Annual Report

# 2024

*MOVING YOUR WORLD*

LUBRICANTS.
TECHNOLOGY.
PEOPLE.

FUCHS

# 1 To our shareholders



# 2 Combined Management Report



# 3 Financial Report



# 4 Further information



→ 🗋 **123** Page reference → ◎ Graphic → # Table → 🌐 Internet link

The figures in parentheses refer to the same period of the previous year. Percentages refer to full millions.

# “Whether geopolitical or economic: Volatility is the new normal. Our response? At FUCHS, we are close to our customers worldwide, combining our extensive application expertise with smart lubricant and service solutions. This is how we fulfill our commitment: We support our customers with unconditional reliability – even in turbulent times.”

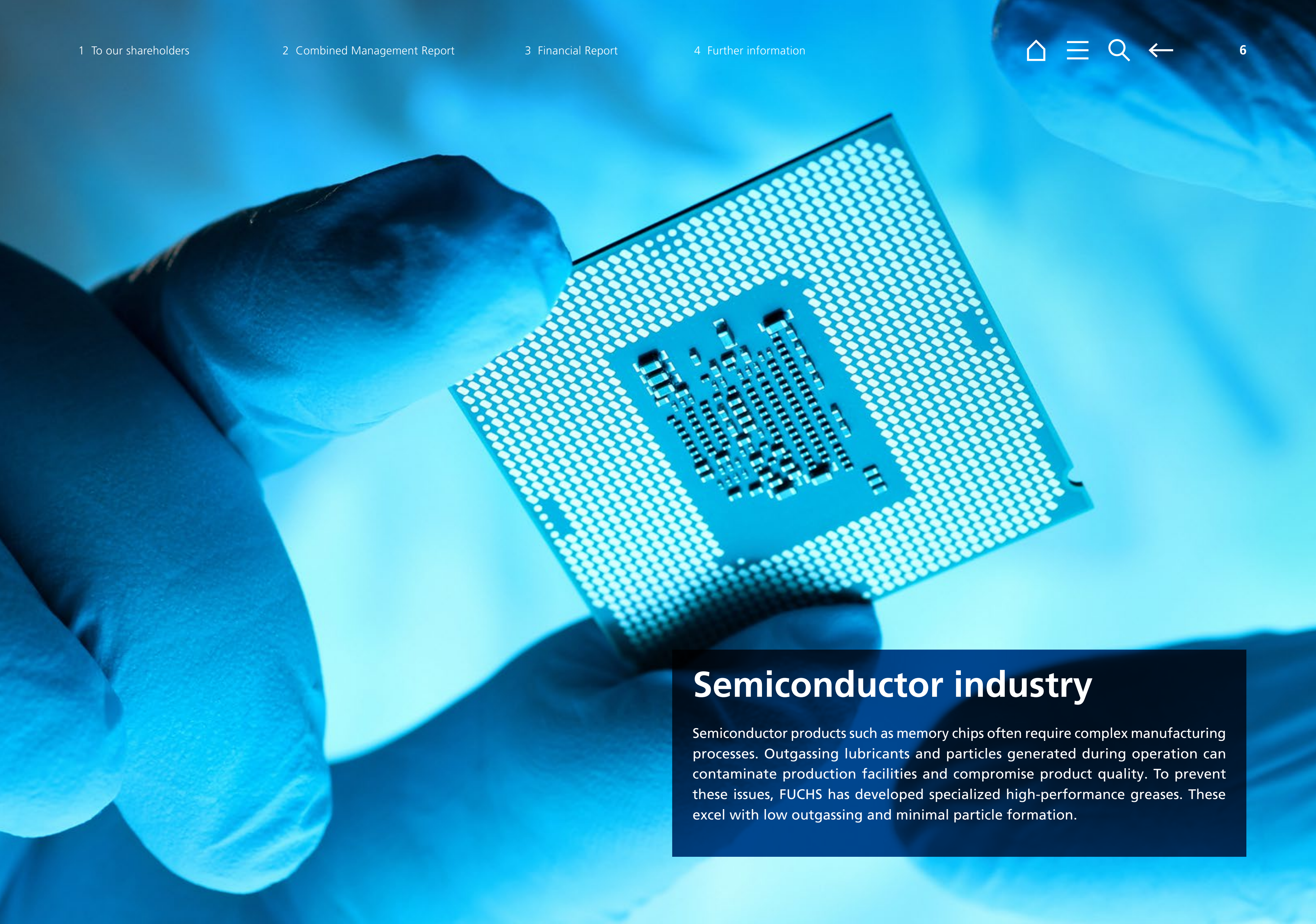
**Stefan Fuchs, Chairman of the Executive Board**

# We keep everyday life moving

**By 2050, the world's population is expected to grow to around 10 billion people – a major challenge for the machines and equipment that support our daily lives. More people than ever will be commuting to work, using smartphones, having lunch, and requiring medical care. This is where the customized lubrication solutions from FUCHS come into play: They enable the world to achieve more with less.**

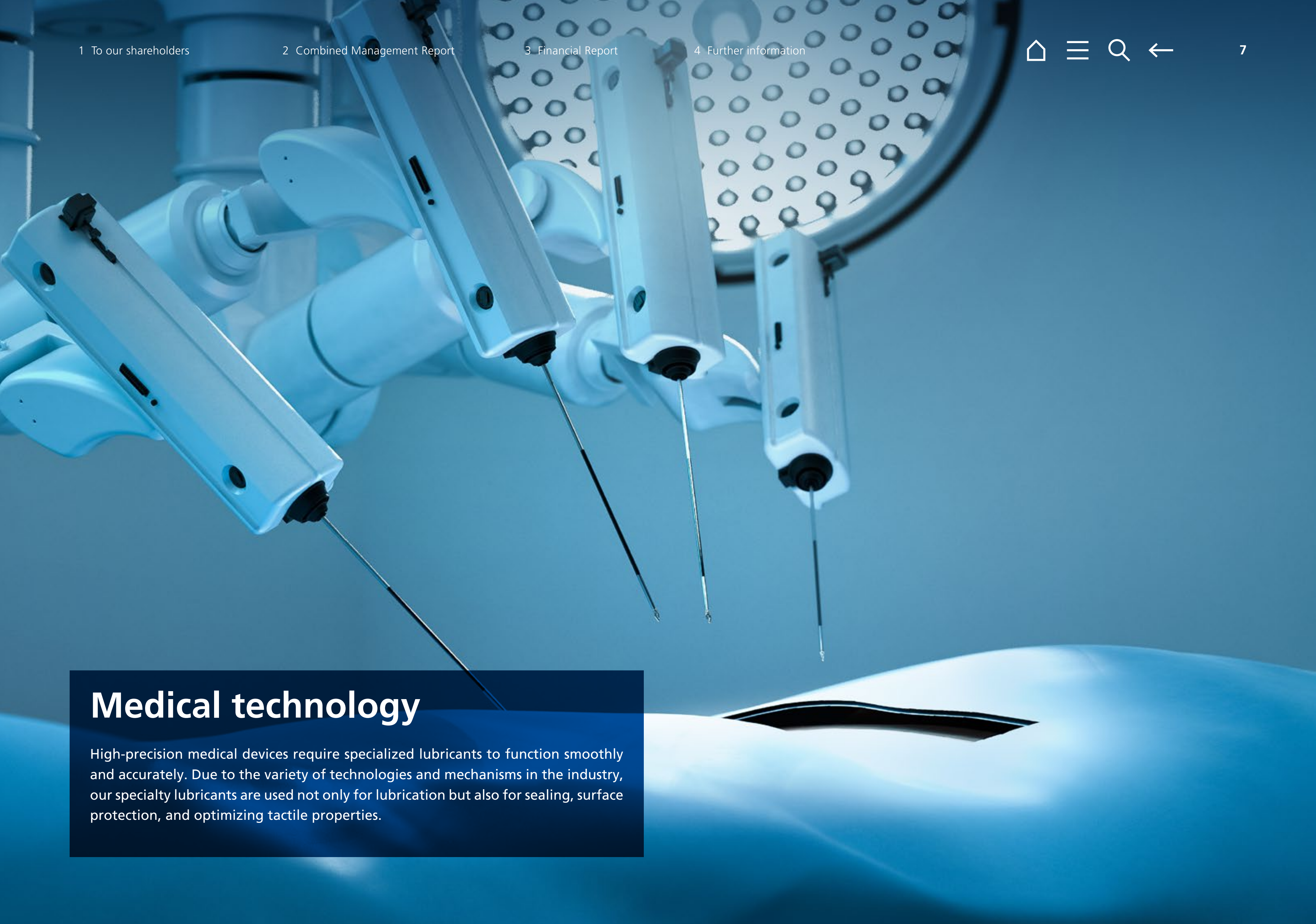
# Electromobility

Charging stations generate heat during operation, which must be dissipated, to ensure optimal functionality and longevity of components. Thermal fluids from FUCHS are specifically designed for this purpose. With their high stability and thermal conductivity, they keep the charging station's temperature within the optimal range.



## Semiconductor industry

Semiconductor products such as memory chips often require complex manufacturing processes. Outgassing lubricants and particles generated during operation can contaminate production facilities and compromise product quality. To prevent these issues, FUCHS has developed specialized high-performance greases. These excel with low outgassing and minimal particle formation.



# Medical technology

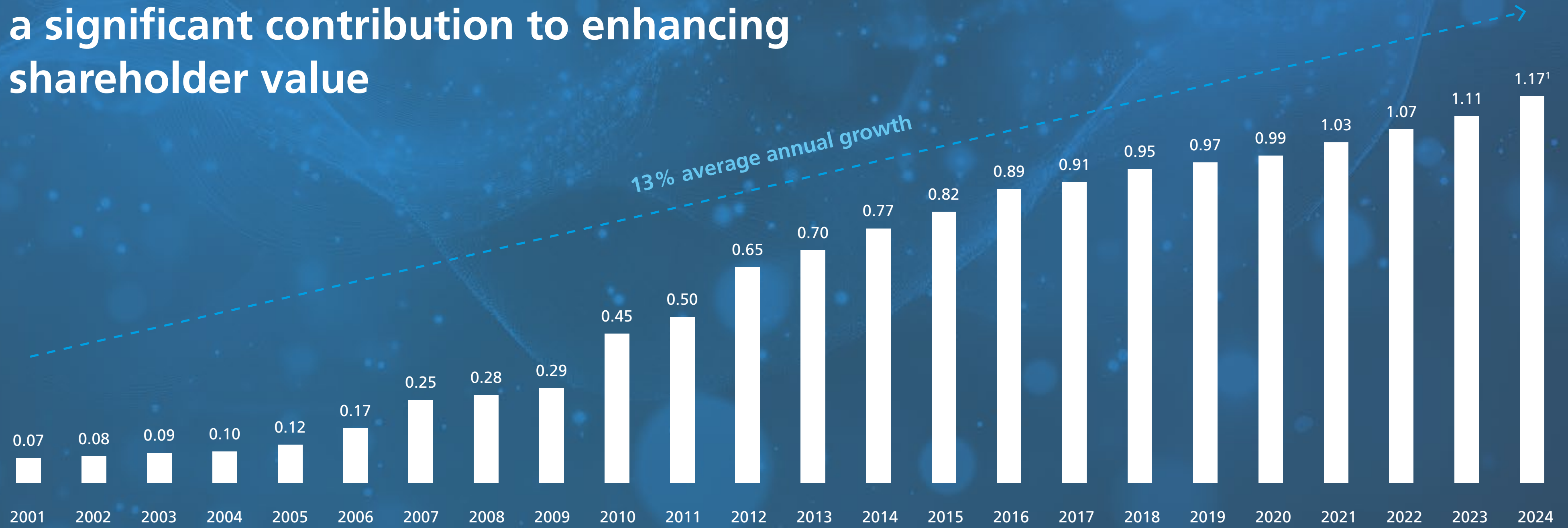
High-precision medical devices require specialized lubricants to function smoothly and accurately. Due to the variety of technologies and mechanisms in the industry, our specialty lubricants are used not only for lubrication but also for sealing, surface protection, and optimizing tactile properties.

# Aerospace

No human has set foot on Mars yet – but our lubricants have. Finding the right formulation for a lubricant solution that withstands the harsh conditions of space is a challenge. A barrier film from FUCHS subsidiary Nye Lubricants overcomes this challenge, helping ensure that no oil reaches the mast camera of the Mars rover "Perseverance" and affects image quality.

# 23 years[1]

## of continuous dividend increases – a significant contribution to enhancing shareholder value




[1] Based on the dividend proposal for the 2024 financial year.

**Dividend paid per preference share in €**

# FUCHS at a glance

## FUCHS Group

| Amounts in € million | 2024 | 2023 | Change in % |
|---|---|---|---|
| **Sales revenues**[1] | **3,525** | **3,541** | **0** |
| Europe, Middle East, Africa (EMEA) | 2,029 | 2,041 | – 1 |
| Asia-Pacific | 986 | 979 | 1 |
| North and South America | 678 | 687 | – 1 |
| Consolidation | – 168 | – 166 | 1 |
| **Earnings before interest and tax and before income from companies consolidated at equity** | **426** | **406** | **5** |
| in % of sales revenues | 12.1 | 11.5 | |
| **Earnings before interest and tax (EBIT)** | **434** | **413** | **5** |
| in % of sales revenues | 12.3 | 11.7 | |
| **Earnings after tax** | **302** | **283** | **7** |
| in % of sales revenues | 8.6 | 8.0 | |
| **Investments in long-term assets** | **80** | **83** | **– 4** |
| in % of scheduled depreciation[2] | 94 | 101 | |
| **Free cash flow before acquisitions** | **306** | **465** | **– 34** |
| **Acquisitions** | **– 101** | **– 4** | **> 100** |
| **Free cash flow** | **205** | **461** | **– 56** |
| **FUCHS Value Added (FVA)** | **245** | **212** | **16** |
| **Shareholders' equity** | **1,900** | **1,804** | **5** |
| in % of balance sheet total | 73 | 74 | |
| **Balance sheet total** | **2,610** | **2,423** | **8** |
| **Employees as at December 31**[3] | **6,781** | **6,272** | **8** |
| **Earnings per share (in €)** | | | |
| Ordinary share | 2.29 | 2.08 | 10 |
| Preference share | 2.30 | 2.09 | 10 |
| **Proposed dividend / dividend (in €)** | | | |
| per ordinary share | 1.16 | 1.10 | 5 |
| per preference share | 1.17 | 1.11 | 5 |

[1] By company location.
[2] Capital expenditure exluding financial assets and rights of use.
[3] Including trainees.

