the fischer workforce, external ideas and feedback are also very helpful. Important stakeholders have specific expectations of fischer, and are generally willing to discuss these with responsible managers at the company based on a materiality analysis. In light of this, several years ago we began identifying relevant and influential stakeholders who can provide valuable insight to fischer's sustainability focus. The fischer group of companies holds the Stakeholder dialogue with them every two years. By doing so, fischer cultivates open, constructive dialogue based on partnership with everyone involved. The composition of the group changes often, due to the dynamic framework conditions and varying focal points it takes up. Our stakeholders include customers, dealers, sales partners, suppliers, representatives of regional communities and the district, associations and organisations, as well as non-governmental organisations, national associations, environmental groups and scientists, and members of the scientific community focused on sustainability. This diversity of involved groups helps us identify and gain new perspectives and approaches.

Surveying the stakeholder groups

A quantitative survey, called the materiality analysis, is completed in advance so that we can work effectively and efficiently during the two-day stakeholder dialogue. The members of the general management on the one hand are taken into consideration from fischer, as well as the members of the Works Council and the surveyed stakeholders on the other. The purpose of the materiality analysis is to define the prioritisation of current significant sustainability topics, in order to identify new areas of action for fischer. The results from the individual groups are then compared and discussed, including any controversial topics, in the dialogue.

Targeted dialogue

In order to continue its ongoing, open dialogue with all stakeholder groups, fischer invited them the third Stakeholder dialogue in March 2020; this time, it was held at the Waldachtal and Denzlingen plants. Practical examples of the Blue Path were outlined once again during the dialogue. Then company representatives and stakeholders discussed the areas of potential, deficits, opportunities, and challenges posed by fischer Sustainability Management with the guidance of a neutral moderator. The

combination of internal materiality analysis and external stakeholder assessment with representatives from every dimension of sustainability serve as the basis for collaborative development of the company towards more sustainability. We are implementing this format consistently at fischer in order to carry out this conviction. The results are integrated directly into the sustainability processes of the group of companies.

The next stakeholder workshop during the second quarter of 2022 will address adjustments to the materiality analysis and other issues, in order to detail relevant topics in a more company-specific manner. The practical assessment will be held once again at the Tumlingen site, where attendees will tour the apprentice house, new parts warehouse, innovation and sustainability campus and evaluate them in terms of sustainability aspects.

This approach is an outstanding way for fischer to fulfil the specifications of the WIN Charter.



Supplier structure in the procurement for German locations.

Guiding Principle 04 Resources.

The fischer group of companies is dependent on its suppliers, world markets, available raw materials and services.

To ensure these remain available in the future, external resources must be used responsibly and efficiently, in line with "Responsible consumption and production" (SDG 12).

It is important to define and maintain a respectful, value-oriented, and economical approach to handling resources. Because of this, purchasing works closely with adjacent functional areas. With certification in accordance with ISO 14001, fischer will confirm the conformity of purchasing processes and the internal processes with the environmental standard during the annual audit.

The goal is to develop sustainable supply chains in which each link takes on corporate responsibility and acts in accordance with human rights due diligence and environmental and climate protection targets. By doing so, we ensure that the fischer group of companies remains competitive on the market in the long term.

Further developing our comprehensive risk management plays a significant role in securing these supply chains. This is scheduled to be fully anchored in the processes by 2024, at the latest.

Suppliers

External partners are selected according to the criteria of "Decent work and economic growth (SDG 8) and "Occupational safety" (SDG 3). Because of this, even long-term supplier relationships are subject to a comprehensive and thorough regular auditing system.

We address the Supply chain due diligence act (LkSG) enacted in 2021 in this context, as well as the draft version of the EU directive, which describe corporate due diligence obligations in their supply chains.

We have founded a networking alongside seven partner companies, all of which are facing similar and diverse challenges – the SustaiNet. Regular, open discussions among equals are designed to more quickly and effectively achieve the goal of developing sustainable supply chains. In addition to joint knowledge-building, participants exchange experiences and discuss progress each month. Findings from the SustaiNet are included in purchasing work, in order to fulfil the requirements of the LkSG and integrate sustainable activities into our everyday business.

fischer's goal is to continuously increase the percentage of audited A suppliers. 2020 and 2021 posed unique challenges for supplier management, since on-site supplier audits could be carried out only on a limited basis due to the pandemic. The company was able to achieve an audit rate

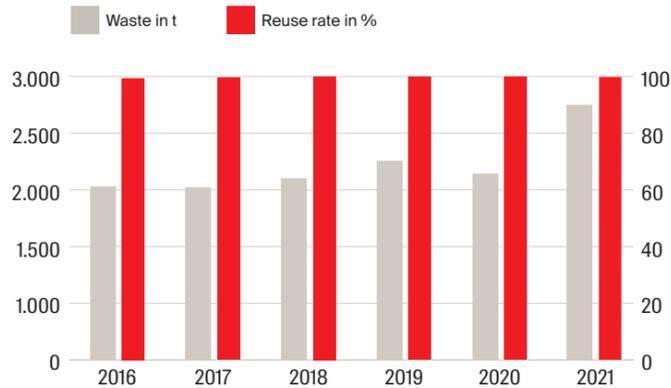
of 30% in 2020 through a combination of virtual audits, completing audits through external service providers in the countries where goods are purchased, and supplier self-audits with virtual review of the results. It was possible to maintain a high level of quality through continuous communication with business partners. Therefore, the audit rate in 2021 already increased to 55%. Alongside the SDGs, the basis for the audit system and the prioritisation of the audit is the annual supplier assessment with the factors of quality, service, delivery performance, environmental competence and economic efficiency.

Both availability as well as economic efficiency influence the source from which the external services required by fischer are purchased. When selecting the countries of origin fischer follows a strict "total cost of ownership" principle.

This means that Unnecessary, long transport routes are avoided as much as possible and those sources are preferred whose standards correspond with the ecological fundamental rules at fischer locations. This is also reflected in the supplier structure: 48 % of goods come from Germany, 37 % from European countries, and the remaining 15 % from Asia.







Waste amounts and reuse rates at the Tumlingen location, with regard to commercial and production waste.

Production

One of fischer's highest priorities is that the raw materials and production materials used meet recycling and waste management requirements. The return of materials to the cycle is very important both on economic and also ecological grounds. For instance, virtually 100 % of waste accrued during the production of plastic dowels is reused internally and externally. fischer has progressed significantly in this area over the last few years. The company achieved success in recycling of start-up parts from the newer DuoPower product range. Initially, it was not possible to reuse

the two material components polyamide and polypropylene. Now, thanks to a detailed analysis with an external service provider, it is possible to mill and separate these start-up parts as well, returning up to 60% of the material to the cycle.

Using available resources efficiently is also highly important in the fischer Automotive business area. The analysis of the Corporate Carbon Footprint, which is prepared each year (see Guiding principle 05) indicates great potential for optimisation in the company's use of raw materials needed to manufacture plastic

injection moulded parts, among other areas. Because of this, more recycled materials are being used in the products. These are plastic granulates recycled from excess materials produced during injection moulding, which can then be used again in regular manufacturing processes. In addition to saving raw materials, this approach can greatly reduce greenhouse gas emissions. Total CO2 emissions from a ventilation nozzle can be reduced by up to 30% by using recycled materials.

The percentage of material or thermally reusable waste is constantly above 99%. Since 2016, the individual waste fractions have been examined in even more detail in order to identify further potential for reducing the total volume of waste.

In the area of waste management, fischer only works with certified disposers who are able to guarantee proper disposal for the group of companies.

Recycling the backing paper on adhesive labels applied to produced goods has a highly positive effect. Approx. 55,000 such adhesive labels are used each day in production. After the labels are removed from the backing film, a silicone-coated backing paper is left over. It was previously disposed of with residual waste. Since 2019, this film is collected separately and recycled back into carrier paper by a certified provider. This corresponds to a reduction of 36 tons of emissions, and saves 6,000 euros in disposal costs each year.

Changing the manufacturing process for safety screws manufactured in-house achieves the goal of improving all three pillars of sustainability. The new process avoids so-called deburring scrap. First, resources are saved by avoiding 42.6 tons of metal scrap per year, and second, the machine does not have to be cleaned so frequently, which is a work-intensive process. This improves ergonomics for employees, along with the production time of the machine. In addition, we are reducing the manufacturing costs for the raw material by 15 %.

Furthermore, we succeeded in eliminating scrap from deburring in screw production. This waste-free manufacturing process reduces the quantity of steel scrap by 15 tons per year.

Processes

Existing structures and processes are questioned and resource-saving solutions are implemented in order to ensure continuous improvement.

An analysis of material flows within our production plants indicated potential areas of optimisation. An injection moulding system for DuoPower production was moved from Germany to the Czech Republic, eliminating the need to transport 45 million fixings (~30 tons) each year between the plants.

In metalworking in Freiburg, cycle times were increased on a machine working at high capacity on average by 5 parts per minute, from 120 to 125 parts per minute. This increased the productivity of the system by four percent, while keeping input the same.

Regional cooperation

At the Tumlingen location, fischer has permission to take water from its own spring, which is used for indirect cooling purposes in the production department and for irrigating the green areas.

All garden waste produced on company grounds are collected at a large collection point alongside the municipality of Waldachtal and occasionally chopped to produce compost. This reduces travel distances, and makes it possible to convert the garden waste into reusable compost.

Cut grass is delivered to a regional farmer and utilised in the biogas system. The product of this process is used as sustainable fertilizer, since the nitrogen is not washed out.

Drinking water consumption at the Tumlingen location has remained constant, despite an increasing number of employees, and is about 10,000 cubic meters per year. The increase of source water consumption from 2017 to 2018 can be traced back to the long summer period in 2018, and the resulting high demand for cooling and irrigation. The percentage of drinking water from the overall water consumption was reduced.