# Financial targets

## Annual revenue growth

%

in the mid single-digit percentage range

## Long-term EBIT margin

around 15 %

## Average cash conversion rate

0.8 x

## Annual dividend increase

€

# FUCHS in numbers

**€3,525 million**
Sales revenues in 2024

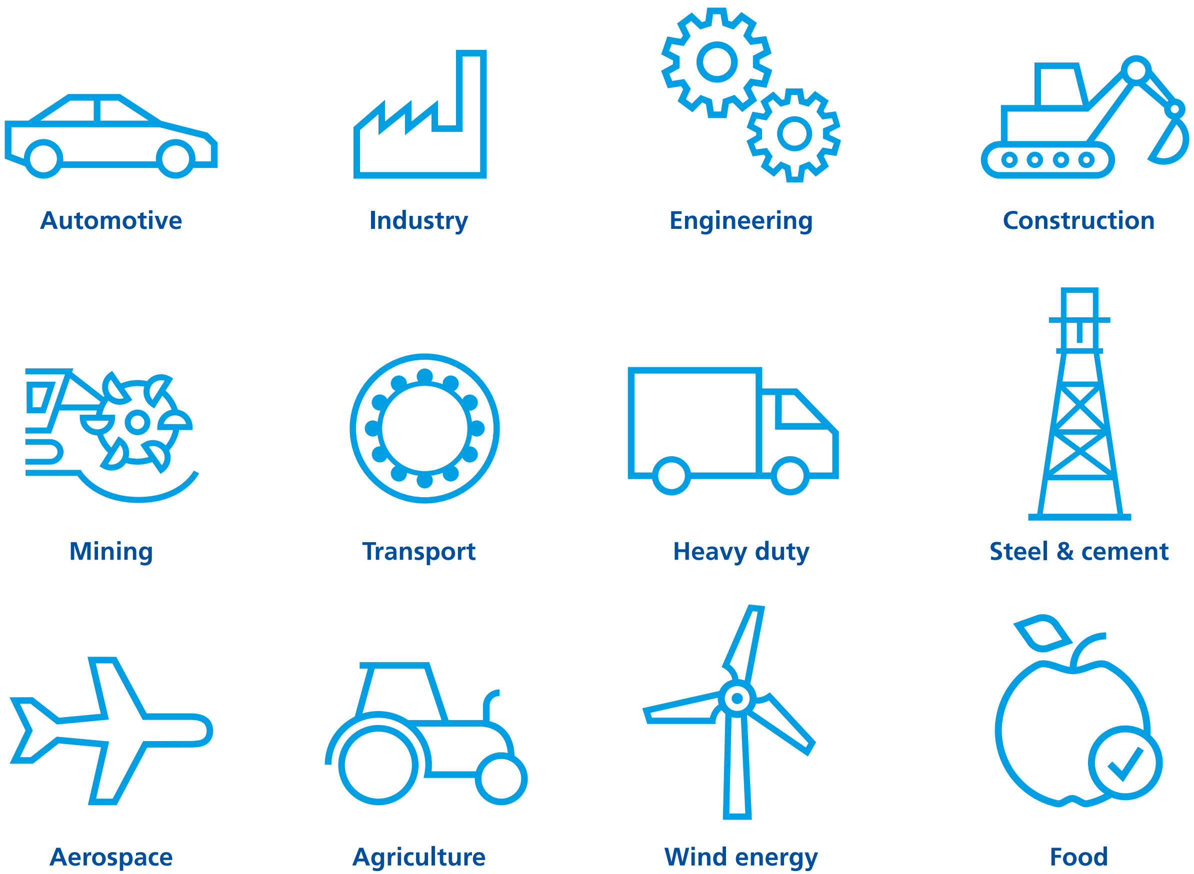
**6,781**
Employees

**73%**
Equity ratio at a high level

**€434 million**
EBIT with new high in 2024

**€306 million**
Free cash flow before acquisitions

## Our customers



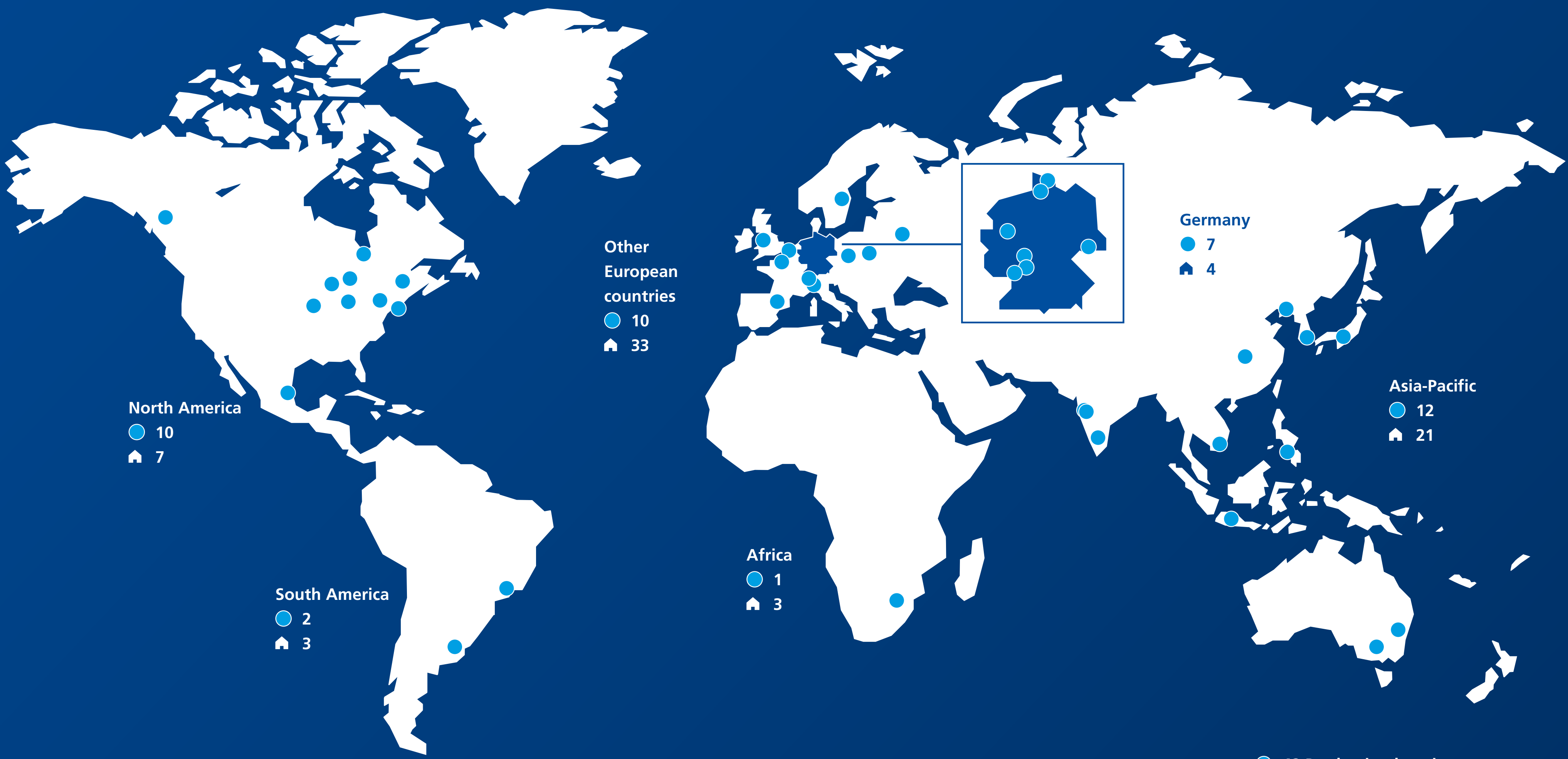

Our more than 100,000 customers include automotive manufacturers and their suppliers, companies in mechanical engineering, metal processing, mining and exploration, aerospace, energy, construction, and transport sectors, as well as the agriculture and forestry industries. We also serve the steel, metal, cement, casting, forging, and semiconductor industries, along with food and glass manufacturers. FUCHS lubricants are tailor-made, stand for performance and sustainability, safety and reliability, efficiency and cost savings and meet the highest quality requirements.

## Group structure

FUCHS SE is the parent company of the FUCHS Group, which for the most part has direct and 100% investments in companies. On December 31, 2024, the Group comprised 71 operating subsidiaries, four of which operate domestically and 67 internationally. In addition, non-operating holding and management companies will be included in the consolidated financial statements, bringing the number of fully consolidated companies to 80. In addition, eleven companies consolidated at equity are helping to strengthen our global presence.

The organizational and reporting structure follows the regions: EMEA, Asia-Pacific, and North and South America.

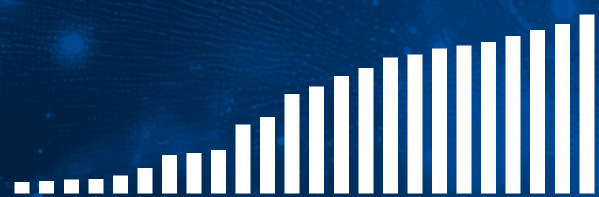
# Group companies and production locations




As at December 31, 2024

# To our shareholders

Dividend paid per preference share from 2001 to 2024



**23 years**

**of consecutive dividend increases with an average annual growth rate of 13 %**

# 1.1 Letter to our shareholders

Dear shareholders,

We are proud to have achieved another record result in 2024, generating sales revenues of €3.5 billion in a challenging economic environment. As planned, we closed the year with EBIT increasing by 5% to €434 million. Regarding free cash flow, we exceeded our long-term target cash conversion rate of 80%. Looking ahead to 2025, we are approaching the objectives of our FUCHS2025 Strategy, despite many market-related factors that were unforeseeable years ago.

Free cash flow before acquisitions amounted to €306 million in 2024. The exceptionally high figure from the previous year was supported by the release of inflation-related tied-up funds from 2021 and 2022. The share buyback program, launched in 2022 and expanded in 2023, was successfully completed. A total of 8 million shares were repurchased and retired at an aggregate price of €263 million. At the same time, dear shareholders, we propose our 23rd consecutive dividend increase, with a 5% increase.

All three global regions contributed to our success in 2024, which makes us very proud. The strongest earnings growth was recorded in the region Europe, Middle East, Africa (EMEA), followed by the regions North and South America and Asia-Pacific. In addition to our three major markets of Germany, China and the USA, Poland and Mexico have established themselves among the top five companies. Many other countries also experienced highly positive developments. Key highlights included numerous supply agreements, which will take effect in 2025. Additionally, as part of our business segmentation strategy, we achieved success in acquiring new customers and deepening customer penetration

**Stefan Fuchs,**
**Chairman of the Executive Board**

by offering the full range of lubrication solutions. In Germany, we inaugurated a state-of-the-art production facility for high-performance electrolytes from E-Lyte at our Kaiserslautern site. In China, we completed and commissioned our new grease plant. Alongside Chicago and Kiel, this facility boasts outstanding manufacturing technology and processes for high-performance greases. In Mexico, we acquired land to accommodate future growth with an additional local site.

The FUCHS2025 Strategy is now in its final stages. This marks a successful transformation process centered around culture, strategy, and structure. We are currently preparing for the next strategy cycle, which we have named FUCHS100 in celebration of our 100th anniversary in 2031. Once again we will systematically identify market opportunities within specific segments and leverage them to their full potential. As the world population continues to grow, so does the demand for machines that ensure a sustainable supply of resources. Accordingly, the need for high-tech lubricants is also rising – and that's where we come into play. Alongside our organic growth, we intend to remain actively involved in the consolidation of the lubricant industry. We are pleased that we were able to make strategic acquisitions in 2024. In July, we acquired LUBCON. LUBCON has extensive experience and expertise in industries such as rail, roller bearings, paper, textiles, food, pharmaceuticals, and wind energy. We aim to scale this business globally. In November, we followed up with the acquisition of STRUB in Switzerland. This secures us direct access to the attractive Swiss market, allowing us to consolidate all local business activities and expand our presence with an additional development and production site. At the beginning of 2025, we strengthened our specialty division with BOSS and expanded our presence in South America by establishing a joint venture in Peru.

We are working to further enhance the brand awareness of FUCHS. Whenever we welcome new customers or applicants to our company, they are impressed by our people, our business model, and our setup. We possess extensive industry-specific application expertise, combined with a global network and highly motivated local teams, keeping us close to our customers. This is unparalleled in our industry. The emotional statement *MOVING YOUR WORLD* positions and differentiates us. With a broad-based advertising campaign across five continents at 12 international airports, supported by a confident presence on social media, and through partnerships such as those with MERCEDES-BENZ and DMG MORI, we emphasize our focus on advanced and highly efficient lubrication solutions.

Geopolitical conditions remain fraught with uncertainties. With multiple ongoing wars and rising nationalist tendencies, the structure of the global economy has become increasingly unstable. In Germany, and in several other European countries, the economic outlook has significantly deteriorated. It is difficult to predict how all these factors will impact future economic development, as well as raw material and sales prices. The year 2025 is expected to be another challenging one. However, we are focusing on our strengths and have initiated numerous growth projects. For this reason, we remain confident that we will once more elevate our results to a new peak in 2025. We are planning to generate revenues of around €3.7 billion and EBIT of around €460 million.

On behalf of the entire Executive Board, I would like to thank you, dear shareholders, for your continued trust in the company and our employees. This spurs us on to continue along our path of profitable growth in a focused manner. I would like to thank our global team for their top performance in challenging times. Together, we and our corporate culture are the pillars of our success.

Mannheim, March 20, 2025

Yours

Stefan Fuchs

Chairman of the Executive Board

# 1.2 Organization

## Executive Board

→ 300 Information on the company's executive bodies

Dr. Ralph Rheinboldt Dr. Sebastian Heiner Stefan Fuchs, Vorsitzender Isabelle Adelt Dr. Timo Reister

## Group Management Committee

**Keith Brewer**
America

**Christine Vornbäumen**
Human Resources

**Dr. Sebastian Heiner**
CTO

**Stefan Fuchs**
CEO

**Isabelle Adelt**
CFO

**Dr. Thomas Christmann**
Industry Division,
Specialty Division

**Dr. Ralph Rheinboldt**
EMEA, Specialty Division,
Industry Division

**Zhu Qingping**
China

**Dr. Timo Reister**
Asia-Pacific, North and
South America, Automotive
Aftermarket Division

**Klaus Hartig**
East Asia, Automotive
Aftermarket Division

**Carsten Meyer**
OEM and
Mining Division

**Stefan Knapp**
Germany, Switzerland
and Benelux

# 1.3 Report of the Supervisory Board

Dear shareholders,

For FUCHS, the 2024 financial year was once again a successful one, despite political gridlock and recession in Germany, uncertainties surrounding the U.S. elections, and the generally challenging macroeconomic environment. It is particularly positive that FUCHS was able to maintain sales revenue at the previous year's level and even increase EBIT, despite a declining lubricants market. Ongoing wars in the Middle East and Ukraine, including sanctions against Russia, the crisis in the automotive industry, a stagnating Chinese economy, and persistent inflation created significant headwinds. However, the strong financial results once again confirm that the company's global strategy, combined with decentralized operational management, is the right approach to successfully guide the company through the uncertainties of a volatile world. Against this backdrop, shareholders can remain confident that FUCHS is well-positioned for the future and remains financially sound. The share buyback program, which was extended at the end of 2023, was successfully completed in 2024 as planned, with all shareholders benefiting from the redemption of treasury shares. Given the continued strong free cash flow in 2024 and a solid capital structure, the Executive Board and Supervisory Board are once again proposing a higher dividend.

## Work of Executive Board and Supervisory Board

In the financial year 2024, the Supervisory Board again performed its advisory and monitoring duties with the utmost diligence in accordance with the requirements of law, the company's Articles of Association and its rules of procedure. At the same time, the recommendations of the German Corporate Governance Code (hereinafter referred to as the Code) in the version published in the Federal Gazette on June 27, 2022 have been and will continue to be complied with in full.

The Supervisory Board and the Executive Board continued their good and effective cooperation seen over the past few years. The Executive Board informed the Supervisory Board regularly, promptly, and comprehensively about all relevant issues, particularly those relating to strategy, planning, business development, the risk situation, the internal monitoring system, risk management, and compliance. Deviations in the business development from the plans drawn up and the targets agreed were examined, specifying the reasons for this. In addition, the Chairman of the Executive Board immediately informed the Chairman of the Supervisory Board of major events that were significant for the assessment of the company's situation and development and for the management of the company. This ensured open discussion and a trusting collaboration between the Executive Board and the Supervisory Board.

**Dr. Christoph Loos, Chairman of the Supervisory Board**

In its self-assessment of how effectively the Supervisory Board as a whole and its committees are performing their tasks, the Supervisory Board did not determine any significant need for improvement at its meeting in December 2024. To this end, the Chairman of the Supervisory Board held individual discussions with all members in advance.

The Supervisory Board has assessed that three of the four shareholder representatives, and thus an appropriate proportion, are independent of the company and its Executive Board and also of the controlling shareholder, as defined in Recommendation C.6 of the Code. These include Dr. Christoph Loos, Ms. Ingeborg Neumann and Dr. Markus Steilemann. No conflicts of interest arose either in the case of the Executive Board members or Supervisory Board members in the reporting period.

## Changes in the Supervisory Board

There were no changes to the Supervisory Board in the financial year 2024.

## Reports and board meetings

All Supervisory Board members attended the total of five Supervisory Board meetings in 2024, all of which were held in person. The Executive Board provided the Supervisory Board with timely and comprehensive written and oral updates on business policy, operational performance, profitability, liquidity, risk exposure, and all relevant aspects of strategic development. Key topics of discussion included the challenges facing the automotive industry, conditions in raw material markets, European production capacities, acquisition projects, and the hurdles associated with sustainable products and their acceptance by customers. Discussions also regularly focused on reports from the committees, budget monitoring including the development of the investments, and key investment and acquisition projects. Following proportionate examination and consultation, the Supervisory Board approved the proposed resolutions of the Executive Board, insofar as this was necessary based on applicable legislation or the company's Articles of Association. In four of the five meetings, the Supervisory Board held part of the session without the presence of the Executive Board.

The upcoming changes in the Executive Board in 2025 were repeatedly the subject of votes in the Supervisory Board. The Supervisory Board dealt with this in its meetings on July 9, October 16, and December 17, 2024. The expiration of the appointment of Ms. Isabelle Adelt and the appointment of Ms. Esma Saglik as a member of the Executive Board, as well as the expiration of the appointment of Dr. Sebastian Heiner and the appointment of Mr. Mathieu Boulandet as a member of the Executive Board, were decided in the Supervisory Board meeting on December 17, 2024.

In the balance sheet meeting on March 11, 2024, the Board conclusively reviewed, discussed, and approved the annual and consolidated financial statements as well as the Combined Management Report and the non-financial declaration of FUCHS SE, the report of the Supervisory Board and the Declaration of Corporate Governance, the compensation report, the Executive Board's proposal for the appropriation of profits, and the report on its relationship to affiliated companies in the presence of the auditor. During this session, the Supervisory Board also approved the new compensation system and the retroactive adjustment of Executive Board contracts, effective January 1, 2024. Additionally, adjustments to the pensions of former Executive Board members were made in line with contractual agreements and the variable compensation for the board members for the 2023 financial year was set. The Supervisory Board also approved the agenda proposals for the 2024 Annual General Meeting of FUCHS SE. Further topics included updates on the subsidiary FUCHS LUBRICANTS GERMANY GMBH and developments in the Central and Eastern Europe region.

In the meeting held immediately before the Annual General Meeting on May 8, 2024, discussions focused on the current business situation after the end of the first quarter and preparations for the subsequent Annual General Meeting. In this context, the proposal for the appropriation of profits to the Annual General Meeting was adjusted at short notice in light of the share buyback program.

As every year, the meeting on July 9, 2024 was designed as a strategy meeting. In addition to general topics, discussions centered on succession planning for the Executive Board, the Supervisory Board, and key positions within the company, the implementation of the FUCHS 2025 Strategy, and planning for the FUCHS 100 Strategy. The Supervisory Board also received a detailed briefing on potential acquisition targets for the coming years, as well as the strategy, implementation, and roadmap for FUCHS' sustainability initiatives. There was a comprehensive update on the "FUCHS goes Digital" program, including the Transform2Grow-project. The day before the meeting, the Supervisory Board participated in a training session on FUCHS' product portfolio.

On October 16, 2024, a meeting was held in Shanghai, near the FUCHS China site. The Supervisory Board mainly dealt with the results of the third quarter and the outlook for the year as a whole. There was also an overview of the OEM division and the positioning of FUCHS with regard to the mobility transition. Prior to this, the Supervisory Board spent three days outside of formal sessions conducting an in-depth review of strategy for the regions of China, Australia, and Southeast Asia. Through site visits to production facilities in Yingkou and Suzhou, as well as the

Shanghai office, and multiple meetings with employees, the committee gained firsthand insights into the Chinese and Southeast Asian businesses and the local working environment. The trip also served as a team-building exercise for the Supervisory Board.

The focus of the December 17, 2024, meeting was on various governance topics, as well as the 2025 budget, including the investment budget. Additionally, the committee addressed matters related to Executive Board compensation and preparations for the 2025 Annual General Meeting. The Supervisory Board approved the 2024 Declaration of Compliance with the German Corporate Governance Code and adopted adjustments to its rules of procedure, as well as those of the Executive Board. The amended allocation of responsibilities plan presented by the Executive Board was approved. Based on the recommendations of the Personnel Committee, the Supervisory Board established the sustainability factor for the Executive Board's variable compensation for the financial year 2024. It also decided on the criteria for measuring the sustainability factor for 2025 and the target total compensation for 2025. There was an update on opportunity and risk management, compliance, and the results and recommendations of the internal audit. The Supervisory Board was informed about the current status of the implementation of the CSRD at FUCHS. It also dealt with the procedure and the assessment of the effects, risks and opportunities in accordance with the CSRD. Additionally, an update was given on the company's sustainability strategy.

## Work of the committees

The Supervisory Board has established three committees: The Audit Committee, the Personnel Committee and the Nomination Committee. The chairmen of the committees reported on the relevant work of the respective committees in the subsequent meeting of the Supervisory Board.

The **Audit Committee** held five meetings in the reporting year. Two of the meetings were held via videoconference and three in person. The CFO and heads of the Finance and Controlling as well as Accounting departments regularly attended the meetings. The auditor was present at three meetings for individual agenda items. The committee focused on the annual financial statements and the audit of the annual financial statements of FUCHS SE and the consolidated financial statements together with the Combined Management report, the non-financial declaration, the Compensation Report, the requirements of the CSRD on sustainability reporting and compliance issues. Other main topics were assessment of the quality of the auditor and a detailed discussion of the quarterly statements and half-year financial report prior to their publication. The Audit Committee, together with the external auditor, determined the key areas of focus for the audit of the reporting year, issued the audit mandate, granted general approval for permissible non-audit services by the auditor, and addressed new accounting and reporting regulations.

Additionaly, the Audit Committee reviewed financial reporting, monitored the financial reporting process, and assessed the effectiveness of the internal control system, risk management system, and internal audit function. Other topics included the internal audit report, risk management system reports, the compliance management system report – including an update on the implementation plan for its further development – and engaged with the new regulations on accounting and reporting.

Outside of the meetings, the Chair of the Audit Committee held regular exchanges with the auditor on the progress of the audit and reported on this to the Committee.

The **Personnel Committee** advises the Supervisory Board on personnel matters pertaining to the Executive Board and prepares its decisions. In the reporting year, three meetings were held, all of which were conducted in person. In its meetings, the committee focused particularly on the upcoming changes in the Executive Board in 2025, especially the new appointments and the related resolution recommendations to the full committee. Other topics included the new Executive Board remuneration system, including the corresponding adjustment of Executive Board service contracts, the adjustment of pensions for former Executive Board members, the assessment of variable remuneration for the 2024 financial year, and the target remuneration for 2025. The committee's discussions and recommendations formed the basis for corresponding resolutions by the Supervisory Board.

The **Nomination Committee** advises the Supervisory Board on suitable candidates and nominates such candidates for the Board's proposals to the Annual General Meeting for the election of Supervisory Board members. The Nomination Committee convened once in person during the

**Overview of members' attendance at each meeting in the financial year 2024**

| Responsibilities | Members | Attendance / meetings |
|---|---|---|
| Supervisory Board | Dr. Christoph Loos (Chairman) | 5/5 |
| | Dr. Susanne Fuchs (Deputy Chairwoman) | 5/5 |
| | Jens Lehfeldt | 5/5 |
| | Ingeborg Neumann (Financial Expert) | 5/5 |
| | Cornelia Stahlschmidt | 5/5 |
| | Dr. Markus Steilemann (Financial Expert)[1] | 5/5 |
| Audit Committee | Ingeborg Neumann (Chairwoman, Financial Expert) | 5/5 |
| | Dr. Susanne Fuchs | 5/5 |
| | Dr. Markus Steilemann (Financial Expert) | 4/5 |
| Supervisory Board | Dr. Christoph Loos (Chairman) | 3/3 |
| | Dr. Susanne Fuchs | 3/3 |
| | Ingeborg Neumann | 3/3 |
| | Dr. Markus Steilemann | 3/3 |
| Nomination Committee | Dr. Christoph Loos (Chairman) | 1/1 |
| | Dr. Susanne Fuchs | 1/1 |
| | Ingeborg Neumann | 1/1 |
| | Dr. Markus Steilemann | 1/1 |

[1] In case of absence, a written vote was submitted.

2024 financial year and issued its recommendation for the election of shareholder representatives at the 2025 Annual General Meeting.

As a financial expert, Ingeborg Neumann has expertise in accounting and auditing within the meaning of Section 100(5) of the German Stock Corporation Act (AktG) and of Recommendation D.3 p. 1 of the Corporate Governance Code. As Chairwoman of the Audit Committee, she thus also meets the requirements of Recommendation D.3 on p. 2 of the Code. Dr. Markus Steilemann is also a financial expert with expertise in the field of accounting within the meaning of Section 100(5) of the German Stock Corporation Act (AktG) and of Recommendation D.3 p. 1 of the Code.

Mr. Jens Lehfeldt and Ms. Cornelia Stahlschmidt are the employee representatives on the Supervisory Board.

## Audit of annual and consolidated financial statements

As per resolution of the Annual General Meeting of May 8, 2024, the Audit Committee commissioned PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Mannheim branch (PwC) to audit the 2024 annual financial statements and consolidated financial statements, including the management report. The auditor submitted and explained its declaration of independence.

PwC audited the financial statements for the financial year 2024 prepared in accordance with the German Commercial Code (HGB), as well as the consolidated financial statements of SE prepared pursuant to the IFRS international accounting standards to be applied in the EU, and the Combined Management Report of FUCHS SE and granted an unqualified auditor's opinion. In doing so, the auditor examined in more detail the key areas of the audit defined for the reporting period by the Audit Committee when engaging the auditor. In particular, the auditor confirmed that the Executive Board had set up a suitable monitoring system in accordance with Section 91 (2) of the German Stock Corporation Act (AktG) capable of identifying developments that jeopardize the continued existence of the company at an early stage. During the audit, the auditor did not identify any facts that contradict the Declaration of Compliance with the German Corporate

Governance Code published by FUCHS SE in 2024. It also did not identify any reasons for its own exclusion or bias.

The Supervisory Board has examined in detail the annual and consolidated financial statements, the Combined Management Report, the non-financial declaration, the report of the Supervisory Board, the Declaration of Corporate Governance, the compensation report and the proposal for the use of profits. The audit reports from the external auditor were made available to all members of the Supervisory Board in a timely manner and were thoroughly reviewed both in the Audit Committee meeting on March 19, 2025, and in the Supervisory Board's balance sheet meeting the following day. The auditor took part in both meetings.

The auditor reported on the main findings of the audit, and was available to answer additional questions and provide extra information. The Supervisory Board acknowledged and approved the results of the audit. There were no objections made against the reporting by the Executive Board based on the final results of the audit by the Audit Committee or the Supervisory Board's own audit. The Supervisory Board approved the financial statements submitted by the Executive Board and thereby approved the 2024 annual financial statements of FUCHS SE. The Supervisory Board endorsed the Executive Board's proposal for the appropriation of profits.

In addition to a formal review with regard to the legally required disclosures, the Audit Committee also commissioned PwC to review the content of the compensation report prepared by the Executive Board and the Supervisory Board in accordance with Section 162 of the German Stock Corporation Act (AktG). The auditor has confirmed in its audit opinion that the compensation report complies in all material respects with the requirements of Section 162 of the German Stock Corporation Act (AktG).

In addition to the statutory audit, PwC also conducted a substantive audit with limited assurance of the non-financial declaration (Nfd) of the FUCHS Group in accordance with the requirements of the CSRD and, on this basis, raised no objections to the Nfd reporting and the fulfillment of the statutory requirements therein.

The Executive Board reported on its relationship to affiliated companies pursuant to Section 312 of the German Stock Corporation Act (AktG). The auditor examined this report as instructed, reported the results of his audit to the Supervisory Board in writing and issued an audit opinion. "We have audited in accordance with our professional duties and confirm that

1. the actual statements made in the report are correct and

2. the payments or other contributions made by the company in connection with the legal transactions listed in the report were not unreasonably high."

The Supervisory Board took note of and approved the results of the audit performed by the independent auditors.

In keeping with its own findings, the Supervisory Board has no objections to the statement made by the Executive Board.

## Thanks

The Supervisory Board thanks the members of the Executive Board, all employees of the FUCHS Group, and the employee representatives for their tireless efforts throughout the year, which made a positive result possible in a challenging market environment.

Mannheim, March 20, 2025

For the Supervisory Board

Dr. Christoph Loos
Chairman of the Supervisory Board

# 1.4 FUCHS on the capital market

## Stock markets in 2024 show resilience

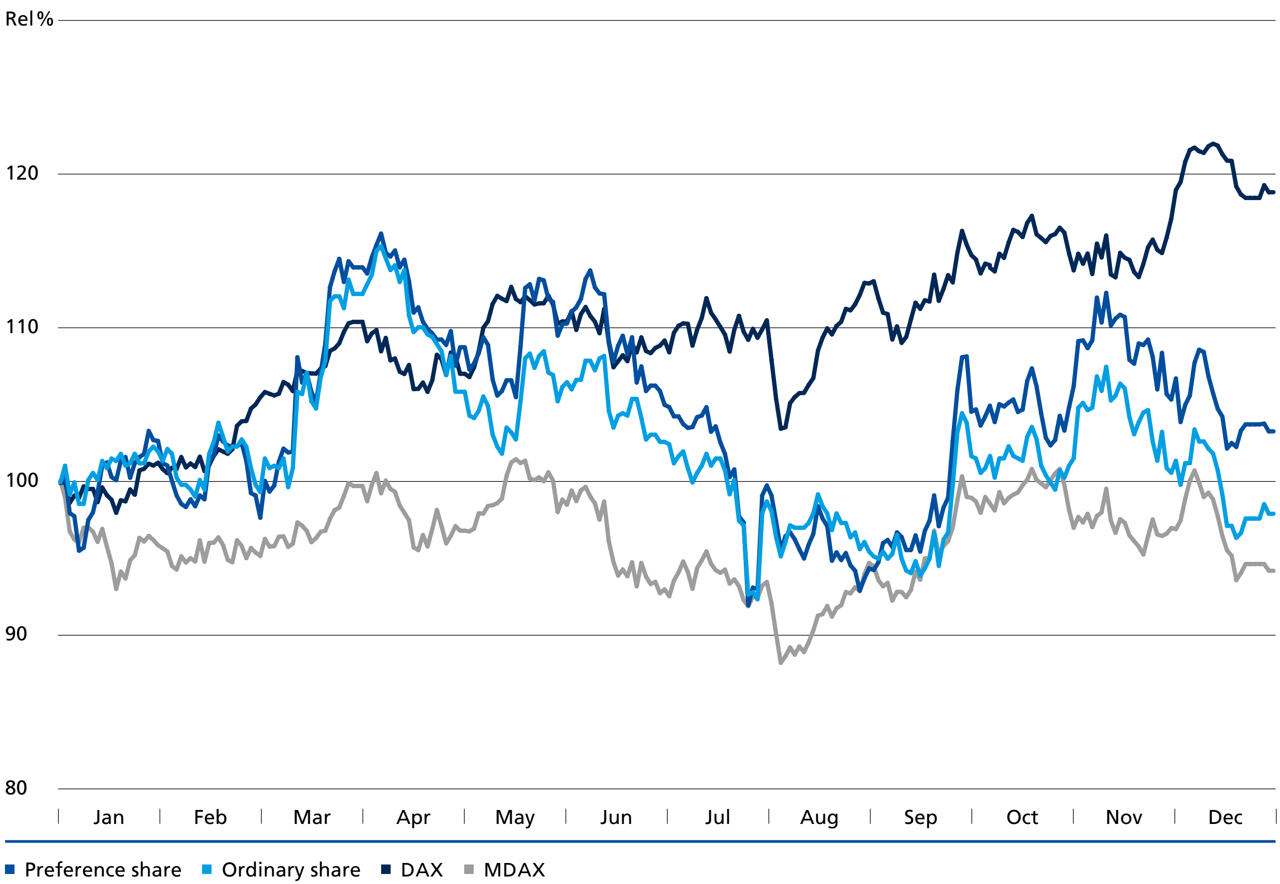
In 2024, global stock markets developed largely positively despite ongoing uncertainties and geopolitical tensions. Supported by easing inflation and the expectation of a moderate monetary policy, the German benchmark index, the DAX, was able to continue its positive trend and reach a historic high. However, the challenging economic environment in Germany weighed on the MDAX, which showed a declining trend. The MDAX reached its annual high on May 16 at 27,508 points, while the DAX set a new all-time high on December 12, closing at 20,426 points. The MDAX ended the year at 25,589 points (27,137), a decrease of 5.7% compared to the previous year. The DAX closed the year at 19,909 points (16,752), marking an increase of 18.9% compared to the previous year's closing price.