The design of new projects follows the sustainability postulate

The packaging used in overseas and air cargo has also been optimised in logistics, with a focus on reducing costs. Several sustainability aspects were also addressed as part of this optimisation. These include, for instance, reducing packaging costs, levelling out employee capacities, reducing injury risks and a significant reduction of 32 tonnes of packaging material.

Another project in logistics was the procurement of a new stretch system with the goal of lowering transport damages as well as optimal load securing. Individual stretch programmes also enable a reduction of foil usage, which also prevents malfunctions, downtimes and maintenance. Manual stretching is reduced to a minimum, and there is no need to manually add a cover sheet, since this is fully integrated the process. The system also stands out with its simple operation via PLC panel, quick roll exchange, and reduced film consumption per pallet.

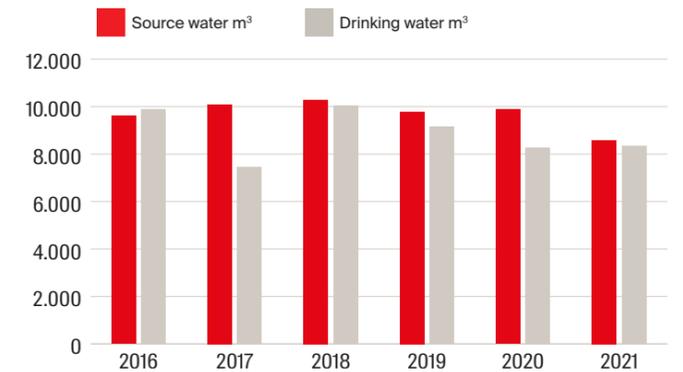
In transport protection, the successfully implemented project "Bonding instead of stretching", which has won an award from "100 enterprises for resource efficiency" has saved resources and costs amounting to 33.6 tons of stretch foil and 50,000 euros per year. Initially, pallets were covered in stretch film to secure them during internal transport. This film was then removed again for the next process steps, meaning it was used for only a short time and resulted in high disposal costs. Converting the process to use an adhesive to secure goods during transport provided an optimised- waste-free way to secure goods.

99.99%

of the 2,791 t of waste produced were recycled in 2021.



8,701 m³
of drinking water were consumed in 2021.
8,685 m³
of spring water were consumed in 2021.



Annual drinking water and source water consumption at the Tumlingen location.



Partnership

In general, collaboration with fischer suppliers is a vibrant partnership. It is characterised by mutual appreciation. The following principle applies:

"It is not easy to supply us, but whoever manages it does it as a partner of the company". If suppliers fulfil the high requirements relating to quality, environment, innovation and costs, they can expect a long-term partnership with fischer.

In order to make an important contribution to the future and to the income situation, the task of the fischer group of companies and its partners is to constantly and consistently search for ways to design products more simply and affordably while maintaining quality. At the same time, less material should be consumed. In-house this is being described as refinement.

For instance, in various projects the dimensions of steel products are modified in such a way as to save several tonnes of raw material per year, with the same batch size and better quality. The implemented ongoing improvements with regard to sustainability fulfil the specific specifications of the twelfth global sustainability target and its approach to handling resources with respect to reduction, recycling, and reusing waste materials.

Consulting

Linking lean management approaches with sustainable resource efficiency offers high savings potential along the entire value creation chain. For fischer Consulting GmbH, value stream mapping - with the aim of sustainably removing of waste to ensure lean resource usage - is the focus of their consulting work.

In addition to in-house company process interfaces, this involves both suppliers as well as end users. Critical here is the fact that in the future, development, planning and production departments will work together as efficiently as possible in order to create general conditions at the start of the product development process, to ensure the most efficient and resource-conserving manufacturing of products and provision of services possible.

Experience shows that, by successfully implementing the fischer process system principles, the company is laying the foundations for a sustainably positive environmental balance, and for profit for all process partners.

Guiding Principle 05 Energy and emissions.

For many years, the fischer group of companies has engaged in active environmental and energy management. This topic has been firmly anchored in the fischer mission statement for decades, and supports global sustainability target 7 (SDG 7) "Affordable and clean energy". The environment management system was certified in accordance with ISO 14001 in 1997. This standard includes all relevant points necessary to comply with statutory regulations, assess environmental aspects, minimise risks and improve the company's environmental performance.

In addition to other sustainability aspects, the environmental considerations are part of the fischer sustainability compass, and are monitored continuously based on key figures. This allows for short reaction times in case of deviations, and makes it possible for the general management to track strategic environmental targets. A process has been established to ensure that the management reviews the status of environmental concerns at least once per quarter.

Energy

fischer has planned an annual increase in energy efficiency of 1.5% since 2013. An efficiency increase of 1.0% was set as the goal for 2022. This will be addressed in more detail elsewhere. In the past, a variety of activities on different levels have helped us achieve the energy target.

Optimising manufacturing processes through the fischer ProcessSystem has increased production material quantities to a greater degree than the amount of energy required to do so.

An internal environment team, comprised of managers from environment-related departments, works across locations and ensures the constant and systematic improvement of energy efficiency. The improvement measures include, for instance, procuring more efficient production systems, ongoing optimisation of peripheral equipment (such as air compressors and process cooling), switching conventional lighting systems to LED technology, installing more efficient ventilation and pump systems, and the plan to increase the percentage of energy generated in-house by installing in-house generation plants (see the following section).

The energy target is anchored in the corporate strategy, and is broken down into the relevant company areas through our planning process. Thus far, we have achieved the strategic energy target each year. Despite this positive development in past years, there is a clear trend indicating that potential savings are becoming more difficult to attain. The reason for this is that almost all high-potential measures that would be quick to implement have already been implemented. Because of this, the goal for 2022 was set at 1.0%.

In addition to considering its absolute energy consumption, fischer assesses the energy efficiency of relevant areas by linking energy consumption with defined variables, such as the quantities of materials processed or the influence of weather. In this way, main influencing variables for energy consumption are considered, increasing the validity of the assessment. Area key indicators are cascaded systematically and combined into location and business area key indicators.

Improvements in energy efficiency will remain a key concern of the fischer sustainability strategy into the future, and should be achieved by implementing a variety of measures. Example projects include:

After tearing down a building, a new production warehouse was completed at the Tumlingen location in 2022 in accordance with the KfW 55 standard, with a photovoltaic system for producing energy in-house, and a heat pump for efficient heating.

A cogeneration system will be constructed at the Denzlingen location, and an outdoor photovoltaic system will be constructed at the Tumlingen location to further expand in-house energy production.

Furthermore, the successive establishment of the energy meter structure increases the transparency of the energy flow. This makes it possible to monitor additional areas and systems in order to identify optimisation measures and implement them in a targeted manner.





The CO₂ Emissions

increased less significantly in relation to revenue growth.

Emissions

Noise: In order to assess environmental impact from noise emissions, fischer keeps a noise register that documents and evaluates the acoustic impact of German factories on neighbouring residential areas. The noise register is updated if there are any significant changes.

Harmful substances: In order to comply with limit values at work stations, emissions measurements have been integrated as a permanent component of the maintenance processes. Furthermore, the exhaust air that is emitted into the environment via the ventilation systems is checked for compliance with the stipulated concentration of harmful substances. The measurement results are used to identify any measures necessary for air purification.

Carbon dioxide:

fischer is expanding its activities related to climate protection, and in doing so is following SDG 13 "Climate action". fischer will be integrating the optional section "Climate protection" in its reporting as part of the WIN Charter starting in 2022.

In accordance with the "Greenhouse Gas Protocol (GHG Protocol)" three emission areas (scopes) for carbon dioxide are differentiated:

Scope 1: Direct CO₂ emissions from burning fossil energy sources, such as gas or heating oil for heat production by boilers.

Scope 2: Indirect CO₂ emissions from the energy supplier's generation of energy, such as burning coal or gas to generate electricity in power plants.

Scope 3: Indirect CO₂ emissions from upstream and downstream company activities. This could also include emissions, for instance, generated during the manufacturing of raw materials like plastics or steels.

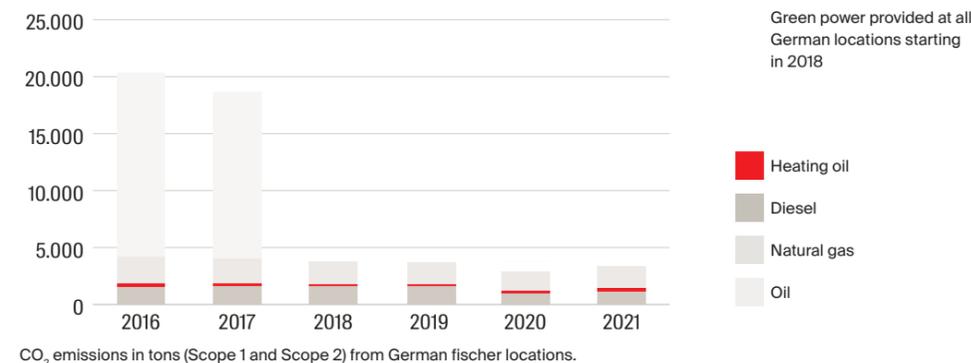
Creating transparency is the first foundation for developing the company's climate protection strategy. By understanding the status quo, fischer is able to identify appropriate measures, define climate protection targets, and translate these into a group-wide climate protection strategy. Multiple steps are required to ensure this transparency:

Balances for scope 1 and 2 for the German locations have been available for several years. CO₂ balances (scopes 1 to 3) were prepared with the support of an external consulting firm, first for the Automotive area and then for European production plants in the fixing systems area.