## Different development of the FUCHS share classes in a difficult market environment

Despite the challenging economic environment, both the FUCHS preference share and ordinary share showed a solid performance, outperforming the MDAX in 2024.

The starting price on January 2, 2024, was €32.80 for the ordinary share and €40.52 for the preference share. In the first months of the year, the share prices of both classes increased, supported by the publication of the previous year's financial results on March 12, 2024. The price gains led the FUCHS ordinary share and preference share to reach their annual highs on April 5, at €37.40 and €46.78, respectively.

**Performance* of ordinary and preference shares in comparison with DAX and MDAX**
(January 1 – December 31, 2024)




* Price trend including dividends.

However, FUCHS' good business results in the first half of the year were contrasted by a challenging situation in the automotive and chemical industries, both of which are important sectors for FUCHS. These developments also affected FUCHS' stock prices. As a result, the ordinary share reached its annual low of €30.00 on July 29, while the preference share hit its low of €37.10 on July 25.

In the second half of the year, the strong business results led to a recovery for both classes of shares.

On the last trading day of the year, the FUCHS ordinary share closed at €31.80 (32.45), 2.0% lower than the previous year's closing price. Taking the dividend payment into account, the FUCHS ordinary share posted an annual performance of 1.2%. The preference share ended the year at a closing price of €41.66 (40.30), thus marking a year-on-year increase of 3.4%. Taking the dividend into account, the FUCHS preference share saw a price increase of 6.0% for the 2024 financial year

## Basic information on the FUCHS shares

FUCHS SE has issued two share classes, divided equally between ordinary and preference shares. As the more liquid of the two FUCHS share classes, FUCHS preference share has been listed on the MDAX, the second largest German stock index, since 2008. Besides listing in the Prime Standard and a free float of more than 10%, the market capitalization of the free float is a criterion for index membership.

The market capitalization of FUCHS shares at the end of 2024 stood at €4.8 billion (4.8). With a weighting of 2.04% (1.94), FUCHS therefore ranked 15 (22) in the MDAX.

The international significance of the FUCHS preference shares is also reflected in their inclusion in the STOXX Europe 600, which lists the 600 largest companies from 17 European countries.

The FUCHS SE ordinary share is listed in the DAXplus Family. This index of the German Stock Exchange comprises the companies in the Prime Standard of the Frankfurt Stock Exchange in which the founding families have a significant stake.

## Capital market dialog focused

FUCHS relies on an intensive dialogue with its shareholders, analysts and all other capital market participants. The aim is to strengthen trust in our company on a sustained basis. All capital market participants are always informed promptly, transparently, and comprehensively of all major events in the FUCHS Group.

In recent years, the company stepped up its investor relations activities. In 2024, the Chair of the Executive Board, the Chief Financial Officer, and the Investor Relations team shared information through international conferences and roadshows as well as in numerous one-on-one meetings with institutional investors and maintained regular contact with retail investors.

The public were also kept regularly informed of current developments through press releases and ad hoc disclosures. Furthermore, the Investor Relations team was always available by phone and email.

**Basic share information**

| | Ordinary share | Preference share |
|---|---|---|
| German securities identification number (WKN) | WKN A3E5D5 | WKN A3E5D6 |
| ISIN | DE000A3E5D56 | DE000A3E5D64 |
| Ticker | FPE | FPE3 |
| Trading segments | Regulated market/Prime Standard | Regulated market/Prime Standard |
| Trading venues | XETRA and all German regional stock exchanges | XETRA and all German regional stock exchanges |
| Selected indices | CDAX, Classic All Share, DAXplus Family, Prime All Share, STOXX Europe | MDAX, CDAX, HDAX, Classic All Share, Prime All Share, STOXX Europe 600 |

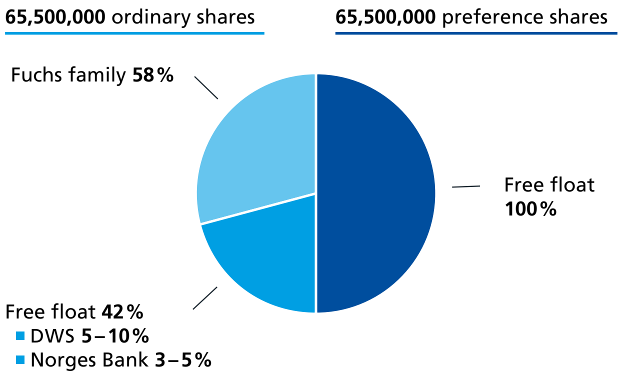
All corporate information is also available on our website. → www.fuchs.com/investor-relations

## Share buyback program completed

On August 1, 2024, FUCHS completed its buyback program of its own preference and ordinary shares, which commenced on June 27, 2022, and was extended until September 30, 2024, in accordance with the notice issued on December 8, 2023, with regard to both classes of shares. During the entire period of the share buyback from June 27, 2022 to August 1, 2024 inclusive, a total of 4 million preference shares (ISIN: DE000A3E5D64) and 4 million ordinary shares (ISIN: DE000A3E5D56) were purchased.

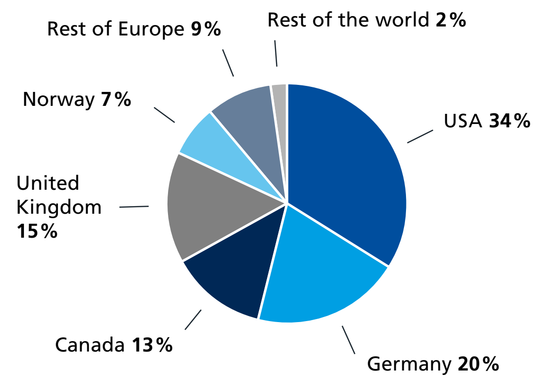
On September 10, 2024, the Executive Board of FUCHS SE resolved to cancel these shares, reducing the company's share capital from €139 million by €8 million to €131 million. This corresponds to around 5.76 % of the share capital and around 5.76 % each of the ordinary and preference shares issued by the company before cancellation and capital reduction. The Supervisory Board of FUCHS SE approved the cancellation and capital reduction on October 16, 2024. Following the cancellation and capital reduction, the share capital of FUCHS SE now amounts to €131 million.

**Shareholder structure as of December 31, 2024**




Source: Voting rights disclosures

**Regional breakdown of institutional investors**




Basis: Identified institutional investors
Source: Factset

## Stable shareholder structure

As at December 31, 2024, FUCHS SE's issued capital of €131 million was divided into 65.5 million ordinary shares and 65.5 million preference shares, each with a nominal share capital value of €1.00 per share. At the end of 2024, 58 % of the ordinary shares were held by the Fuchs family. The preference shares were entirely in free float.

The notification requirements of Sections 33 et seq. of the German Securities Trading Act (WpHG) relate exclusively to the ordinary shares with voting rights.

All voting rights announcements can be found on our homepage. → www.fuchs.com/group/investor-relations/statutory-publications/voting-rights-announcements/

## Employee shares remain in demand

FUCHS SE has been offering employees at the companies in Germany employee shares at preferential conditions since 1985. In 2024, each employee could purchase a maximum of 30 shares at a discount of €5 per share. Overall, 386 (402) employees made use of this opportunity, purchasing 10,893 (11,483) shares in total. The newly acquired shares are subject to a vesting period of one year.

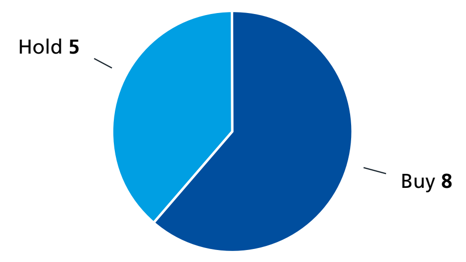
## Extensive analyst coverage

FUCHS is monitored and continually assessed by a large number of international financial analysts. Alster Research will continue the coverage of FUCHS under the name mwb research through its cooperation with mwb. At the end of 2024, 13 analysts (13) regularly published their assessment of current developments and the prospects for the company:

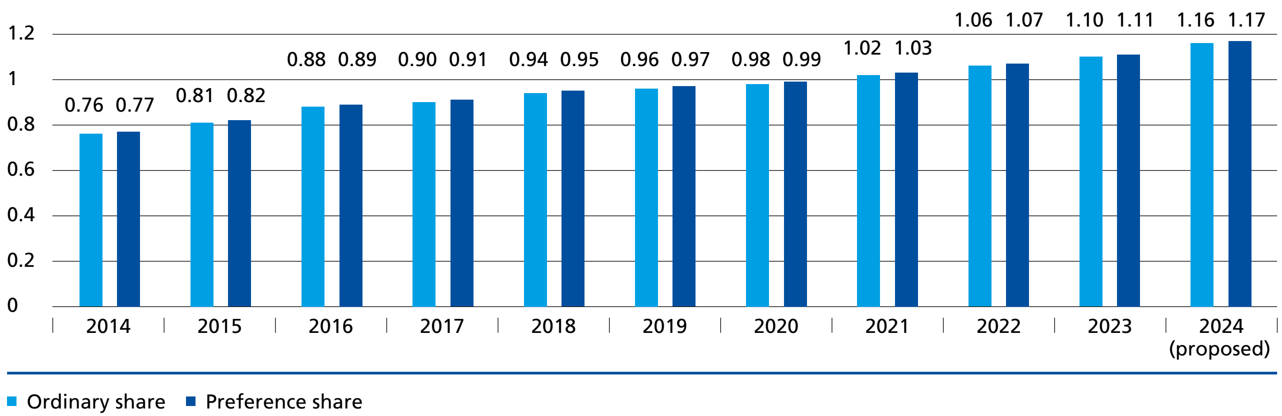
- Baader Bank
- Bank of America Merrill Lynch
- Barclays
- Berenberg Bank
- Deutsche Bank
- DZ Bank
- Kepler Cheuvreux
- Landesbank Baden-Württemberg
- mwb research (Alster Research)
- ODDO BHF
- Stifel Europe Bank AG
- UBS
- Warburg Research

Current information on this can always be found on our website under Investor Relations.
→ www.fuchs.com/analysts

**Analyst recommendations**
December 31, 2024




**Dividend development**
(in € per share)



## Dividend policy

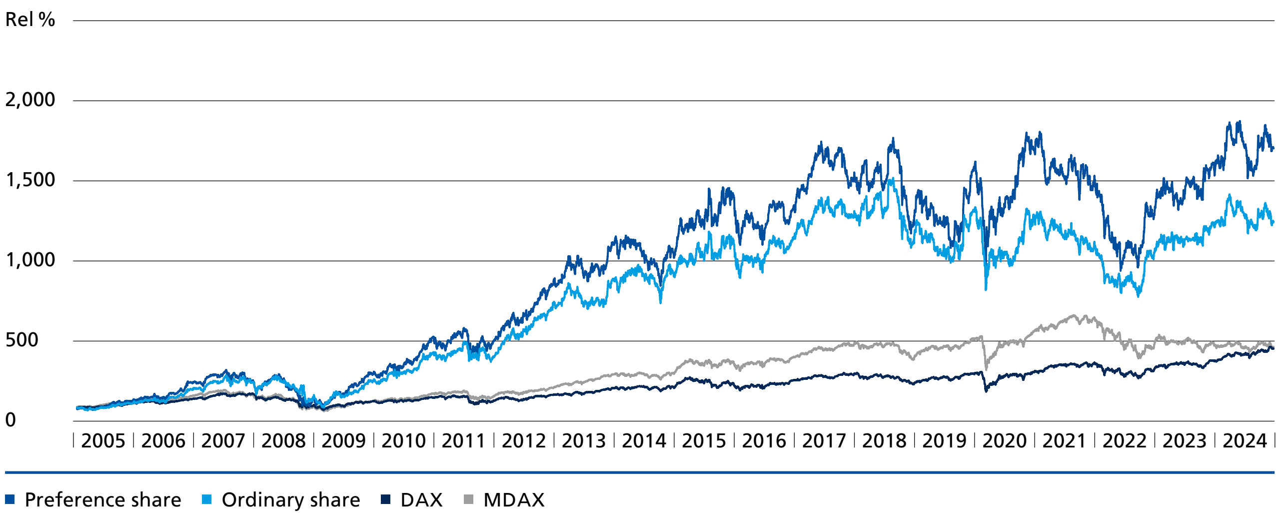
The aim of FUCHS SE is to increase the dividend on an annual basis. The aim is that shareholders should participate in the company's success via an appropriate distribution.

For the financial year 2024, the Executive Board and the Supervisory Board propose to pay a dividend of €1.16 (1.10) per ordinary share and €1.17 (1.11) per preference share. This corresponds to a payout ratio (dividend per share/earnings per share) of 51 % (53).

FUCHS has thus continuously increased the dividend for 23 years and has not cut it for 32 years. The average dividend increase for FUCHS preference shares over the last ten years was 4 % p. a.

## Historical performance

**Historical performance* of ordinary and preference shares in comparison with DAX and MDAX**
(January 1, 2005 – December 31, 2024)




* Price trend including dividends.