The first complete CO₂ balance sheet for all national companies within the group of companies is being prepared in 2022, including all production and distribution locations, for the base year 2021.

All German locations have been supplied with green power since early 2018. This comes completely from plants using renewable energy sources. The corresponding certificates from the energy providers have been provided.

While approximately 14,000 to 16,000 tons of CO₂ resulted from scope 2 at German locations from 2015 to 2017, converting to green electricity made it possible to completely eliminate these emissions starting in 2018.



CO₂ emissions in tons (Scope 1 and Scope 2) from German fischer locations.



The CO2 balance sheet for European production plants in the fixing systems area in Germany, Italy, and the Czech Republic indicated the following distribution of emissions in scopes 1, 2, and 3 for the years 2018 and 2020. Over 98% of all CO2 emissions came from scope 3.

The balance sheet for absolute CO2 emissions will be available for the entire fischer group of companies from the base year 2021 starting in mid-2022. The group plans to update this each year. In addition, the group plans to develop a more detailed system of key performance indicators for relevant areas and companies, which should make it easier to assess performance in individual areas.

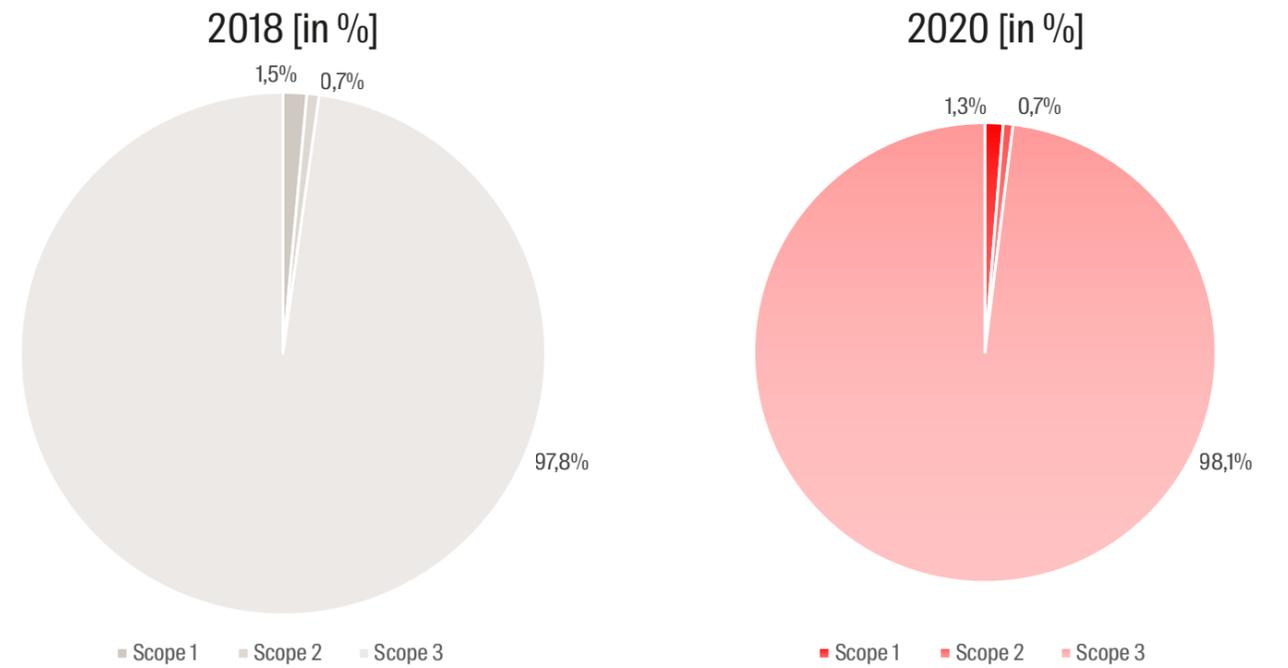
At fischer, the long-term avoidance and reduction of greenhouse gases in all emissions areas is a very high priority. To do so, we

must develop a climate protection strategy for the entire group of companies, based on the findings from CO2 balancing.

In the Automotive area, CO2 neutrality is becoming a more and more important requirement criteria for new projects from OEMs.

In the future, additional "Product Carbon Footprints (PCF) will be calculated for select products and product groups as needed.

Anteil der CO2-Emissionen Scope 1 bis 3



Europ. production plants fixing systems (Germany, Italy, Czech Republic)



Guiding Principle 06

Product responsibility.

fischer products are used in many areas of daily life and by virtually all age groups. This is one major factor that results in the company's responsibility to always deliver best quality products. The fischer group of companies is actively taking on this responsibility and continuously works to increase its high product quality even further. This process, known in-house as the fischer ProcessSystem, begins long before the product is ready for sale. As soon as an idea for a new product is created, it is reviewed to ensure is convenient, easy and intuitive for customers to handle. One example of improved user-friendliness is the new and innovative setting control for the FH II steel plug. This allows users to see immediately whether the anchor is properly set, without needing any tools.

Employees from the departments of product management and application engineers are engaged in ongoing discussions with users and other experts involved in the supply chain to identify the needs of everyone involved. High quality products are no accident – needs are determined for the requirement specification and subsequent development work according to the fischer product development process (PEP). This ensures that nothing is forgotten and all process steps are conducted optimally.

In addition, the use of sustainable and durable materials is a primary focus of product development. One example of products made of sustainable or renewable raw materials is the fischer GreenLine assortment. It is produced of at least 50 % renewable raw materials, the first assortment of its kind in the world to do so. fischer collaborates closely with production to develop resource-saving processes – this creates products manufactured in an environmentally-friendly manner at a low manufacturing cost. Customer-specific solutions are developed regularly – this is especially common in the fischer Automotive area. Using resource-saving materials when producing interior products is one of the most important measures for reducing greenhouse gas emissions. Using recycled materials (recycled plastic granulates) makes it possible to reduce CO2 emissions from production of a ventilation nozzle by around 28%, for instance. In the future, so-called Product Carbon Footprints will also be used to identify further potential areas of optimisation. They analyse greenhouse gas emissions on the product level, making it possible to implement targeted reduction measures.

However, they are also developed in the fixings area: for example, the new Termoz CS II plug was developed to work in conjunction with the thermal insulation system from the system manufacturer to make buildings climate-neutral. These products are packaged in packaging that is ecologically friendly and ergonomic for installers, made of 70% recycled materials.

Another goal is to keep hazards that could result from individual products to a minimum. This is explicitly defined at several points in the specification manual. In addition, environmental friendliness and disposal capabilities are regularly reviewed under the requirement specification alongside the environment, health, and safety area.

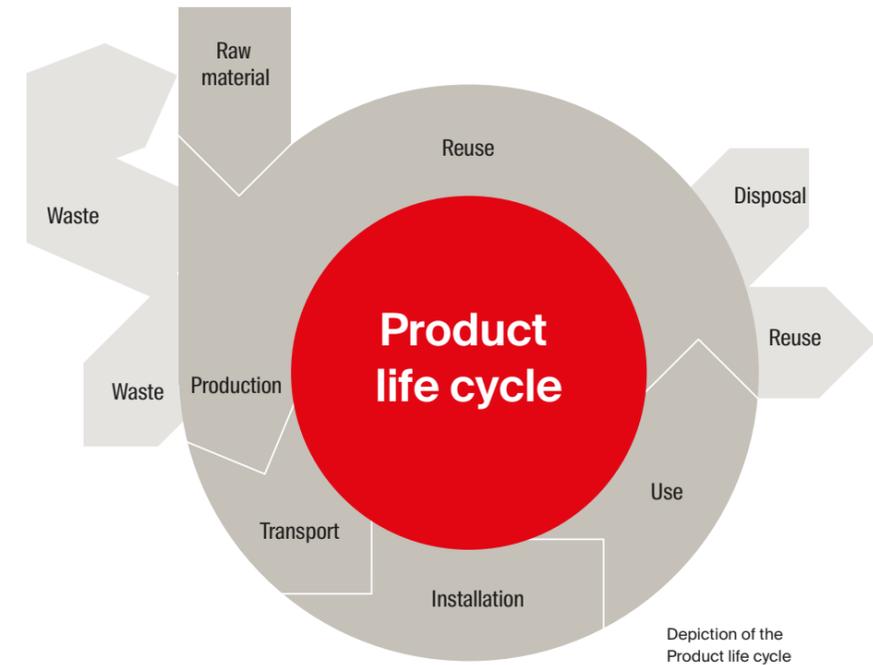
This includes eliminating substances that are harmful to health or the environment and replacing them with harmless substances. This has made it possible for fischer to succeed, for the first time, in eliminating the raw material Benzoyl peroxide, which was previously considered essential, yet is classified as "harmful to aquatic organisms", in a radical new injection mortar. With this innovation, the company has produced a patented system which is not subject to any hazardous materials designations at all. This important innovation has been available on the market since September 2021 under the name "FIS V Zero".

We at fischer are also fulfilling our responsibility towards the environment in our product packaging. The packaging strategy is based primarily on the concept of the circular economy and on a focus on customers. In addition to fulfilling customer needs, we focus on using recycled materials and raw materials from sustainable sources in our packaging. The recyclability of the packaging plays a key role in this area. fischer want to close the cycle with intelligent packaging designs, to save valuable resources and keep raw materials in circulation, for the good of our environment and our fellow man. Based on this goal, we have defined relevant packaging targets for the company.

The issue of sustainability is also important in the fischertechnik toy area. Components are compatible with one another from the first building set. In addition, products teach about the issue of "renewable energy" in a fun way. Currently, only cardboard is used for packaging, instead of plastic inserts.

Tidy house, tidy mind – this is particularly true of fischer's production. Clear sequences, clean tools and good planning are the basis for efficient production and a high standard of quality. Whenever possible, products are packaged in materials that can be recycled easily or in reusable systems / containers. Then the product is ready to deliver.

But our product responsibility does not end here. It continues through delivery to dealers or users. Our focus here is on low-emission transport. Unnecessary transport is avoided whenever possible. New, local warehouses and production sites have been established specially for this purpose, to ensure shorter routes and faster delivery to customers.



Improvements have also been made at the Distribution Centre at the Tümlingen headquarters, and pick-by-light stations have been created for picking and packaging and additional storage options.

Depending on the region and the application, fischer products must satisfy various quality standards and in some cases verify them with corresponding certificates. We consider it our corporate responsibility to ensure each customer receives the product certificate they need.

The sales partners and customers of the group of companies should have enough time to use the products – even if they last indefinitely. This is why above-average storage-stability is particularly important. Dual-component resin capsules, for instance, and our FIS EM Plus injection mortar system can be stored up to three years for this reason.

When the product is in use, an appropriate service life must likewise be ensured: When it comes to steel anchors and chemical fastenings, an operating life of at least 50 years is expected – in some cases even 100 years. For the FAZ II Plus and FIS EM Plus, specialised certificates and assessments were used to increase the service life to 120 years, significantly improving economic efficiency for users.

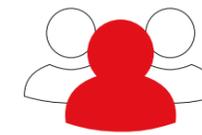
At the end of a long product life, the product should be recycled and reused. In this way, steel parts from fischer fixing systems can be reprocessed after they are removed from the structure. If the processing of plastic parts is not economically viable, they can at least be thermally reused. Packaging is processed in paper recycling or a recycling system like the German dual system. However, the product life of a fischer anchor does not end after the initial use: For instance, the fischer concrete screw UltraCut FBS II can be disassembled and reused several times for the temporary fastening of construction site equipment.

Our products are analysed in detail throughout the entire product life cycle in value analysis workshops as part of efficiency projects, to check where and in which components we can reduce the use of raw materials or replace them entirely. We also investigate where valuable energy can be saved in manufacturing process steps and transport. By doing so, we at fischer are exercising our product responsibility throughout the entire life cycle.

Guiding Principle 07

Corporate success and jobs.

988 million euro gross revenues were generated in 2021 by



5400

employees total

Commitment to our own employees and to the society

The fischer group of companies economically successful and has great future potential. The long-term success of the company is ensured by the sustainable generation of profits in five company areas, which also secure jobs in the region. In addition to growing its revenue, the number of fischer employees continues to grow worldwide. Both developments confirm that fischer is an internationally successful and growing company. Ongoing, healthy revenue growth enables, among other things, extensive investments in training and the creation of more jobs. By encouraging long-term, inclusive and sustainable economic growth as well productive full employment and decent work for all, fischer is working to achieve SDG 8 "Decent work and economic growth" (see page 10). The basis for the company's success is the company's mission statement with its values. This also anchors the goal of generating the necessary profit required for the successful advancement and future security of the group of companies. "The biggest asset and the most important success factor in our company are its employees – not systems and buildings!" company owner Prof. Klaus Fischer emphasises. The company has a social responsibility towards its employees and the society, by facing current challenges and addressing the internal and external requirements of various stakeholder groups in an appropriate manner.

Training and degree programmes

The diversity of training options available is reflected in the total of 24 degree programme and dual studies programmes offered. The young professionals in these programs are active at all German company locations. Through high-quality training, the fischer group of companies is investing in young people over the long-term, enabling them to improve their future prospects both within the company and on the labour market as a whole. In so doing, the company also ensures its own young skilled staff. And this supports young people's start into working life.

As ideal preparation of trainees and dual-study students for the labour market, fischer conveys expert knowledge and places particular value on personal development. This is supported by various seminars on team work, communication, the fischer ProcessSystem and the independent organisation of projects, as well as by the annual trainee information day or donation campaigns. In addition to the usual certificates, thanks to this training programme every graduate also receives the "fit for future" certificate, which confirms that the graduates' training extends far beyond the normal standard.

As it is becoming ever more important in these times of growing internationalisation to look at our own foreign-language and intercultural competences at an early stage in practice and to develop these further, fischer offers its apprentices and dual-study

students the opportunity to visit one of its 50 subsidiaries in 38 countries. There are various opportunities to do so: Language trips with financial support, work assignments with an additional visit to a language school for trainees, or a practical and/or theory semester for dual-study students.

Social responsibility towards company employees

Employees shape the company each and every day with their know-how and their commitment. In order for them to perform well, and stay motivated and healthy, fischer offers various opportunities that appeal to various target groups in their respective areas of life. Anyone can take advantage of and benefit from these services.

Qualification planning process

The fischer group of companies uses the qualification matrix as a planning instrument, to provide employees with long-term continued training in line with their needs. This documents the qualifications required to fulfil the stipulations for a position, based on the job description. Continued training measures are identified on this basis, if the target and current profile of qualifications differ.

Support programmes

Education and training are a high priority at fischer. The opportunities for life-long learning are promoted and supported by various measures by the company. The goal is to staff at least 60 % of management and expert positions from the company's own workforce. fischer offers a comprehensive talent pool landscape for this purpose, to support employee development on different career tracks. The Management Talent Pool prepares employees for future management tasks in line with their needs. As a strategic supplement to the management track, the Expert Talent Pool is offered as another development opportunity that promotes technical expertise in a targeted way, ensuring that it benefits the company. There is also special effort to promote young talent within the Junior Talent Pool programme. The development programme offers an opportunity for orientation and personal development. 17 participants successfully completed the third round of this Talent Pool in September of 2021. Employees can complete their degree while they work through the Academic Talent Pool. The Employee Academy was created to support employees in production and logistics who do not have a degree, or who have one from a different field. This qualification programme now enables another target group to have customised further training with a certificate programme.

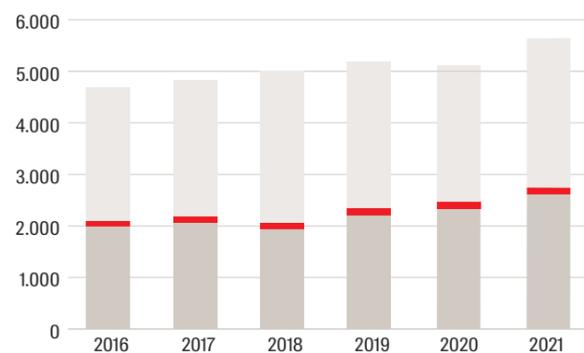
fischer has made it its goal to offer women and men equal career opportunities within the group of companies. 30 to 40 % of the participants in the various support programmes are women, whereby the quota has increased significantly compared to the



previous years. In principle, advanced training at fischer is possible at any time and in any phase of life - independent of age.

Developing managerial staff

fischer offers its managerial staff a defined concept of strategic and needs-based measures that contributes to ongoing coaching of management work and prepares them for current challenges. These extensive programmes help managers at all hierarchy levels. The fischer group of companies expects management to be performed respectfully in accordance with the mission statement. The fischer management handbook is based on company values, and summarises the guidelines, tasks and tools for effective management within the company. The "Management at fischer" seminar series was developed specially for managers, and addresses strategic topics and content related to the management model, serving as a framework for joint consideration of these topics.



fischer group of companies – Number of employees



fischer group of companies – Gross revenue in € million



Welcome days

In order to give all new employees an ideal entry into the fischer family, every quarter there is an introduction week that focuses on getting to know the group of companies. In addition to practical support in production and logistics, employees become familiar with the mission statement and the philosophy of the fischer ProcessSystem, as well as a range of interdisciplinary and company-specific content. fischer's sustainability management is another of the topics introduced here. This way, everyone has the same starting requisites.

Digital Learning

Digital learning is also highly important at fischer, in order to further advance digitisation within the group of companies and to develop and transmit knowledge to the workforce in a quick, flexible, and individual manner based on their needs. In addition to introducing a Learning Management System, online seminars are held on current topics, and e-learning courses are available to employees on a wide range of topics like occupational protection, Office, 365, etc. The introduction of an author tool makes it possible for users to create their own e-learning courses. In addition, the possibilities of new digital formats like blended learning for language courses, are being considered. Digital learning ultimately improves both the individual nature and independence (participants can learn whenever and wherever they like) of learning as well as the long-lasting retention of the content taught.

Fair payment

As an employee by a collective pay agreement, you will receive appropriate remuneration within the framework of the Metal collective agreement. In addition to the collectively agreed holiday and Christmas pay, a voluntary fischer special annual payment is also provided. After six months of employment, employees also receive the collectively arranged allowances for occupational pension schemes. In addition to the later statutory pension, a monthly contribution is paid for each employee into a pension fund. Another payment that is not required under the collective agreement is our "fischer pension". After a specific period of service, annual contributions are paid into a supplemental pension fund for each employee.

Prizes and awards

The company's success is also exemplified by the appreciation we have received from our customers and recognized experts. Each prize and award we have received is a valuable proof of our ongoing improvement and development. Current examples: fischer is a "valuable employer" in the region, and makes a "very large contribution to the common good" – according to a current study by the magazine WirtschaftsWoche. fischer was voted one of the top 15 out of the 2,130 companies analysed, putting it in the best of company with Germany's leading employers.

The best consulting companies each year receive the "Top Consultant" seal. fischer Consulting was among the award winners for 2021. The consulting firm is part of the group of companies. The assessment was based on a survey of mid-sized companies that had previously worked with participating consulting firms. fischer Consulting won especially high marks, setting a new standard for advising mid-sized companies. For further information, see guiding principle 12.