**Average annual performance of FUCHS shares and relevant benchmark indices**
December 31, 2024

| | 1 year | 3 years | 5 years | 20 years |
|---|---|---|---|---|
| FUCHS preference share * | 6.0 % | 4.6 % | 1.7 % | 15.2 % |
| FUCHS ordinary share * | 1.2 % | 4.7 % | – 1.2 % | 13.4 % |
| MDAX | – 5.7 % | – 10.0 % | – 2.0 % | 8.1 % |
| DAX | 18.9 % | 7.8 % | 8.5 % | 8.0 % |

* Reinvestment of dividends received. Absolute totals may differ due to rounding.
Source: Bloomberg

**Key figures for FUCHS shares**

| | December 31, 2024 | | December 31, 2023 | |
|---|---|---|---|---|
| | Ordinary shares | Preference shares | Ordinary shares | Preference shares |
| Number of no-par-value shares at €1/shares outstanding | 65,500,000 | 65,500,000 | 66,525,700 | 66,545,983 |
| Dividend per share (in €) | 1.16[7] | 1.17[7] | 1.10 | 1.11 |
| Dividend yield (in %)[1] | 3.49 | 2.78 | 3.60 | 3.01 |
| Distribution ratio (in %)[2] | 51 | | 53 | |
| Earnings per share (in €)[3] | 2.29 | 2.30 | 2.08 | 2.09 |
| Carrying amount per share (in €)[4] | 14.4 | | 13.6 | |
| XETRA closing price (in €) | 31.80 | 41.66 | 32.45 | 40.30 |
| XETRA highest price (in €) | 37.40 | 46.78 | 32.80 | 40.52 |
| XETRA lowest price (in €) | 30.00 | 37.10 | 28.35 | 33.00 |
| XETRA average price (in €) | 33.21 | 42.02 | 30.53 | 36.90 |
| Average daily turnover XETRA and Frankfurt | | | | |
| Shares | 21,299 | 78,809 | 19,700 | 101,816 |
| € thousand | 707 | 3,312 | 601 | 3,757 |
| Market capitalization (in € million)[5] | 4,812 | | 4,841 | |
| Price-to-earnings ratio[6] | 15 | 18 | 15 | 18 |

[1] Dividend/average share price × 100.
[2] Dividend per share/earnings per share.
[3] Earnings of FUCHS SE shareholders/average number of shares.
[4] Total equity of shareholders of FUCHS SE/number of shares.
[5] Stock exchange values at the end of the year.
[6] Average share price/earnings per share.
[7] In line with the proposal for the appropriation of profits by the Executive Board and Supervisory Board, subject to the approval of the Annual General Meeting on May 7, 2025.

## Shareholder service

If you would like to receive regular updates about our company, please register with the investor mailing list on our website. We will then keep you continuously informed about current developments in the Group and send you all publications that we publish by e-mail.

→ www.fuchs.com/group/investor-relations/service-contact/order-form/

We are also happy to answer your questions about FUCHS shares and other capital market-relevant topics in person:

Telephone +49 621 3802 1105
Fax +49 621 3802 7274
E-mail ir@fuchs.com

# Combined Management Report

100 % focus on highly efficient lubricant solutions and functional fluids

around **15 %**

Long-term EBIT margin

**Net climate neutrality**

- for operational emissions (Scope 1+2) by 2040
- for emissions in the value chain (Scope 3) by 2050

# 2

## Combined Management Report



The figures in parentheses refer to the same period of the previous year. Percentages refer to full millions.

# 2.1 Corporate profile

## Business model

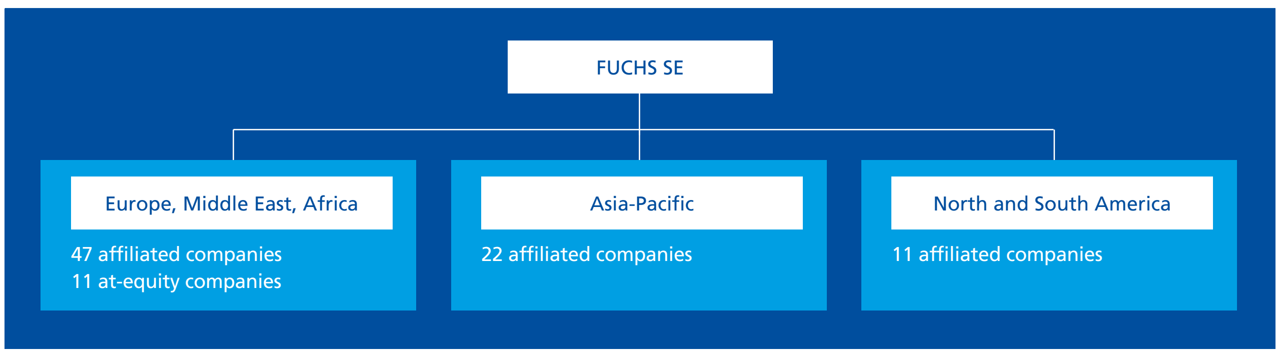
### LUBRICANTS. 100% focus

Our focus is 100% on the production, development, and distribution of highly efficient lubricant solutions and functional fluids. And on a high level of technical service. This clear orientation defines us. Our holistic products are tailored and customer-specific. We respond flexibly and quickly to challenges in a wide range of application areas and meet a wide range of national and international standards. We have a broad range of more than 10,000 products. It is roughly divided into automotive and industrial lubricants. In a highly fragmented market, FUCHS is a leading provider of systemic solutions with global reach. We are present in virtually all industry segments and provide holistic support to customers throughout the entire product lifecycle. Everywhere in the world.

### TECHNOLOGY. Holistic solutions

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

**Group structure**




### PEOPLE. Personal commitment

Over 6,700 employees around the world are committed to satisfaction of our customers and thus form the basis of our success. In an intensive and trusting dialogue with our customers, they are constantly working to offer the best lubricant solution and to fulfil our purpose of MOVING YOUR WORLD.

## Global customer service through internationality and scale

FUCHS' business success is based on our global presence and our extensive product and customer portfolio.

We are where our customers are. As of the end of the reporting period, out of our 80 operating subsidiaries and our 11 companies consolidated at equity, 58 were active in the Europe, Middle East, Africa (EMEA) region, 11 in the Americas, and 22 in the Asia-Pacific region. This broad geographical structure allows FUCHS to serve global customers worldwide while also offering local customers tailor-made solutions on site.

With more than 10,000 products, FUCHS not only ensures that the increasing specialization requirements of mature markets are met, but is also able to participate in the growth of developing markets.

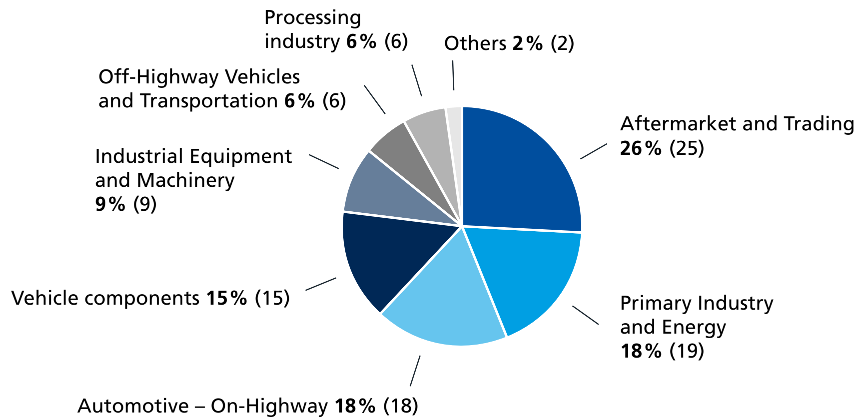
The diversification across regions and industries helps to balance economic and sector-specific cycles.

## Simple Group structure with largely decentralized management

FUCHS' Group structure has been kept intentionally simple. FUCHS usually holds 100 % of the shares in its subsidiaries. Exceptions to this are the joint ventures and associates in Germany, Africa, the Middle East, Saudi Arabia, and Turkey.

The companies are organized into the three geographical regions of EMEA, Asia-Pacific, and North and South America, which is reflected in the management and reporting system. Business is generally managed by the local subsidiaries and the regional managers in charge of them. In addition, local managers are increasingly included in our global excellence networks. Within these networks, joint solutions for current challenges and issues are developed based on an exchange of experience and knowledge across national and corporate boundaries.

**Breakdown of Group sales revenues by customer sector**




**Competitive advantage based on our unique business model**

## Group strategy

### FUCHS2025

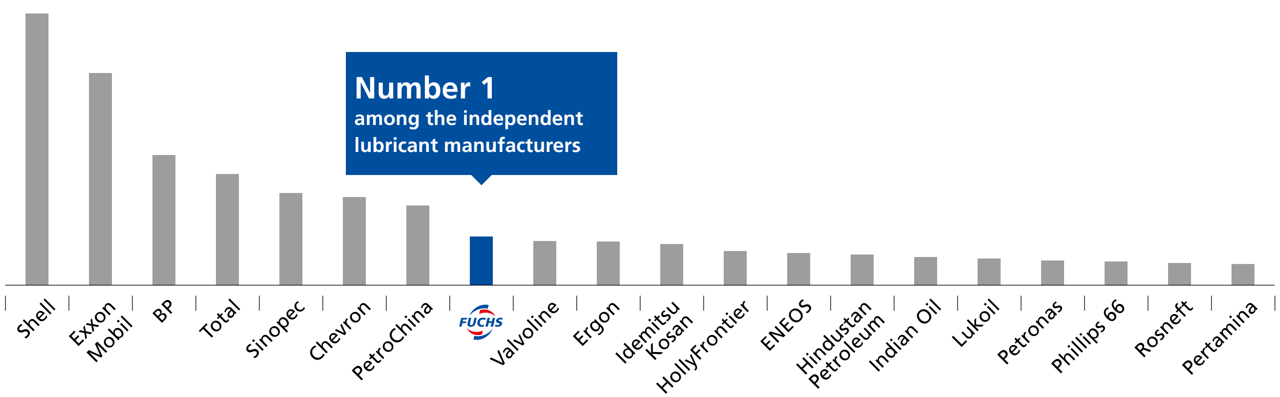
**New way of thinking for future challenges.** With digitalization, e-mobility, globalized customer requirements, and sustainable products and solutions, FUCHS lives in a highly dynamic world full of new challenges. We see these challenges as opportunities to shape our future and continue to succeed. Our FUCHS2025 strategy and transformation program, published in July 2020, represents this commitment, and we will continue its consistent implementation through 2025.

**Culture, structure, strategy.** The framework for FUCHS2025 is built on the three dimensions of culture, structure and strategy. Our employees have developed coordinated concepts and content for these three dimensions.

**Being First Choice.** With the "Being First Choice" vision, we are reinforcing and expressing our sharpened focus. Building on our strengths, we want to be first choice worldwide: for customers, employees, and investors.

**Six strategic pillars.** Our FUCHS2025 strategy is based on six strategic pillars. These serve as guidance for our strategic actions in order to fulfill our "Being First Choice" vision for 2025. Within each pillar, we have formulated concrete objectives and measures.


**Ranking of top 20 lubricant manufacturers[1]**




■ Independent lubricant manufacturers ■ Major oil companies

[1] based on market share

### Global strength

- Use segmentation as a basis for strategic and global business development and align the organization accordingly
- Generate above-average growth in Asia-Pacific and North and South America, thereby achieving a balance between our regions
- Enhance brand appeal by 2025 with strong, differentiated positioning and clear brand architecture in all relevant FUCHS segments

### Operational Excellence

- Establish a global production and sales network; independent supply and technology centers in the three global regions by 2025
- Further standardize production and procurement processes, equipment, and output in order to improve efficiency in the supply chain
- Establish data transparency on the basis of global structures and harmonization of systems

### Customer and Market Focus

- Establish the greatest possible proximity to customers – strengthen the principle of “one face to the customer” and take advantage of cross-selling opportunities: become the full-line supplier for our customers
- Increase our market share in order to taking a leading position in our target segments
- Develop a global service portfolio by 2025 – from a product-oriented to a solution-oriented approach
- Systematically introduce new business models in the broader lubricant environment

### People and Organization

- Be the preferred employer for existing and future employees
- Optimize working conditions and promote global cooperation
- Further improve development programs, skills models, and succession planning; strengthen global recruitment and retention of talented employees
- Promote the internationalization of business units, remote leadership, international job changes, etc.

### Technology leadership

- Encourage innovation-oriented thinking and strengthen our innovative capabilities. Strengthen/establish our technology leadership in all defined target segments
- Introduce digital solutions and platforms to establish even closer connections with our customers beyond lubricants
- Strengthening regional structures and leveraging the expertise and know-how of the three R&D centers in China, the USA and Germany at a global level

### Sustainability

- Economic sustainability: Annual sales revenues growth in the mid-single-digit percentage range, EBIT of €500 million as the target and an EBIT margin of around 15 % at Group level in the long term, an average cash conversion rate of 0.8 and an annual increase in the dividend
- Environmental sustainability: Net zero emissions targets for Scope 1 and 2 emissions by 2040 and Scope 3 emissions by 2050. Conversion of FUCHS sites to green electricity by 2025
- Social sustainability: Each FUCHS company invests at least 0.1 % of local EBIT in social projects every year

**Implementation.** To take full advantage of the potential of our objectives, we focus on two main elements when it comes to implementation. Firstly, we have staffed the Group-wide topic areas as strategic initiatives with global, cross-functional teams. In this way, we ensure that cultural, specialist, and market-specific viewpoints are incorporated in the implementation of the objectives. On the other hand, we take a holistic market segmentation approach that reflects the development and implementation of strategy in customer and market-relevant activities. Along with the development of a segment-oriented organizational structure, we are increasingly focusing on innovation, service solutions, and new market prospects.

**Further development FUCHS100**. Our FUCHS2025 strategy cycle ends with the 2025 financial year. We are already working on its evolution through our new strategy program, FUCHS100, which will be published at the end of 2025. Building on FUCHS2025, FUCHS100 will be more of an evolution than a revolution. We plan to increase focus and achieve disproportionate growth in a few defined areas. And of course, we will set new goals – for 2031, the year in which FUCHS will celebrate its 100th anniversary.

### Increase in company value

With FUCHS2025, FUCHS is continuing to pursue the objective of continually increasing the company's value. We create value for our customers, employees and shareholders. Securing and strengthening our market position in mature markets and sustainably expanding our market position in emerging markets form the basis for this. The conditions for achieving these goals are created through organic growth and – insofar as prudent and possible – external growth, as well as through activities to secure the technological leadership of the FUCHS Group.

### Independent lubricant manufacturer

Maintaining the independence of FUCHS SE remains a factor of particular strategic importance. Our independence enables us to focus on lubricants and related specialties in an efficient environment, while providing scope to further increase company value. It is based, firstly, on the Fuchs family as an anchor shareholder and, secondly, on stable financial support, which allows a sustainable dividend policy and also creates scope for acquisitions.

## Controlling system

### Four key performance indicators

The Executive Board manages FUCHS on the basis of various financial performance indicators. The most important of these key performance indicators (KPIs) is the FUCHS Value Added (FVA). It is characterized by the strategic objective and combines profit with capital employed. In addition, other key performance indicators are regularly reported to the Executive Board and the Supervisory Board. These key performance indicators are also incorporated into the external financial reporting system of FUCHS and are used for general communication with all stakeholders. The following section describes the four most significant performance indicators in more detail. These are unchanged compared with the previous year.

#### Sales revenues

Annual sales revenues are a key performance indicator for FUCHS. FUCHS aims to achieve annual growth in sales revenues in the mid-single-digit percentage range. We use organic growth as a key performance indicator to manage our sales revenues growth. Organic growth is growth in sales revenues adjusted for currency translation and portfolio effects. Portfolio changes resulting from investments are described as external growth. We use organic growth as a key performance indicator both for the entire Group and at regional level.

#### Profitability

Earnings before interest and tax (EBIT) is our central benchmark for managing profitability at Group level. We use EBIT to assess the profitability of the entire Group and the individual segments. This is a KPI commonly used to measure the operating performance of companies that is unaffected by financing or tax effects. EBIT is a component in the calculation of the FVA, the target factor for the variable compensation of the management and the Executive Board. With the forecast for 2025 and an EBIT of around €460 million, FUCHS is taking a step towards the targeted €500 million. In the long term, an EBIT margin of around 15 % is aimed for.