The fischertechnik business area has twice been honoured by Focus Money for its commitment to sustainability. The honours were based on a survey in which 1,700 companies from 134 sectors took part. The survey assessed which manufacturers are perceived as particularly responsible with respect to economic, ecological, and social considerations. fischertechnik was the test winner in the category of "toy manufacturers", and won the award for "Commitment to sustainability" for this reason. fischer is one of the few companies in the toy industry to still produce its products in Germany, and invests in the quality of its products and in high-quality auxiliary materials. Its building blocks have been designed to be combined with one another since they were introduced in 1965, and fans praise them for their particularly high stability. Furthermore, the fischertechnik "Green Energy" building set won the German Toy Prize 2021 in the category of "Games and technology". fischertechnik was heavily represented even in the nomination phase for the award. Of eight products nominated, three came from the "Made in Germany" toy manufacturer.

fischer received the environmental technology prize of Baden-Württemberg for its FIS V Zero as the first-place winner in the category of "Reducing, processing, and separating emissions". Colleagues from the Chemicals business unit received the prize at a ceremony in Schwabenlandhalle in Fellbach. The award is given to highly innovative products and processes in environmental technology.

Objectives

Industry 4.0 and digitalisation are treated as sub-projects of sustainability. The strategic goal of digitisation in the fischer group of companies is closely tied to sustainability. Customers are at the heart of the company's ongoing digital development: New business models, innovative products and services, digital elements of sales and marketing, as well as in logistics and production, increase added value for them.

Digitisation and sustainability

We in the group of companies understand the digital transformation as one aspect of sustainability. Advancing digitisation creates added value in many different ways, which in turn positively impact sustainability at fischer. The employees of the group of companies see digitisation being implemented in internal processes and in collaboration with customers, to whom fischer is offering more and more digital business models.

fischer is implementing more cloud services in this respect, for example from Microsoft. These are operated in central computing centres. Some providers are already making operations more energy efficient in terms of data processing and storage. Microsoft has set the goal of having a negative CO2 balance by 2030. Using digital media for collaboration and the increasing conversion to online processes have a positive impact on paper usage throughout the company.

Digitisation of the business model for our customers

Added value for our customers is at the heart of the company's ongoing digital development: New business models, innovative products and services, digital elements of sales and marketing, as well as in logistics and production increase that value. The digital transformation at fischer is making processes more streamlined and more efficient, with the goal of providing products and services at the right time, right place, and in the desired quality. Delivery service and quality generate added value for all customers. The fixing systems business area is one where intensive consulting is essential. Digital tools are designed to support customers in finding the right products. This not only avoids scrap and protects resources, but also supports users in properly installing products so that they fulfil their intended purpose.

The fischer Innovation Campus was opened in the spring of 2020. It serves as a creative environment, outside of the everyday workplace yet directly adjacent to the company's main headquarters, and is a place where workers can generate ideas for start-ups and new business models in the former home of the parents of Prof. Klaus Fischer, the company's owner. The intention is that innovations developed there will speed up market-readiness and make a long-term contribution to the success of the company. The ConnectedProducts area is also located there, and is working on visionary fixing solutions. One of these is a sensor anchor that continuously measures the forces acting on the fixing, collecting relevant data. This product, the only one of its kind in the world, is making a key contribution to better building safety.

Beyond the product portfolio, digital services deliver further added value to fischer's customers: one example are "Building Information Modeling" (BIM) digital planning methods. This is the process of creating, editing, and using a digital model of a building as a twin of the real building. Ideally, this model is expanded and utilised by all stakeholders throughout the entire service life of the building, from the initial idea to the draft phase to building management. This makes it possible to plan the exact quantity of products needed early on, and provides a precise model of the building to the client and the owner for maintenance work or future expansion. Start-ups also make everyday work easier for fischer's customers through digital solutions. One of these is the "Craftnote" app, designed for trade workers. The free basic version offers a central place to store files and clearly organised lists of tasks – an important tool for implementing process improvements. Charged modules, like digital forms, or time recording, can be added as needed. That makes the app the ideal tool to improve processes and communication on the construction site.



Digitising corporate processes

Employees and their work environments are the focus in the course of digitisation. A modern, digital infrastructure, and continuous improvements through new technologies serve as the foundation for efficient processes and successful collaboration. Newly created opportunities improve internal processes, create transparency, and increase the degree of automation and process quality. By using new and innovative digital products, the group of companies is able to create attractive, future-proof jobs for its employees. In addition, automating trivial processes and avoiding waste in the process makes it possible to create new, exciting tasks and projects.

The digital transformation impacts all processes and departments within the company: Industry 4.0 is used to optimise core processes in production and logistics and digitise HR processes, for instance with modern solutions for conveying knowledge or recruiting personnel.

Digital academy

Using digital media is not the only thing that is important in order to stay competitive in the era of digital transformation. A digital academy was created in order to optimally prepare all employees for the digital transformation. This provides everyone access to relevant training and continued education on the topic of digitisation. The goal of the digital academy is to prepare all employees for digitalisation-driven changes in job descriptions in the short, medium, and long-term and to qualify them for these accordingly. The multi-level continued training programme covers a variety of content and has many different facets. These include seminars on the fundamentals of digitisation, which are offered in the seminar catalogue and the Klaus Fischer Training Centre. Furthermore, there are training sessions for specific target audiences in line with the changed duties and required competencies in the individual job description. Our fischer Process System serves as a frame for the overall concept, and ensures streamlined processes even in a digital context.

Digital partner school

The fischer group of companies launched the "Digital partner school" cooperative project alongside the Otto-Hahn-Gymnasium in Nagold last year. The initial plan is for the cooperation to last for three years. Its primary goals are to address and promote the digital transformation in the world of work in schools, and to prepare secondary school students for potential challenges they could face in their later careers. Students gain a wide range of practical insight into the group of companies – including through digital internships, digital instruction units, project work, as well as insight into the start-up scene at the fischer Innovation Campus. Focal topics are digitisation, artificial intelligence, sustainability and Industry 4.0. Changes in the world of work in the modern digital age are always taken into consideration.



Guiding Principle 08

Sustainable innovation.

The fischer name has always stood for innovation. In 1949, company founder Artur Fischer invented the flash unit for cameras with synchronous triggering. The legendary S plug was then invented in 1958, still considered an icon of fischer and for the fixings industry as a whole even today.

fischer holds over 1,500 patents, and 20 times more patents are registered per company employee than the average in the Germany economy.

fischer employees from the departments of construction, mechanical engineering, energy and environmental engineering as well as materials technology and chemistry work closely with suppliers and partners in order to create the best products with regard to performance, quality, safety and sustainability. Ultimately, products are parts of overall systems, and must work perfectly at the interfaces between them.

For example, to date hollow drills are integrated in the approval documents of 32 of the over 50 approved fastening systems, so that the installers can use an innovative drilling method that enables faster progress without requiring additional drill hole cleaning. Hollow drills already produce over 95 % less fine dust in comparison to conventional hammer drilling.

fischer has offered the FSS 18V cordless impact driver and the FVC 35 M vacuum since 2019 as perfect products to supplement its core range. These allow the company to offer its customers a complete system, from dust-free drilling with the vacuum to innovative fixing technologies to quick assembly using the impact

driver. Tradesmen can purchase everything they need for creating drill holes or concrete screw installation from a single source at fischer.

The system was optimised in 2021. In addition, fischer is a partner to the "Cordless Alliance System" (CAS). Under this system, the impact driver is compatible with batteries and chargers from other leading manufacturers, saving cost and space for users.



Concrete screw UltraCut FBS II

fischer is taking a new approach to production technology with the fischer concrete screw UltraCut FBS II – it is suitable for handling extremely high loads, and can be reused under certain conditions. It can serve as a temporary anchor even in green (young) concrete, with a strength of just 10 N/mm². Different designs are permitted for many different screw fitting or anchorage depths depending on their diameter to match the loads involved. The UltraCut FBS II is now available made out of rust-resistant steel (A4) as a supplement to the product line. Its specially hardened red tip ensures noticeably faster and more secure assembly. Since it is made of rust-resistant steel, the product is ideal for use in wet and outdoor areas.

The UltraCut FBS II CP (corrosion protection) has multiple coating layers and excellent protection against rust, compared to galvanised products, as a new solution for environmental conditions with low corrosion levels.

fischer is also laying the foundation for efficient and simple anchoring and adjustment with the new FSW adjusting disc, combined with the proven UltraCut FBS II concrete screw. The adjusting disc is simply pushed onto the concrete screw and fastened in place with a second adjusting disc and the fischer Power-Fast II particle board screw after the concrete screw is screwed into at the top of the threshold. The height of the threshold can then be adjusted to any level by simply unscrewing the concrete screw once again. The second adjusting disc can be used multiple times.

New production technologies and associated expertise have been expanded for manufacturing powerful concrete screws for the best possible installation comfort. These make it possible to disassemble the fixing and reuse it multiple times for temporary anchors, saving valuable resources. Because of this, they are ideal for fixing pipes, cable trays, and other media lines.



fischer GreenLine, the first fastening assortment worldwide with dowels and injection mortar produced using over 50 % renewable raw materials.

GreenLine

fischer is the first manufacturer worldwide to produce dowels primarily from renewable raw materials. All products in the fischer GreenLine assortment are produced from at least 50 % renewable raw materials. These do not compete with food and feed products or with corresponding cultivation areas. The assortment includes six plugs that, up to the present, are available only in grey, as well as the dual component injection mortar FIS GREEN for heavy loads, which has been certified for ETA approval option 7 and masonry.

fischer chemists developed recipes using renewable raw materials specifically for this purpose – another global first. The share of renewable materials was confirmed by independent testing and certification by the DIN CERTCO / TÜV Rheinland. Even the plastic cartridges for the FIS GREEN are made of bio-based materials. The products are in the "BIOBASED 50 85 %" class.



Anchor bolt FAZ II

Solutions are generated by consistently analysing customer needs, applications, and difficulties and comparing these with prevailing regulations.

These include, for example, permitted use of cap nuts, the use of holes drilled in inches, or the use of solid sand-lime bricks, as well as a service life of over 120 years (previously 50 years).

fischer is also contributing its knowledge in the area of approval work, conducting basic research that establishes standards and improves efficiency throughout the entire construction industry. The approval for normal steel bolt anchors with a variable service life in outdoor use is based on the company's research, for instance. This approval was applied for the first time to the hot-dip galvanised steel bolt anchor FBN II for non-cracked concrete. The sustainable and efficient FDBB bolt anchor is also the result of a consistent focus on customers, and can be used to attach high loads, then reused to create another attachment point after the work is complete.



PowerFast II

fischer received the German Design Award 2020 in the "Building and Elements" category and the Red Dot in the "Red Dot Award: Product Design 2020" for its chipboard screws.

The new PowerFast II chipboard screws combine technological expertise with high-quality design. The product stands out for its universal applicability in wood construction, as well as its excellent performance. The PowerFast II likewise fulfils high standards in terms of its design. The screw prevents surfaces from becoming cracked.



Craftnote tradesmen app

fischer and the GC Group are combining forces in a strategic partnership to further develop the start-up, which was founded in 2018. Craftnote is a communication and project management platform for companies in the trade sector. The app serves as a practical, legally conforming alternative to previously available solutions on the market. The app is specifically designed as an open platform available to all manufacturers and dealers, and can be linked to other software programs for tradesmen.

fischer FIXperience Suite

The fischer FIXperience measurement software, which is now also available online as a browser version, supports specialists from the areas of planning, statics, and the trades in a secure and reliable manner in dimensioning their projects. FIXperience contains all significant international standards, and fulfils all requirements for global use. The modular structure of the program incorporates engineering software and special application modules. This means that entire projects and individual applications can be planned in a targeted and cost-effective manner.

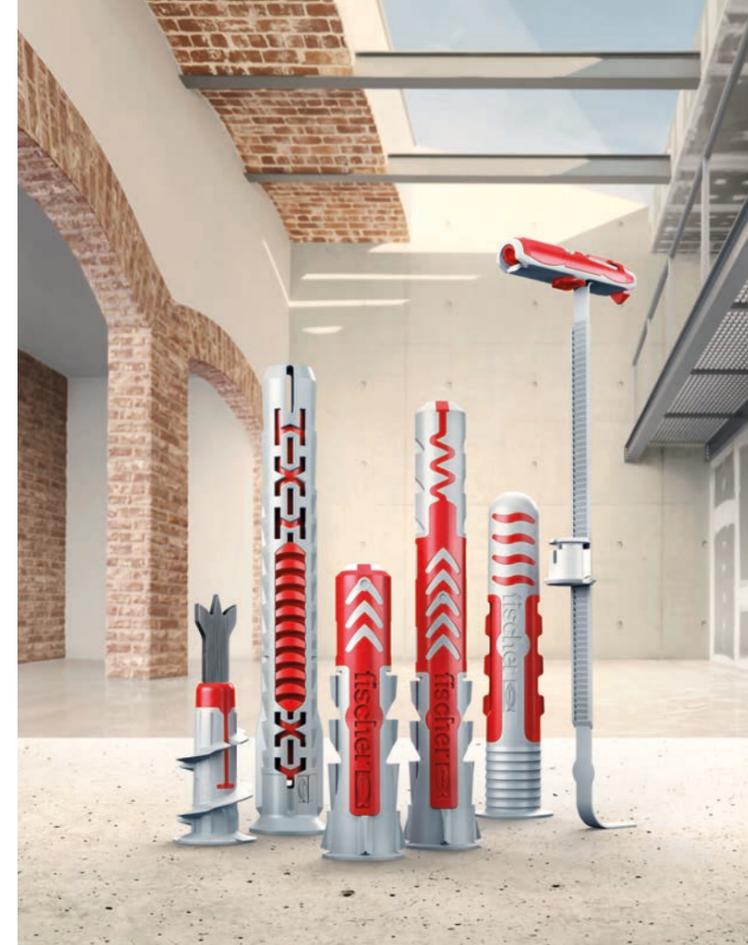
FIS V Zero – Background information / technology

Peroxides have been used as hardening agents for chemical fixing systems for decades. Benzoyl peroxide is so widely used as a raw material for radical curing vinyl ester resins that it is used by all manufacturers of chemical fixing systems. Benzoyl peroxide is considered an eye irritant according to the criteria of the CLP regulation, and is poisonous to water organisms, with long-lasting effects.

Because of this, fischer has been working to replace this raw material. In addition, besides replacing peroxides, another goal of the new product was to develop a fixing systems completely free of any labelling requirements that do not produce any environmentally-harmful emissions in accordance with current CLP classification regulations.

Through systematic basic research, the company has succeeded in replacing the raw material Benzoyl peroxide, previously considered essential for the curing reaction, and developing a completely new hardening principle for fixing systems. The new technology laid the foundation for the FIS V Zero injection mortar, and achieved the goal of being free from labels. We call this milestone in our development “Zero hazard technology”.

FIS V Zero, therefore, is a new and innovative fixing system that is label-free in accordance with the CLP regulation. This means the product is particularly environmentally-friendly, and is classified as recommended by external certifications such as the Nordic Ecolabel “Svanen”. FIS V Zero minimises risks for the installer and the environment in a unique way. Because it has no label, FIS V Zero requires no safety data sheet, and helps reduce administrative work and simplify the logistics process for our dealer partners.



EasyHook

fischer offers the new EasyHook assortment for handling and attaching construction elements. The broad product range includes J-hooks, eye hooks, and angled hooks that can be attached to countersunk head screws as adapters. Assembly is simple, and can be completed quickly either directly in the wood or in all other common building materials using the fischer DuoPower plug. Thanks to the glass-fibre reinforced plastic, the hooks can handle heavy loads with up to 80 kg per attachment point, depending on the substrate.

Termoz CS II

The Termoz CS is the strongest screw-in plug for secure attachment of any insulation panel on solid and hollow building materials. It was developed to meet the needs of installers - meaning the Termoz CS is simple to use and guarantees fast installation. The Termoz CS insulation fastener is approved for all common classes of building materials. The optional CS setting tool guarantees an optimal setting process, without imperfections caused by the plugs. By securely fastening all common types of insulation to a variety of substrates, the Termoz CS II, alongside the respective composite thermal insulation system, helps make buildings more climate-friendly.

Innovative façade solutions

The company's force of innovation goes far beyond its product range. The planning expertise of fischer BWM façade systems allows the company to make an important contribution to drafting and planning sustainable façades. The properties of curtain wall, ventilated façades are essential for the future: A positive ecological balance with high energy savings, a long service life, and the ability to be recycled and disassembled into their individual components. Likewise, they also help create a healthy indoor climate, with the airflow continuously removing moisture from the building and from use in back-ventilated areas. Another feature which makes curtain wall, back-ventilated façades so important for achieving future goals is their economic efficiency: Low cleaning and maintenance requirements, a long service life, high energy efficiency, integrated lightning protection through a conductive subframe system, the ability to install in any weather, long-term financial security, and effective protection against the weather are central requirements in this area. Through these innovative products and intelligent design, the company optimises and even eliminates thermal bridges in façade sub-structures. Through this partnership, fischer is making an active contribution to saving energy in buildings and efficiently reducing CO2 emissions.



fischer DuoLine

The innovative plastic fixings in the fischer DuoLine combine a variety of functions in a single product, through dual component technology. With the self-tapping fischer DuoBlade, plug installation is completed at the same time as the drilling process. The fischer DuoPower offers a unique geometry which allows it to expand, knot, or fold depending on the substrate, and is a universal solution for customers for any building material. In addition to their added functionality, the products stand out for award-winning design. DuoLine products have received the “German Design Award” and the renowned “Red Dot Design” Award, among other distinctions. The DuoLine family continues to grow - its newest members are the DuoSeal, an innovative plastic plug for sealing and fastening in wet areas, and the DuoXpand frame plug.

DuoSeal

With the fischer DuoSeal, the company is launching an innovative plastic fixing that can be used for secure attachment in wet areas, while simultaneously sealing the drill hole. This makes assembly work much faster and simpler for plumbing, heating, and air conditioning tradesmen, do-it-yourselfers, and all other users. The DuoSeal makes it possible to create seals in wet areas in accordance with the specifications of DIN 18534 and ETAG 022.



The product range also includes fischerTiP, which are made of potato starch and 100% biodegradable. The craft set from the “Made in Germany” creative product manufacturer takes advantage of the diverse properties of this natural product. The components stick together without any adhesive once they are moistened. The TiPs are dyed with food colouring, giving them a brilliant and vibrant look. After use, the extra TiPs and tool are placed back in the bucket, where they can be stored cleanly and securely. Through active sustainability management, fischertechnik is helping to keep our environment intact. The same is true when choosing materials for the fischerTiP tools, which are made of organic plastic that saves resources.



FA-ST II Set bolt anchor setting device

The new FA-ST II Set bolt anchor setting device allows bolt anchors to be installed quickly and easily, and saves a significant amount of time during installation, in particular in series installations. Thanks to its modular design and the common dimensions it includes (M10, M12, M16), the set is designed for universal use. Our special fischer bolt anchors, the FAZ II, FBN II, FBZ, and EXA can be installed more quickly, easily, and safely using the FA-ST II.