**Liquidity**

FUCHS uses free cash flow before acquisitions as the key liquidity indicator for the entire Group. Free cash flow before acquisitions is defined as cash flow from operating activities, net of capital expenditure on intangible assets and property, plant and equipment. It indicates the scope of available financial resources, particularly for acquisitions, for dividend payments, for the share buyback, for the maintenance of cash and cash equivalents and for the settlement of financial liabilities. Free cash flow before acquisitions, as an important key liquidity indicator, provides the basis for a large number of management decisions. To measure realized cash inflows from net income, FUCHS also relies on the cash conversion rate. This is defined as the ratio of free cash flow before acquisitions to earnings after tax. The goal is to achieve an average cash conversion rate of 0.8.

**FUCHS Value Added as central key performance indicator**

The main KPI for the Group is FVA, which takes into account not only earnings but also capital employed. EBIT is the relevant profit indicator. Capital employed is reflected in the net assets and financial position. Value is only added when the recorded earnings are higher than the costs of the capital employed.

Capital expenditure is largely influenced by investments in property, plant and equipment and in intangible assets, as well as by changes in net operating working capital (NOWC). Property, plant and equipment is managed on the basis of investment appraisals, while NOWC is monitored through the targeted management of its components (inventories, trade receivables and trade payables, advance payments received and liabilities from customer discounts).

The average capital employed for a financial year is determined on the basis of the Group's interest-bearing financial resources and is calculated as an average of the parameters of the portfolio at five quarterly figures, starting from December 31 of the previous year:

Shareholders' equity + Net pension provisions + Financial liabilities − Cash and cash equivalents + Goodwill amortization from previous years (up to 2004: €85 million) = Capital employed

To calculate the costs of capital employed, the weighted average cost of capital (WACC), which is determined on the basis of the capital asset pricing model (CAPM), is used.

The level of WACC is reviewed annually on the basis of up-to-date capital market data as of the end of the reporting period.

The summarized performance indicator FVA therefore shows the successes in earnings management and in controlling the use of capital:

FVA = EBIT − Capital employed × Weighted average cost of capital (WACC)

Variable compensation for local, regional and global management is based on FVA. Entitlements to variable compensation are only granted when positive added value has been generated in the respective financial year.

→ 319 Development of the key performance indicators over the financial years – ten-year overview.

**Budget monitoring as part of the management system**

The instruments for the operational management of the companies include a detailed system that monitors any deviation between target and actual figures in the budget. In the course of the annual budgeting process, goals are defined for companies and regions in terms of growth and EBIT on the basis of gross margins and changes in other operating and staff costs. A monthly target/actual comparison ensures that compliance with the budget is continuously monitored. When targets are not reached, the causes are immediately investigated and countermeasures initiated.

## Research and development

### Operate more sustainably with lubricants

In the reporting year 2024, 641 (597) employees, and thus around 10 % of the total workforce, were engaged in research and development (R&D), working on around 650 projects (680). R&D expenditures amounting to €79 million (71) contributed to further expanding the innovative strength of FUCHS.

Our research units are designed to meet the specific requirements of the industry. To strengthen global R&D capabilities, FUCHS has expanded its regional structures, particularly through its three major R&D centers in Germany, the USA, and China. These centers support the R&D efforts of other units, coordinate projects of regional and global relevance, and enable resource allocation by leveraging network synergies within and across regions.

It is in the nature of lubricants to increase the efficiency of production processes and applications and to help reduce emissions. Furthermore, our focus is increasingly on developing products and processes together with our customers that meet the requirements of the future and align environmental and economic goals. We actively support our customers in reducing their $CO_2$ footprint, increasing resource efficiency, and establishing long-term environmentally friendly solutions.

For example, we have expanded our **ECOCOOL GLOBAL**-range of water-miscible cooling lubricants for cutting and grinding. These lubricants increase productivity and improve the working environment while fully complying with current and future chemical regulations. Customers from the semiconductor industry, in particular, are increasingly demanding the product.

Furthermore, we have advanced the development of efficient and sustainable solutions for New Mobility and have strategically expanded our **FUCHS BlueEV**-product portfolio. Key innovations include electric drivetrain fluids for directly cooled e-motors, lubricating greases for rolling bearings in electric motors, biodegradable heat transfer fluids for charging stations, and thermal management solutions for fuel cells. These advancements support the growing demands of modern mobility systems and make a significant contribution to improving the performance, durability, and sustainability of new vehicle concepts.

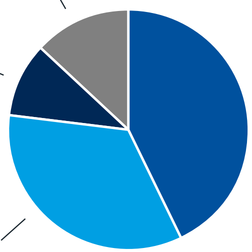
We have also expanded our **RENOCLEAN**-product portfolio, which now includes a single-component cleaner for immersion and spray systems, specifically designed for steel, stainless steel, cast iron, non-ferrous metal, and aluminum surfaces. This product is particularly suited for cleaning metal parts in battery manufacturing, making it a perfect addition to the FUCHS BlueEV series for modern mobility systems.

These selected innovations are just a few examples of newly developed products that can now be introduced across various target markets and industries. Our goal is to expand the FUCHS solutions ecosystem to enable sustainability benefits across the entire value chain.

## Employees

As of December 31, 2024, the FUCHS Group had 6,781 (6,272) employees, of whom 133 (123) were trainees. The total workforce increased by 509 people, or 8% compared with the previous year.

**Functional workforce structure ***




* Excl. 133 (123) trainees

Compared with the reporting date of the previous year, the number of employees, including trainees, in the EMEA region (Europe, Middle East, Africa) increased, particulary due to acquisitions, by 430 (+11%), in the Asia-Pacific region by 57 (+5%) and in North and South America by 18 (+2%).

**Geographical staff structure**

| | Dec 31, 2024 | in % | Dec 31, 2023 | in % |
|---|---|---|---|---|
| EMEA | 4,340 | 64 | 3,910 | 62 |
| Asia-Pacific | 1,116 | 17 | 1,059 | 17 |
| North and South America | 1,164 | 17 | 1,146 | 18 |
| Holding | 161 | 2 | 157 | 3 |
| **Total** | **6,781** | **100** | **6,272** | **100** |
| thereof Germany | 1,994 | 29 | 1,736 | 28 |

### Training

As at December 31, 2024, 80 (78) young people were in dual vocational training at the German companies. 18 (24) trainees and dual students completed their training in the reporting year.

We provide training in different commercial and technical professions. We also offer goal-oriented and qualified high school graduates the opportunity to attend a dual study program, which leads to a bachelor's degree, in cooperation with the Duale Hochschule Baden-Württemberg (DHBW).

Dual study programs are a key building block for junior staff development at FUCHS. In addition to the various training courses and DHBW study programs, we also offer involvement in cross-group, international projects. Many of our current top performers are former FUCHS students, trainees and interns. Many management positions throughout the Group have now been filled by our former students.

# 2.2 Macroeconomic and sector-specific conditions

## Global economy displays moderate growth in 2024, Germany faces second year in recession; trade conflicts pose a risk in 2025

The global economy recorded a growth rate of 3.2 % in 2024, maintaining the previous year's level. The interest rate reversal triggered by declining inflationary pressure has not yet provided significant economic stimulus. Nevertheless, geopolitical risks and uncertainties persist. These include the escalation of the Middle East conflict and the ongoing war in Ukraine. The US government's plans to introduce massive tariffs are causing additional economic uncertainty. While advances in artificial intelligence accelerated digitalization, industrial production in developed economies showed an overall decline.

In China, economic development remained positive due to expansive monetary and fiscal policies. The US also recorded economic growth, supported by strong domestic demand. In the eurozone, economic momentum was comparatively weaker, although growth at 0.7 % was higher than the previous year.

Germany was in recession for the second year in 2024. Declining demand in key industries and structural factors led to this downturn.

For 2025, the IMF forecasts global economic growth of 3.3 %. However, looming trade conflicts represent the most significant risk to the world economy. The new US administration plans to introduce extensive protective tariffs against China, Europe, Canada, and Mexico, potentially exacerbating economic tensions. Additionally, the US is increasingly relying on fossil fuels, which could delay the transition to a carbon-neutral economy. Nevertheless, declining inflation rates in 2025 may enable monetary policy easing, fostering investment. Germany is expected to see only slight economic growth, which should also support overall eurozone development. However, the risks of an escalating trade conflict with the US remain high, particularly for Germany's export-driven economy.

**Development of gross domestic product**

| in % | 2022 | 2023 | 2024 | Forecast 2025 |
|---|---|---|---|---|
| Germany | 1.4 | −0.3 | −0.2 | 0.3 |
| Eurozone | 3.3 | 0.4 | 0.7 | 1.0 |
| USA | 2.5 | 2.9 | 2.8 | 2.7 |
| China | 3.0 | 5.2 | 4.8 | 4.6 |
| Highly developed countries | 2.9 | 1.7 | 1.7 | 1.9 |
| Developing and emerging countries | 4.0 | 4.4 | 4.2 | 4.2 |
| **World** | **3.6** | **3.3** | **3.2** | **3.3** |

Source: International Monetary Fund (IMF).

## Slight decline in global steel production in 2024, positive development in Germany; global recovery expected in 2025

The global steel industry faced a challenging year in 2024. According to the industry association WSA, weak industrial activity, high interest rates, and geopolitical uncertainties significantly impacted the sector. Additionally, the sluggish construction industry led to lower steel demand. As a result, global crude steel production declined by 0.8 %. China, which continues to dominate the global steel market with a 53 % share, recorded a 1.7 % drop in production to 1.005 million metric tons. India, the world's second-largest producer with 150 million metric tons, increased its steel production significantly by 6.3 %. Turkey (+ 9.4 %) and Brazil (+ 5.3 %) also reported significant production growth compared to the previous year. In contrast, Japan (– 3.4 %), South Korea (– 4.7 %), and the

US (–2.4 %) reduced their steel output. Although demand in countries of the European Union fell by 1.5 % in 2024 due to weak developments in the most important customer industries, steel manufacturers increased their crude steel production again for the first time in 2024 (+2.6 %), albeit with regional differences. While Italy (–5.0 %), Sweden (–5.5 %), and especially the United Kingdom (–29.0 %) recorded production declines, Germany (+5.2 %), Spain (+3.3 %), and France (+7.6 %) significantly expanded their output. Belgium and the Netherlands also contributed to Europe's growth.

The industry association WSA remains cautiously optimistic about the future, forecasting moderate but broad-based global steel demand growth in 2025. Gradual interest rate cuts and increased infrastructure investments in major economies, particularly in support of decarbonization and digitalization, are expected to provide momentum. However, the risk of escalating trade disputes has not yet been factored into the WSA forecast. For regions outside China, WSA expects steel demand to grow by 3.3 % in 2025, driven by India (+8.5 %), the ASEAN-5 countries (+3.5 %), the MENA region (+3.8 %), and Brazil (+3.0 %). Additionally, Japan (+1.7 %), the US (+2.0 %), and Mexico (+0.6 %) are expected to see positive trends in the steel industry. In the EU, including the United Kingdom, steel demand is projected to rise (+3.5 %), with Germany expected to outperform the average with a 5.7 % increase. Among major markets, South Korea (–0.6 %) and Turkey (–1.4 %) are expected to slightly lag behind the overall positive trend in 2025.

**Development of crude steel production**

| in % | 2022 | 2023 | 2024 | Forecast 2025 |
|---|---|---|---|---|
| Germany | –8.4 | –3.9 | 5.2 | 5.7 |
| Europe** | –10.5 | –7.4 | 2.6 | 3.5 |
| Asia | –2.3 | 0.7 | –1.0 | 0.7 |
| North America | –5.5 | –1.7 | –4.2 | 1.6 |
| **World** | **–4.2** | **0.0** | **–0.8** | **1.2** |

Source: World Steel Association (WSA).
* Demand Forecast 2025
** EU27 (Forecast: EU27 + UK)

## Global downturn in mechanical engineering in 2024, Germany in deep crisis; slight recovery expected in 2025, eurozone still in recession

Industrial performance in 2024 was divided. While emerging markets achieved moderate growth, industrial production declined in advanced economies. In the USA and the eurozone, capacity utilization has also worsened. Interest rate cuts were only made late in the year, which meant that willingness to invest remained low and the situation in mechanical engineering continued to worsen. According to the industry association VDMA, global real revenue in the sector turned negative. While India (+4 %) and China, Brazil, and Taiwan (each +2 % in real terms) still recorded growth, real revenues declined in Japan (–2 %), South Korea (–2 %), the US (–3 %), and Canada (–6 %). The downturn in Europe accelerated. The United Kingdom (–6 %), Switzerland (–4 %), and the eurozone (–6 %) were under significant pressure. The traditionally export-oriented German mechanical engineering sector suffered particularly heavy losses, with production declining by 8 % in real terms.

In the long term, investment needs, especially in industrialized nations, will be driven by three structural and therefore cycle-independent factors. Increasing protectionism is reinforcing the development of new regional supply chains, while decarbonization requires substantial investments in entirely new production processes and technologies. Additionally, breakthroughs in artificial intelligence are generating further momentum for digitalization, driving investments in new machinery with intelligent technologies. In the short term, VDMA expects a slight recovery in global mechanical engineering in 2025. Growth is projected to continue in China, as well as in India (+5 %), Taiwan (+2 %), and Brazil (+1 %). A turnaround is anticipated for Turkey (+2 %) and the US (+1 %), while Europe is expected to see a further decline in mechanical engineering revenues, albeit with regional differences. The United Kingdom (+1 %) and Switzerland (+3 %) are expected to experience revenue growth, whereas the major markets of France (+0 %), Italy (–1 %), and Germany (–2 %) are likely to remain weak in 2025.

**Engineering sales revenues development***

| in % | 2022 | 2023 | 2024 | Forecast 2025 |
|---|---|---|---|---|
| Germany | 0.0 | −2.0 | −8.0** | −2.0 |
| Eurozone | 3.0 | −1.0 | −6.0 | −1.0 |
| China | 2.0 | 2.0 | 2.0 | 2.0 |
| USA | 3.0 | −3.0 | −3.0 | 1.0 |
| **World** | **3.0** | **0.0** | **−2.0** | **1.0** |

Source: VDMA.
* real growth rate
** Production

## Automotive industry experiences further recovery in 2024, but Germany in decline; growth expected in 2025

In 2024, the automotive industry continued to face the enormous challenge of technological transformation. While internal combustion engines dominated the market, demand for battery electric vehicles (BEVs) continued to grow. Supported by high subsidies, China pushed into US and European markets with a broad range of low-cost models. In response, tariffs were imposed on the import of Chinese BEVs. The global market for passenger vehicles (passenger cars + light vehicles) nevertheless continued to recover in 2024, albeit at a slower pace than in the previous year. According to the German industry association VDA, global sales increased by 3.0 % to 78.5 million units. The Chinese market again recorded strong growth, while the US market developed moderately. Sales in Europe remained weak overall, growing by only 0.9 %. The United Kingdom (+2.6 %) and Spain (+7.1 %) saw significant growth, whereas sales in Italy (−0.5 %) declined slightly and in France (−3.2 %) more noticeably. Across Europe, sales of petrol cars fell by 6.8 % and diesel cars by 11.8 %. As a result, their combined share of total European passenger car sales dropped to 43 % (2023: 48 %). In Germany, production remained stable at 4.1 million vehicles, but manufacturers reduced overseas production by 5.0 %. Domestic sales declined by 1 %.