Setting control

The use of prestressed concrete hollow ceilings in construction is a particularly economical and sustainable solution. To offer our customers a fixing solution for this anchoring substrate that guarantees maximum security and flexibility, we developed a setting control in conjunction with our FH II sleeve anchor.

It ensures a quick visual control of the anchor can be conducted to determine that it is secure and has expanded properly. In particular when installing multiple anchors, eliminating the torque control saves a significant amount of time.

Traffic sign anchor

The fischer traffic sign anchor was specially developed to quickly install traffic signs. It makes it possible to rapidly anchor signs in specialised anchor baskets in the foundation. If the traffic sign is damaged due to an accident, a new sign can be anchored without pre-drilling or disconnecting in the existing pipes.

fischertechnik

The 2021 new product offensive is bearing fruit: The Green Energy building set received the German Toy Prize in the Games & Technology category, and the H2 Fuel Cell Car was named one of the top 10 toys of 2021 by the Bundesverband des Spielwaren-Einzelhandels (BVS - German Toy Dealer's Association). The new product offensive will be continued in 2022 both in the toy and in the education area, and will continue to address the issue of sustainability. To further improve awareness of forward-thinking topics in the younger generations, fischertechnik has launched a variety of building sets related to sustainability and renewable energy, both in the toy and school areas. As in the GreenLine in the fixing systems area, the new Animal Friends building set uses polyamide partially made from renewable resources. The new orange and green colour scheme for the five animal models deepens their connection to nature.

fischer Automotive – Charger Socket

The shift to electric mobility is a major opportunity for the fischer Automotive business area to develop sustainable innovations. Electric charging units were developed as a new product group, making it possible to supply electric vehicles with power at all standard charging outlets worldwide. The so-called charger sockets are developed so that the flap can be opened and closed in an all-electric process. In this innovative product, fischer Automotive brings together many different areas of expertise, such as the complex development of mechanical components, the integration of electronic components, and high-quality plastic injection moulding. This gives exterior companies a significant opportunity to establish new product innovations.

Guiding Principle 09 Financial decisions.

As an owner-managed company, the fischer group of companies places a premium on having the highest possible degree of autonomy and independence. This also means that the capital required for our investments and operational business comes from our own funds. If external financing is necessary or beneficial, when choosing finance partners the focus is on their reputation, creditworthiness and how they deal with stakeholders. Financing is generally obtained from institutions with which we have long-term relationships, built on trust. As part of the financing decision, the fischer group of companies also looks at guaranteeing sustainable financial leeway at all times. Financing is generally declined if it would limit the group of companies' autonomy,

or include risks for the company. When it comes to investments, or focus is on the sustainable economic development and long-term success of the fischer group of companies. In addition to economic aspects, employee matters and environmental aspects are also included in investment decisions.

Guiding Principle 10 Anti-corruption.

fischer condemns any type of corruption or benefit gained from illegal and unethical practices. This applies to all activities of the group of companies, This applies to all activities of the group of companies worldwide. The value “reputable” has been a basic value in the company's mission statement for decades, and excludes any form of bribery (active corruption) and corruptibility (passive corruption). Any breach of the company's values is not accepted and will be investigated accordingly. However, compliance at fischer is not just restricted to anti-corruption measures. Instead, compliance requires responsible action from each individual that is in line with all applicable laws, fischer's mission statement and internal guidelines.

In order to ensure and encourage compliant conduct, managers and employees are annually trained as part of the training programme in the mission statement and in compliance. This gives employees the tools to make the right decisions in difficult situations and minimise risks. One area of focus is to convey to employees how corruption, fraud, embezzlement and breaches of trust can be avoided. The “Code of Conduct” works agreement contains binding rules of conduct for

handling benefits, selecting suppliers and service providers, and dealing with information, as well rules for implementation, including the central contact persons for reporting violations. An online decision-making tool has also been set up to help with handling benefits. As part of internationalising the internal controlling system (ICS), minimum controls were established for national companies for significant processes by the central ICS working group, then transferred into local risk controlling matrices. Each national company has appointed an ICS coordinator to monitor the completion of controls. In addition, regular audits are conducted to ensure controls are carried out. Last year, a whistleblower system was introduced at our Chinese national companies. During the reporting year, a central whistleblower system was introduced with the goal of having it rolled out as an initial step by the end of the year in all European national companies.



Guiding Principle 11

Benefits for the region.

Responsibility towards the region and our fellow man

The group of companies exemplifies its social responsibility in many different ways, including through its involvement in numerous projects throughout the region. In this way, fischer makes an important contribution to attaining Sustainable Development Goal 9: Establishing a reliable infrastructure, promoting inclusive and sustainable industrialisation, and supporting innovations.

Knowledge factory / School campaigns / Education initiatives

Together with over 120 companies and foundations from various sectors, fischer has been committed to supporting knowledge-transfer and the development of competence in technology, science, economic education and entrepreneurship - both financially and with personnel. Company owner Prof. Klaus Fischer was active as a founding member of the Knowledge Factory from the start, in order to support pre-school and school children with innovative education projects, to feed their thirst for knowledge and curiosity and thus to support their development. In this framework, the fischer group of companies is successfully realising the Erzählwerkstatt (fischer's own story tent), TECHNOlino, KieWi (children discover industry), KiTec (children discover technology), School2Start-Up and SIA (school pupil engineering academy) and TECademy projects with numerous nurseries and schools. In addition, fischer gives female students insight into technical professions on Girls' Day, in order to inspire girls to enter technical fields.

Qualified employees are essential in order to be competitive going forward. However, the path to developing those employees starts much earlier than during their company training. This is why the fischer group of companies fosters the talent of young people in numerous education projects and initiatives in kindergartens, primary schools and secondary schools. The fischer School Campaign is aimed at school pupils who are supported in their career orientation. Thanks to mentoring by education officers from fischer, more than 50 schools in the area around the headquarters in Waldachtal are supported with programmes preparing school children for the professional world.

The Abiturientenforum allows students who will soon graduate from secondary school, as well as trainees and dual-study students at fischer, to discuss with experts from the fields of politics, economics, and science, and address key future questions. Since 2020, a new competition for secondary students has been added to continue the success of the event series: The "Future School Digital Prize". Prof. Klaus Fischer launched the competition, endowed with a total of 20,000 euros, to make up for deficits in digitisation in Germany's schools.

During the finale of the second "Future School Digital Prize", teams presented their answers to the question "Sustainably digital, digitally sustainable - how networked are the mega-trends?"

Daycare centre (uniting family and work)

Family and work - it should be easy to find a good work/life balance in a family company. fischer supports parents with flexible working hours models and the Waldachtal children's house. The company's cooperation with the daycare centre offers employees many new possibilities, with care options for children from infancy through school age directly adjacent to their workplace. The group of companies therefore supports the daycare not only in terms of organisation, but also financially and in the form of various projects, from which the carers and all children at the daycare benefit. Prof. Klaus Fischer supported the construction of the daycare centre "In Heaven" (Im Himmelreich) with a donation of one million euros.

DrachenEi (Dragon egg)

Since 2013, the trainees and dual-study students of the fischer group of companies have been supporting the DrachenEi initiative with great enthusiasm. With the money gained from independently organised campaigns, young professionals at fischer support children from the district, who because of their financial situation, do not have the possibility to learn in clubs or take courses, or to participate in musical, sporting and cultural programmes. In total, fischer apprentices have donated around 29,000 euros to the "DrachenEi" organisation since the start of the collaboration.

Projects for the children of employees

Holiday programme for employee children? While mum and dad are at work, their kids can enjoy a wide variety of holiday activities at the headquarters of the group of companies in Tumlingen. fischer trainees and dual-study students have created an exciting programme for various age groups specially for this purpose. By doing so, the company's young professionals support their colleagues during the holidays as they balance family and work.

"My Dad is reading": This project is aimed at all working fathers and mothers of children up to the age of twelve. The goal is to give parents - especially fathers - the opportunity to show up for their children as reading role models and take on their role as promoters of reading.

"Where do mum and dad work?": On these promotional days, fischer opens its doors to the curious employees of employees. They get to experience where their parents work and what tasks they supervise. A colourful accompanying programme rounds off the day.

"Discover cooking with fischer": The little ones learn how much fun it can be to prepare a tasty and healthy menu. The team at the in-house company restaurant provides a glimpse behind the scenes and employees find out more about the subject and get active in various kid-friendly cooking courses.

Local clubs

fischer regularly supports regional clubs in their volunteer activities with in-kind and monetary donations.

Local fire departments

For many years, fischer has been an active and regular supporter of fire departments near its headquarters in Waldachtal, and at other German locations. Company owner Prof. Klaus Fischer equipped the Waldachtal volunteer fire department with an armoured personnel carrier, among other measures. At the nomination of the District Fire Brigade Association of Freudenstadt, in September 2016, the fischer group of companies received the "Honorary Office Employer in Civil Protection" prize from the state of Baden-Württemberg.

In addition, fischer has maintained its own plant fire brigade for 50 years - the first, and still the only one of its kind in the region. By doing so, the company helps improve fire protection and protect jobs over the long term. The fischer plant fire brigade works closely with authorities and volunteer fire departments at the locations, and trains employees on how to handle fire extinguishers.

Sponsoring

fischer supports three regional soccer clubs and additional sports clubs and individuals. For instance, three-time Olympic Champion, World and European Champion in equestrian eventing, Michael Jung from Horb-Altheim, is intensively supported.