The outlook for the automotive industry for 2025 is mixed. On the one hand, further declining interest rates could stimulate demand throughout the year. On the other hand, significant market disruptions loom if the new US administration implements its planned tariff increases on imported cars and vehicle parts, particularly from China and Europe. At the same time, the market continues to develop towards BEV. This means that the industry is set for another challenging and risky year. Despite these uncertainties, the VDA forecasts moderate growth in the global market to 80.4 million passenger vehicles in 2025. However, growth momentum in the US and China is expected to slow. For Europe, the VDA anticipates a slight recovery. The sales volume of 2.8 million cars forecast for Germany represents an increase of 0.7 % compared to the previous year, but is still more than 20 % below the level of the pre-crisis year of 2019. German manufacturers plan, according to VDA, to increase domestic vehicle production by 1 % and overseas production by 2 %, bringing total output to approximately 13.9 million units in 2025.

**Development of automotive sales (passenger cars and light trucks)**

| in % | 2022 | 2023 | 2024 | Forecast 2025 |
|---|---|---|---|---|
| Germany | 1.1 | 7.3 | −1.0 | 0.7 |
| Europe | −4.1 | 13.7 | 0.9 | 1.5 |
| China | 10.0 | 11.0 | 6.0 | 0.9 |
| USA | −8.1 | 12.4 | 2.6 | 1.9 |
| **World** | **−1.4*** | **9.8*** | **3.0** | **2.4** |

Sources: Automobile Industry Association (VDA), European Automobile Manufacturers Association (ACEA).
* revised data (VDA)

## Global chemical industry to pick up in 2024; further recovery expected in 2025, Germany under structural pressure as a location

The chemical industry saw a broad-based global recovery in 2024. Excluding the pharmaceutical segment, global chemical production grew by 4.8 %. China maintained strong growth momentum, while the chemical industries in India (+2.0 %), Brazil (+2.5 %), and South Korea (+1.5 %) rebounded from the declines of the previous year. In the US, chemical production stagnated. Only consumer chemicals, polymers, and, to a lesser extent, inorganic base chemicals recorded production increases. The outbreak of the Ukraine war in 2022 and the resulting energy crisis severely impacted the European chemical industry – especially in Germany – plunging it into a deep two-year recession. With a slight increase in production (+2.0 %), the EU chemical industry saw a modest recovery from a very low base. Germany experienced a more pronounced rebound (+4.0 %), with growth primarily driven by petrochemicals, inorganic base chemicals, and polymers.

The VCI expects a divided development in the global chemical industry in 2025. Overall, chemical production is projected to grow by 2.9 %, though this growth will be largely driven by China and emerging markets such as India (+3.0 %) and Brazil (+2.5 %). South Korea (+3.0 %) and the US (+2.0 %) are also expected to continue expanding. In contrast, Japan's chemical production is expected to stagnate, and Europe's outlook remains weak, in line with subdued economic growth in 2025. Germany's chemical industry faces challenges due to weak demand from key customer industries and structural disadvantages at its production sites. These structural issues will continue to pose significant challenges in the coming years. In 2025, chemical production in Germany is expected to stagnate across almost all product segments at a low level. Only consumer chemicals (+1.5 %) are expected to see an increase in production output.

**Development in chemicals production***

| in % | 2022 | 2023 | 2024 | Forecast 2025 |
|---|---|---|---|---|
| Germany | –10.4 | –12.1 | 4.0 | 0.0 |
| EU | –6.1 | –8.5 | 2.0 | 0.5 |
| China | 6.4 | 9.6 | 8.0 | 5.0 |
| USA | 2.6 | –0.1 | 0.0 | 2.0 |
| **World** | **1.6** | **2.7** | **4.8** | **2.9** |

Source: VCI.
* exlucing pharmaceuticals

## Slight growth expected in global lubricant demand

According to a study by Kline, global demand for lubricants is expected to grow slightly, with an average annual growth rate of 1.1 % from 2024 to 2027. The growth in the EMEA region (0.4 %) is expected to be mainly driven by the Middle East (2.2 %) and Africa (2.0 %). Meanwhile, declining growth rates are expected, particularly in Russia (–2.6 %). Growth in the North and South America region (1.1 %) will mainly be driven by increases in Mexico (3.2 %) and Brazil (2.2 %). Slight growth is expected for the USA (0.4 %). The forecasts for the Asia-Pacific region with average annual growth of 1.5 % are underpinned in particular by growth in India (2.8 %) and Indonesia (2.3 %). For the largest country in the region, China, growth of 1.2 % is expected. For the year 2027, global demand for lubricants is expected to be around 37.1 million tonnes. This amounts to an increase of around 1.2 million tonnes compared to the initial level from 2024. The positive trend in demand for higher-quality lubricants is thus set to continue, supported by new technical standards in industrialized countries in particular.

**Development of lubricant requirements**

| in % | Compound annual growth rate (2024–2027) |
|---|---|
| EMEA | 0.4 |
| Asia-Pacific | 1.5 |
| North and South America | 1.1 |
| **World** | **1.1** |

Source: Kline study.

# 2.3 Business performance in 2024 – forecast comparison

## Forecast for EBIT and FVA achieved, free cash flow before acquisitions exceeded

In the past financial year, the FUCHS Group achieved the EBIT and FVA targets set at the beginning of the year. The forecast for free cash flow before acquisitions was exceeded. Only sales revenues fell slightly short of expectations.

The most important key performance indicators returned the following results:

- Sales revenues fell by €16 million (0%) to €3,525 million.
- EBIT increased by €21 million (5%) to €434 million.
- FVA improved from €212 million to €245 million.
- Free cash flow before acquisitions amounted to €306 million, compared to €465 million in the previous year.

→ ⌗ Comparison of actual vs. forecasted business performance

The sales revenues forecast for 2024 was made under high uncertainties regarding the future development of raw material and sales prices. During the course of 2024, declining prices led to lower sales revenues. Despite business expansion and volume growth, sales revenues could not be increased as expected. However, thanks to an improved gross margin, EBIT still met the original expectations.

Investments, excluding right-of-use assets, amounted to €80 million in 2024, below the comparable depreciation level of €85 million.

Following the disruptions of previous years, FUCHS generated free cash flow before acquisitions at a normalized level of €306 million in the reporting year. While this figure was significantly below the prior year's level, which had benefited from special effects, it exceeded expectations due to lower capital commitments.

The FVA reached a value of €245 million (212), which was in line with expectations, with the cost of capital falling by 0.5 percentage points to 10.0% (10.5).

**Comparison of actual vs. forecasted business performance**

| Performance indicator | Forecast 2024 | Actual 2024 | Evaluation |
|---|---|---|---|
| Sales revenues | around €3.6 billion | €3.5 billion | not achieved |
| EBIT | around €430 million | €434 million | achieved |
| FVA | around €240 million | €245 million | achieved |
| Free cash flow before acquisitions | around €250 million | €306 million | exceeded |

# 2.4 Group performance and results

## Sales revenues (performance)

**Regional development of sales revenues by company location**

| in € million | 2024 | 2023 | Organic growth | External growth | Currency translation effects | Total change absolute | Total change in % |
|---|---|---|---|---|---|---|---|
| EMEA | 2,029 | 2,041 | –34 | 17 | 5 | –12 | –1 |
| Asia-Pacific | 986 | 979 | 23 | 0 | –16 | 7 | 1 |
| North and South America | 678 | 687 | –3 | 2 | –8 | –9 | –1 |
| Sales revenues before consolidation | 3,693 | 3,707 | –14 | 19 | –19 | –14 | – |
| Consolidation | –168 | –166 | –2 | 0 | 0 | –2 | – |
| **Total** | **3,525** | **3,541** | **–16** | **19** | **–19** | **–16** | **0** |

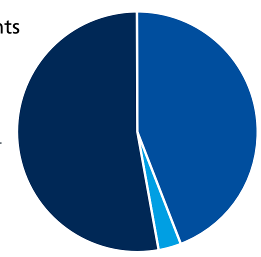
### Business growth stabilizes sales revenues

In the past financial year, FUCHS generated sales revenues at the previous year's level (3,541) of €3,525 million.

In a challenging economic environment, it was possible to achieve organic business growth and thus largely offset price adjustments that led to a decline in sales revenues. In total, the organic decline in sales revenues was limited to €16 million (0 %).

Acquisitions in the second half of the year generated external growth of €19 million or 1 %. This was offset by negative exchange rate effects of the same amount, which resulted primarily from the Asian currency area.

**Breakdown of Group sales revenues by product group**




**Growth factors**

| | in € million | in % |
|---|---|---|
| Organic growth | –16 | 0 |
| External growth | 19 | 1 |
| Effects from currency translation | –19 | –1 |
| **Growth in sales revenues** | **–16** | **0** |

**Group sales revenues by customer location**

| in € million | 2024 | Share in % | 2023 | Share in % | Change absolute | Change in % |
|---|---|---|---|---|---|---|
| EMEA | 1,821 | 52 | 1,834 | 52 | – 13 | – 1 |
| Asia-Pacific | 1,028 | 29 | 1,024 | 29 | 4 | 0 |
| North and South America | 676 | 19 | 683 | 19 | – 7 | – 1 |
| **Total** | **3,525** | **100** | **3,541** | **100** | **– 16** | **0** |

## Asia-Pacific increases share of total sales revenues

While the regions Europe, Middle East, and Africa (EMEA) and North and South America recorded sales revenues declines of 1 % each due to currency and price effects, the APAC region increased its sales revenues by 1 %. This allowed the Asia-Pacific region to slightly increase its share of total unconsolidated sales revenues by one percentage point to 27 % (26) based on the location of the companies. The North and South America region generated 18 % (19) of total unconsolidated sales revenues in the past financial year, losing one percentage point. EMEA remained constant at 55 % (55), continuing to be the most revenue-generating region by far.

## Group sales revenues by customer location unchanged

There were no changes in the distribution of Group sales revenues by customer location compared to the previous year. Furthermore, a good half of the consolidated Group sales revenues, amounting to 52 % (52), are generated with customers in the EMEA region. The second-largest sales market remained the Asia-Pacific region. As in the previous year, FUCHS generates 29 % (29) of its sales revenues with customers based there. The remaining 19 % (19) of sales revenues was generated from customers in the North and South America region.

## Results of operations

**Group results of operations**

| in € million | 2024 | in % | 2023 | in % | Change |
|---|---|---|---|---|---|
| Sales revenues | 3,525 | 100.0 | 3,541 | 100.0 | –16 |
| Cost of sales | –2,310 | –65.5 | –2,396 | –67.7 | 86 |
| Gross profit | 1,215 | 34.5 | 1,145 | 32.3 | 70 |
| Other function costs [1] | –789 | –22.4 | –739 | –20.8 | –50 |
| EBIT before income from companies consolidated at equity | 426 | 12.1 | 406 | 11.5 | 20 |
| Income from companies consolidated at equity | 8 | 0.2 | 7 | 0.2 | 1 |
| EBIT | 434 | 12.3 | 413 | 11.7 | 21 |
| Financial result | –6 | –0.2 | –10 | –0.3 | 4 |
| Income taxes | –126 | –3.5 | –120 | –3.4 | –6 |
| **Earnings after tax** | **302** | **8.6** | **283** | **8.0** | **19** |

[1] Including other operating expenses and other operating income.

### EBIT at a new high again, EBIT margin improves from 11.7% to 12.3%

In a challenging economic environment, FUCHS achieved a new high in EBIT of €434 million in the past financial year, exceeding the prior-year level by €21 million. The EBIT margin improved by 0.6 percentage points to 12.3% (11.7).

The positive EBIT development with price-related sales revenues at the previous year's level resulted from a significant increase in the gross profit margin from 32.3% to 34.5%. This was the result of targeted measures to reduce product costs and achieve a stabilizing pricing environment. As a result, gross profit increased by €70 million or 6% to €1,215 million (1,145).

However, this gain was offset by an increase in other functional costs of €50 million or 7%. Personnel costs were a key factor in this increase, rising significantly above the prior-year level due to acquisitions and collectively agreed salary adjustments. Additionally, costs were impacted by the growing importance of IT-driven processes and preparations for the implementation of S4/HANA. Energy costs were lower than in the previous year but remain a minor factor in FUCHS' overall cost structure.

As a result, EBIT before at-equity consolidated companies increased by €20 million, raising the corresponding margin by 0.6 percentage points to 12.1%.

With a slight improvement in the result from at-equity consolidated companies (at-equity result) by €1 million to €8 million (7), overall EBIT increased by €21 million or 5% to €434 million (413). For the second consecutive year, the EBIT margin improved significantly, reaching 12.3% (11.7). While still below the long-term target of 15%, it moved progressively closer to this benchmark.

Earnings after taxes rose by 7%, stronger than EBIT and increased by €19 million to €302 million. The tax rate (income taxes in relation to earnings before taxes excluding earnings from equity) fell from 30.3% to 30.0% following the elimination of burdening special effects from the previous year. The net profit margin improved from 8.0% to 8.6%, while earnings per ordinary and preference share benefited from the share buyback and increased by €0.21 or around 10% to €2.29 (2.08) and €2.30 (2.09) respectively.

Exchange rate effects from different regions largely offset each other and had only a minor negative impact on the result.

# 2.5 Sales revenues, results of operations, and investments in the regions

## Europe, Middle East, Africa (EMEA)

**Segment information for EMEA [1]**

| in € million | 2024 | 2023 |
|---|---|---|
| Sales revenues by company location | 2,029 | 2,041 |
| Organic growth | –34 (–2 %) | 49 (2 %) |
| External growth | 17 (1 %) | – |
| Currency translation effects | 5 (0 %) | –44 (–2 %) |
| Gross Profit | 650 | 613 |
| EBIT before at equity | 219 | 206 |
| At equity income | 8 | 7 |
| Segment earnings (EBIT) | 227 | 213 |
| Additions to non-current assets [2] | 47 | 43 |
| Capital expenditure [3] | 37 | 32 |
| Acquisitions [4] | 75 | 0 |
| Employees as of 31 December | 4,340 | 3,910 |

[1] For further information, refer to the financial report: "Segments."
[2] Investments plus additions to rights of use from rental and leasing agreements – excluding financial instruments, deferred tax assets and defined benefit pension assets.
[3] Excluding additions to rights of use.
[4] Additions to property, plant and equipment and intangible assets.

### Sales revenues price-driven slightly below prior year

The EMEA region generated sales revenues of €2,029 million (2,041) in the past financial year, slightly below the prior-year level. External growth of 1 % partially offset an organic sales revenues decline of 2 % driven by pricing effects.

Price adjustments determined the sales revenues development in the majority of the entities. While Germany and the UK experienced sales revenues declines due to this, Eastern Europe and South Africa were able to offset price adjustments through business growth, achieving organic sales revenues increases. The acquisition of the LUBCON Group, a manufacturer of high-performance specialty lubricants, in July and the takeover of Swiss company STRUB AG, a provider of industrial lubricants and specialty products for the Swiss market, in November contributed external growth of €17 million or 1 %. Currency translation effects were negligible.

### EBIT continues to grow strongly, up 7 %

After an already successful 2023, the EMEA region continued to improve its performance despite persistent economic challenges, increasing its earnings by €14 million or 7 % to €227 million.

A favorable product mix and savings in procurement offset price-related sales revenues declines, allowing the gross margin to improve to 32.0 % (30.0) and gross profit to increase by €37 million or 6 %. This increase offset a primarily acquisition- and inflation-driven rise in other functional costs, mainly personnel expenses, enabling EBIT before at-equity consolidated companies to grow by €13 million to €219 million and the corresponding EBIT margin to rise from 10.1 % to 10.8 %.

The majority of companies contributed to the improvement in results. Eastern Europe and South Africa showed particularly strong performances, while the UK was unable to replicate the previous year's success. In France, restructuring costs for site realignment weighed on the result.

At-equity consolidated companies contributed €8 million (7) to the segment result, €1 million more than in the previous year. While entities in the Middle East and southern Africa faced challenging economic conditions, the Saudi Arabian joint venture performed positively.