Research and teaching

In recognition of his commitment to research, company owner Prof. Klaus Fischer received the State's Order of Merit in May 2018. On the occasion, Minister-President Winfried Kretschmann had the following to say: "The promotion of the next scientific generation in particular has taken great steps forward in many areas thanks to his commitment."

fischer also supports endowed professorships in collaboration with universities. The goal is to promote research and development at universities and to form its implementation through knowledge-transfer. An endowed junior professorship in "Structural bonding in concrete and masonry construction" was created in May of 2021 for a six-year period at the Institute for Materials at the University of Stuttgart. By doing so, Prof. Klaus Fischer is advancing long-term, intensive collaboration with universities, and getting involved in a



third research project which is the only one of its kind in the world. The professorship in Stuttgart will explore bonded connections for concrete and masonry construction and their durability. "Future topics like modular and pre-fabricated building demand innovative connection technologies and joining solutions" says Prof. Klaus Fischer. "Structural adhesives and application processes can be used to optimally connect many different materials, even in industrial processes". This is a key requirement for improving the efficiency, flexibility, and sustainability of products through modular and pre-fabricated building.

Thus far, fischer has financed two additional research groups for young professionals which are the only ones of their kind in the world. These include the endowed professorship on "bio-based construction" for four years at the University of Natural Resources and Life Sciences in Vienna, which has been held by renowned scientist Prof. Benjamin Kromoser since 1 February 2018. His research project is on using natural shapes as a template for designing, drafting, and building structures. In addition, he aims to identify new opportunities for resource- and energy-efficiency in construction. The junior professorship in "Innovative reinforcement methods using fixings" was established, funded, and implemented at the University of Stuttgart in 2017.

Furthermore, fischer supported the foundation of the new Nordschwarzwald campus in Freudenstadt with funding and content-related support. The company provides lecturers and lecture scripts in the subjects of digitisation and sustainability for the Master's degree in Mechanical Engineering.

Luftikus (happy-go-lucky)

fischer also supported the project Luftikus, in which a children's house was built in the region where children on long-term ventilator care are looked after. The project was successfully completed in 2015. The former Morlok ski factory in Baiersbronn was cleverly converted into an attractive and practically designed house for intubated children and their families. As a member of the Board of Trustees, Prof. Klaus Fischer personally supported the campaign and assisted it with material support. fischer helped boost the project with fastening technology for the individual trade groups as well as with donations. This exemplary attitude prompted many other companies to advance the project with services and contributions.

Personal commitment

Company owner Prof. Klaus Fischer is very active in supporting educational measures and social institutions. In spring 2015, he started the Klaus Fischer Foundation to support the education of children and youth. His generous financial commitment has made many projects possible, like the children's daycare centre in Waldachtal. Schools and day nurseries in the district also benefit from his donations, along with clubs and organisations focused on supporting children and young people. He also donated 100,000 euros for youth education in Germany to celebrate his birthday.

Prof. Klaus Fischer also works intensively outside of Germany as well, at the locations of fischer national companies: He helped fund the restoration of Notre-Dame de Paris after the severe fire in 2019, as well as providing technical expertise through the fischer France national company. In Italy, the location of fischer's largest national company abroad, Prof. Klaus Fischer donated 65,000 euros for schools, kindergartens, and children with cancer on the occasion of his birthday. In addition, he promotes local arts and culture. Thanks to his commitment, Padua has retained valuable artistic works such as the limestone statue of Andrea Mantegna, and engraver, which borders the "Prato della Valle" alongside 77 other statues. Fischer's donations are being used to restore the statue. In addition, the world-renowned Scrovegni-Kapelli, which houses priceless fresco paintings from Giotto di Bondone, has benefited from his help. Prof. Klaus Fischer made a donation for child and youth education in Serbia, to celebrate the opening of fischer's newest national company.



Guiding Principle 12

Incentives to think in new ways.

fischer considers competitions and awards within the sector and across different industries to be important milestones and yardsticks for the performance capabilities of the company. Measuring and comparing itself against other companies allows fischer to better reflect on its own accomplishments, and provides an objective way of looking at things. According to a study from the University of Hohenheim, the most respected sustainability prize in Europe is the German Sustainability Prize. Winning the prize is a truly pre-eminent honour.

fischer was named the winner of the German Sustainability Prize in November of 2019, as "Germany's most sustainable large company for 2020". The fischer group of companies was among the top 3 companies in the "large company" category the previous year. The top-class jury justified its decision partially based on the company's ability to consistently anchor sustainability in the corporate strategy, as well as on the company's above-average force of innovation, facilitated through the systematically supported and successful integration of all of its employees.

The topics of sustainability management are closely linked with the strategic goals set by the fischer group of companies (see the fischer sustainability compass and NH Radar), and are broken down as such in the annual Hoshin planning for individual divisions.

Challenges such as digitisation, Industry 4.0, and the change management required for it are seen and referred to as sub-projects for sustainability management. The consequence of this is that all managers are integrated into a comprehensive incentive system for achieving sustainable corporate objectives. One key factor in the success of the group of companies is the fischer ProcessSystem (fPS), which ensures continuous improvement in economic, ecological, and social aspects. It is based on the three dimensions of sustainability and prevents waste at the source, namely at individual work stations.

The goal is a streamlined and flexible company that can stand up to the global challenges with the involvement of all its employees. The targeted employee development and the structures created for this purpose are the basis for ongoing improvement. All employees can apply for the three-level fPS training. In addition, each year in the fall, the fPS prize is awarded, sponsored by company owner Prof. Klaus Fischer. Particularly innovative and sustainable performance within the internal improvement system is rewarded within this framework.

As an innovative company, fischer is reliant on its employees to stand out. It is important that good ideas are reported to decision-makers directly and promptly. In addition, their hard work needs to



pay off. A variety of tools have been created to do so: the fischer Idea Process with the fischer Idea Cloud as a central tool for making suggestions within the company (measurable suggestions for improvement from our own and external working environments) and the fischer Product Process (product suggestions or potential areas of improvement). The Idea Cloud, in particular, with its wide range of options, is intended to generate suggestions to improve environmental-friendliness and sustainability. These cover all products and processes, with the declared goal of saving resources and improving efficiency. More than 1,500 ideas to improve processes within the company are submitted each year, then implemented quickly if they are assessed positively.

In addition, campaigns can be conducted on individual issues lasting four weeks, and enjoying broader resonance among the workforce. The campaigns are assessed and rewarded by the responsible departments. Over 150 ideas were submitted by employees specifically on the topic of "sustainable and environmentally-friendly business practices" in the summer of 2021 over a period of six weeks in a targeted campaign. These were reviewed, and the best ideas were implemented.

To align the CIP process to the corporate strategy, the top 5 problems in processes in all areas are visualised and processed. Consistently focusing on key topics helps employees focus on issues that are relevant to results and to sustainability. This is supported by different mottos and communication campaigns on relevant key areas. For example, a wide range of activities have been implemented under the regular, recurring motto "Year of quality", in order to improve both product and process quality.

In short: The company has an incentive system encouraging employees and managers to contribute their ideas and change their thinking throughout the entire group of companies.

Thanks to numerous improvement measures in recent years, the group of companies has already succeeded in mastering several challenges, and has made a significant contribution to achieving sustainability targets. The current challenges are digitisation and Industry 4.0, and these were not newly created by the coronavirus. The fischer workforce is at the centre of this journey. They receive support from the Klaus Fischer Training Centre (BiZ), a voluntary continued training centre which provides employees access to a wide variety of topics free of charge. These measures explicitly address SDG 4, Quality education.

The programming ranges from seminars and presentations to general education, language courses and current office trainings. In addition to proven in-person training sessions, the fischer group of companies also offers a variety of e-learning programmes which can be completed anywhere and any time. These have been expanded due to the coronavirus. Employees receive digital support, which ultimately has a positive impact on the performance capability of the entire company.

On the path to digitisation and with respect to the challenges that Industry 4.0 brings, change management will also gain significance in addition to employee qualification through a specially created Digital Academy. Major changes require solidarity among managers and employees. fischer illuminates and analyses the change process both on a factual as well as a relationship level. Only when both levels are intact can a team achieve its highest potential in change projects. Employees and managers receive adequate methods and tools for this purpose, to provide them with the best possible support in change projects.

Sustainability is a new and complex issue within strategic and practical corporate management. In contrast to most previously addressed management topics, sustainability is not a "fad", but is instead here to stay. Almost all future issues will be decided on based on sustainability management – both positively and negatively.

At fischer, we see this challenge primarily as an opportunity, and do not want to leave anything to chance. This is why we created the fischer Sustainability Campus. This institution is directed towards two different target audiences. The first target audience are company managers – who are familiarised with the fischer sustainability strategy in a concrete and consistent manner. Managers are the pipelines for transmission within the company. Their task is to exemplify corporate values and to convey and explain strategic objectives as necessary.

The second target audience is much larger. It includes representatives of other companies who want to understand the issue of sustainability for themselves. Our didactic approach is based on project competence coaching, or PCC for short. Based on specific sustainability targets or projects, we oversee customer issues for a period of twelve months. The fischer Sustainability Campus teaches key, basic information on sustainability and coaching on implementing customer projects. This can be introducing a sustainability path within the company – similar to the 'Blue Path' at fischer – or end in a sustainability strategy. Furthermore, corporate customers should be able to outline their own sustainability activities in line with reporting requirements after completing their training.

Outlook

The fischer TIGER is the manifestation for how sustainability is integrated into the corporate strategy.

Components of the TIGER that are relevant to sustainability, namely technology, innovation, globalisation, ecology, and responsibility are both driving factors and factors for a successful fischer corporate strategy.

Without making continuous advances in these areas, we will not be able to maintain the company's competitiveness.

Conversely, this means that our focus on the principles of sustainability helps ensure the company's future viability, and serves as a yardstick for our corporate thinking and action.

Sustainability means future viability – this is true for the company as well as for the global community.



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