Exchange rate developments had little significant impact on the region's results. Slightly positive exchange rate effects, mainly from the United Kingdom and Poland, were largely offset by negative effects from other Eastern European countries.

### EMEA increases investments, focus remains on Germany and South Africa

The EMEA region invested approximately €37 million (32), significantly exceeding the previous year's capital expenditures in property, plant, and equipment, as well as intangible assets. Investment activities remained focused on the German sites in Mannheim, Kaiserslautern, and Kiel. Around €13 million (12) was allocated to various replacement, modernization, and expansion projects. A future-oriented investment was made in Kaiserslautern. We continued to invest in buildings and other infrastructure there, which we provide to our joint venture E-Lyte, thus creating the conditions for the establishment of the first German production facility for electrolyte solutions by E-Lyte. In the future, E-Lyte will manufacture high-performance electrolytes for batteries in the industrial and automotive sectors in Kaiserslautern. Further investments were made in South Africa, as in the previous two years. The construction of new storage, mixing, and filling capacities marked the preliminary completion of the modernization, automation, and expansion of the Johannesburg site.

Beyond capital investments, additions to long-term assets also included €10 million (11) in usage rights from lease agreements, primarily related to various vehicle leases.

## Asia-Pacific

**Segment information for Asia-Pacific**[1]

| in € million | 2024 | 2023 |
| --- | --- | --- |
| Sales revenues by company location | 986 | 979 |
| Organic growth | 23 (2%) | 124 (13%) |
| External growth | – | – |
| Currency translation effects | –16 (–1%) | –74 (–8%) |
| Gross Profit | 302 | 285 |
| EBIT before at equity | 118 | 111 |
| At equity income | 0 | 0 |
| Segment earnings (EBIT) | 118 | 111 |
| Additions to non-current assets[2] | 16 | 34 |
| Capital expenditure[3] | 14 | 29 |
| Acquisitions[4] | 0 | 0 |
| Employees as of 31 December | 1,116 | 1,059 |

[1] For further information, refer to the financial report: "Segments."
[2] Investments plus additions to rights of use from rental and leasing agreements – excluding financial instruments, deferred tax assets and defined benefit pension assets.
[3] Excluding additions to rights of use.
[4] Additions to property, plant and equipment and intangible assets.

### Sales revenues growth through business expansion

Despite negative currency effects and price adjustments, the Asia-Pacific region slightly increased its sales revenues by €7 million or 1% to €986 million.

After experiencing double-digit organic growth in 2023, the region's momentum slowed in the past financial year due to the weaker economic environment in China. Nevertheless, the region continued to benefit from business expansion, offsetting price-related sales revenues losses and achieving organic growth of €23 million or 2%. Growth was driven by China and Australia, as well as Japan, India, and smaller entities in East and Southeast Asia. Sales revenues were negatively impacted by currency translation effects amounting to €16 million or 1%, affecting almost all countries in the region.

### EBIT exceeds prior-year figure by €7 million

With a 1% increase in sales revenues, the Asia-Pacific region achieved a 6% rise in EBIT, up €7 million to €118 million.

This was driven by an improvement in the gross margin from 29.1% to 30.6%, resulting in a disproportionately high gross profit increase of €17 million or 6%. The additional gross profit offset both inflation-related personnel cost increases and innovation-driven rises in IT/ERP expenses and depreciation within other functional costs. As a result, the EBIT margin increased by approximately 0.7 percentage points, reaching 12.0% (11.3).

The region benefited first and foremost from the strong earnings performance in China. India also continued its growth trajectory. However, Vietnam and especially Indonesia were unable to match their previous year's results due to startup costs for the new plant in Vietnam.

The strength of the euro slightly impacted the results of almost all countries.

### Investments significantly lower than the previous year

After high expenditures in previous years, the Asia-Pacific region significantly reduced investments in property, plant, and equipment as well as intangible assets from €29 million to €14 million. Around half of these investments went into projects at the Chinese sites. The focus here was again on expanding into a specialty manufacturer. In Yingkou, a specialty grease plant for high-performance products based on different types of soap was put into operation. In Suzhou, the construction of production facilities for our specialty business began.

Outside of China, investments primarily focused on modernizing production in Australia and expanding the Korea site.

Additions to usage rights from lease agreements totaled approximately €2 million (5), primarily from contracts signed in Australia and India.

## North and South America

**Segment information for North and South America**[1]

| in € million | 2024 | 2023 |
|---|---|---|
| Sales revenues by company location | 678 | 687 |
| Organic growth | −3 (0%) | 89 (14%) |
| External growth | 2 (0) | – |
| Currency translation effects | −8 (−1%) | −55 (−9%) |
| Gross Profit | 267 | 247 |
| EBIT before at equity | 91 | 79 |
| At equity income | 0 | 0 |
| Segment earnings (EBIT) | 91 | 79 |
| Additions to non-current assets[2] | 42 | 23 |
| Investments[3] | 21 | 21 |
| Acquisitions[4] | 27 | 0 |
| Employees as of 31 December | 1,164 | 1,146 |

[1] For further information, refer to the financial report: “Segments.”
[2] Investments plus additions to rights of use from rental and leasing agreements – excluding financial instruments, deferred tax assets and defined benefit pension assets.
[3] Excluding additions to rights of use.
[4] Additions to property, plant and equipment and intangible assets.

### Sales revenues slightly below the prior year due to currency and pricing effects

After three years of strong growth, the North and South America region recorded a slight sales revenues decline of €9 million or 1 % to €678 million in 2024, driven by pricing and currency effects. As seen in EMEA and Asia-Pacific, negative price adjustments throughout the year led to declining sales revenues. Positive business development was primarily achieved in the US specialty segment as well as in Mexico. The economic situation in Argentina remained challenging, which negatively impacted business performance in the country. The continued depreciation of the Argentinian peso, and even more so the weakness of the Brazilian real, contributed to negative currency effects amounting to €8 million or 1 % in total.

## Region sets new high with EBIT jump to €91 million

Despite declining sales revenues, North and South America achieved a strong EBIT increase from €79 million to €91 million.

Measures to reduce product costs and the strong growth of the high-margin specialty business enabled an additional €20 million in gross profit and an increase in the gross margin to 39.4 % (36.0). In an environment still characterized by inflation, this helped offset the continued significant increase in personnel and other functional costs, resulting in a substantial EBIT margin improvement from 11.5 % to 13.4 %. With EBIT growth of 15 %, the region contributed €12 million to the Group's overall earnings growth.

The positive earnings performance was again driven by Nye, the North American specialty manufacturer acquired in 2020, as well as the Mexican subsidiary. In contrast, Argentina fell short of the previous year's results.

Exchange rate effects largely offset each other within the region and had no impact on the result.

## Investment volume remains at prior-year level, focus on the US

As in the previous year, investments worth €21 million (21) were made in various modernization and maintenance projects in North and South America.

The primary investment focus was on the US, with funds allocated particularly to the Harvey, Kansas City, and Huntington sites.

Investments were further supplemented by additions to usage rights from lease agreements totaling €21 million (2). The largest individual long-term contracts were signed in the US, covering the leasing of research and storage facilities.

# 2.6 Net assets and financial position

## Balance sheet structure

**Financial position**

| | December 31, 2024 | | December 31, 2023 | | |
|---|---|---|---|---|---|
| | in € million | in % | in € million | in % | Change in € million |
| Goodwill | 309 | 12 | 249 | 10 | 60 |
| Other intangible assets | 87 | 3 | 72 | 3 | 15 |
| Property, plant and equipment | 813 | 31 | 751 | 31 | 62 |
| Other non-current assets | 116 | 5 | 108 | 5 | 8 |
| **Non-current assets** | **1,325** | **51** | **1,180** | **49** | 145 |
| Inventories | 567 | 22 | 524 | 21 | 43 |
| Trade receivables | 519 | 20 | 500 | 21 | 19 |
| Cash and cash equivalents | 153 | 6 | 175 | 7 | −22 |
| Other current assets | 46 | 1 | 43 | 2 | 3 |
| Assets held for sale | 0 | 0 | 1 | 0 | −1 |
| **Current assets** | **1,285** | **49** | **1,243** | **51** | **42** |
| **Total assets** | **2,610** | **100** | **2,423** | **100** | **187** |

### Total assets increase primarily due to acquisitions

Total assets grew in 2024, mainly driven by acquisitions during the financial year, surpassing the €2.5 billion mark. Assets and liabilities amounted to €2,610 million, representing an increase of approximately 8% compared to the previous year.

### Acquisitions increase long-term assets

As of the reporting date, the book value of long-term assets stood at €1,325 million (1,180), up 12% year-over-year. The primary drivers of this €145 million increase were acquisitions completed during the fiscal year, which led to a €60 million rise in goodwill and significantly contributed to the €62 million increase in recognized fixed assets.

### Reduction in cash and cash equivalents due to acquisitions

The acquisitions made in 2024 also had a significant impact on the development of current assets. Inventories and receivables were key factors behind the increases of €43 million or 8% and €19 million or 4%, respectively. In terms of liquid assets, they, along with the share buyback completed in the summer, were largely responsible for the decrease of €22 million or 13%, despite a free cash flow before acquisitions of €306 million.

### Equity ratio remains at a high level

Despite the completion of the share buyback program in summer, equity increased slightly by €96 million to €1,900 million compared to the previous year, due to continued reinvestment. As part of the share buyback, a total of 4 million ordinary shares and 4 million preference shares were repurchased between 2022 and 2024 for a total purchase price of €263 million, including transaction costs. During the past financial year, €79 million was allocated for share buybacks and deducted from equity. With an increased balance sheet total, the equity ratio remained at a high level but declined by one percentage point to 73% (74).

### Long-term liabilities remain low but increase slightly

As of December 31 of the reporting year, total liabilities amounted to €710 million (619), compared to equity of €1,900 million (1,804).

Long-term liabilities accounted for €130 million (94), reflecting an increase of €36 million over the previous year. However, at 5 % (4) of the total balance sheet, long-term liabilities remained at a low level. The primary contributors to the absolute increase were a €22 million rise in lease liabilities included in the financial liabilities and a €7 million increase in deferred taxes, mainly due to the acquisition of the LUBCON Group. In contrast, an additional €1 million in pension provisions had no material impact. Pension provisions now amount to €11 million (10) and, following full funding in previous years, primarily affect our entities in Germany. The increase in the reporting year was mainly due to the recalculation of provisions not recognized in profit or loss as a result of decreasing interest rates.

## Increase in short-term liabilities

Short-term liabilities also increased compared to the prior-year balance sheet date, rising by €55 million to €580 million (525).

This development was primarily driven by the addition of €25 million (+71 %) in financial liabilities, mainly to finance acquisitions in the second half of the year, as well as a €21 million or 8 % increase in trade payables. In addition, provisions – primarily related to a planned business restructuring in France – increased by €5 million. Other short-term liabilities increased by €4 million.

→ # Capital structure

**Capital structure**

| | December 31, 2024 | | December 31, 2023 | | |
|---|---|---|---|---|---|
| | in € million | in % | in € million | in % | Change in € million |
| **Total equity** | **1,900** | **73** | **1,804** | **74** | **96** |
| Pension provisions | 11 | 0 | 10 | 0 | 1 |
| Deferred taxes | 53 | 2 | 46 | 2 | 7 |
| Non-current financial liabilities | 52 | 2 | 28 | 1 | 24 |
| Other non-current liabilities | 14 | 1 | 10 | 1 | 4 |
| **Non-current liabilities** | **130** | **5** | **94** | **4** | **36** |
| Trade payables | 281 | 11 | 260 | 11 | 21 |
| Provisions | 22 | 1 | 17 | 1 | 5 |
| Financial liabilities | 60 | 2 | 35 | 1 | 25 |
| Other current liabilities | 217 | 8 | 213 | 9 | 4 |
| **Current liabilities** | **580** | **22** | **525** | **22** | **55** |
| **Total equity and liabilities** | **2,610** | **100** | **2,423** | **100** | **187** |

## Contractual investment obligations for property, plant and equipment reduced

In addition to the reported liabilities, there were contractual investment obligations for property, plant, and equipment of €12 million (16) at the reporting date. Approximately 30 % of these obligations were related to China, primarily due to the continued expansion of the Wujiang plant. In addition, Germany reported higher commitments for various individual projects.

## Acquisitions, share buybacks and increased NOWC reduce net liquidity

At the end of the past financial year, the FUCHS Group reported net liquidity of €41 million (112). This reflects a decrease of €71 million compared to the previous year. This decline was primarily driven by the continued share buyback program and acquisitions made during the reporting period and due to the additional approximately €39 million tied up in net working capital. As a result, the group's long- and short-term financial liabilities increased by €49 million, while cash and cash equivalents decreased by €22 million.

### Slight increase in Net Operating Working Capital (NOWC)

Compared with year-end 2023, NOWC (calculated as the balance of inventories plus trade receivables less trade payables and advance payments received and liabilities from customer discounts) increased by €39 million or 5% to €768 million (729). The main drivers of this development were inventories, which were built up in EMEA primarily for acquisition related reasons and in North America to cushion the potential consequences of a trade war. As a result, NOWC in relation to annualized sales in the fourth quarter deteriorated from 21.6% in the previous year to 22.3% at the end of the reporting year. This represents an increase in the average capital tie-up period of 3 days to 82 days (79).

On average over five quarters, FUCHS deployed 40% of its capital for property, plant and equipment, 18% for intangible assets, and 42% to finance its net operating working capital. These three values mainly determine the cost of capital invested and thus also have a significant impact on the FVA. The reduction in the average funds tied up in NOWC by €42 million or 5% more than compensated for the primarily acquisition-related increase in property, plant and equipment and intangible assets totaling €39 million. This contributed significantly to reducing the capital employed over five quarters by 2%.

**Use of capital employed**[1]

| in € million | 2024 | 2023 | Absolute change | Change in % |
|---|---|---|---|---|
| Property, plant and equipment[1] | 767 | 741 | 26 | 4 |
| Intangible assets[1] | 347 | 334 | 13 | 4 |
| Net operating working capital (NOWC)[1] | 791 | 833 | –42 | –5 |
| | **1,905** | **1,908** | **–3** | **0** |
| Other items[1] | –20 | 6 | –26 | >–100 |
| **Capital employed**[1] | **1,885** | **1,914** | **–29** | **–2** |

[1] Average figures, each based on five quarterly values.

## Investments and acquisitions

### Investments at level of depreciation and amortization

Even four years after the completion of its major investment initiative, FUCHS continues to invest in the maintenance, expansion, and modernization of its locations – amounting to approximately €80 million (83) in the past financial year. As a result, investments in property, plant, and equipment, as well as intangible assets, were below prior year's level and below the comparable level of depreciation, excluding usage rights (85). Of the total investment sum, €72 million was allocated to the regions, while the remaining €8 million was spent at the holding company, primarily for the strategic initiative TRANSFORM2GROW. As part of this project, FUCHS is leveraging the upcoming transition to S/4HANA as its new ERP solution to restructure, optimize, and harmonize its entire internal processes and data structure. Initial preparatory activities related to this project have been capitalized, including the acquisition of on-premise licenses.

**Investments**[1]

| in € million | 2024 | 2023 |
|---|---|---|
| EMEA | 37 | 32 |
| Asia-Pacific | 14 | 29 |
| North and South America | 21 | 21 |
| Holding companies | 8 | 1 |
| **Total** | **80** | **83** |

[1] Excluding additions to rights of use.

→ 49 Further information under sales revenues, results of operations, and investments in the regions

### Strategic acquisitions to expand the product and market portfolio

FUCHS executed several acquisitions in the past financial year, further expanding its portfolio of strategic products and markets. The largest acquisition was the takeover of the LUBCON Group, a manufacturer of specialty lubricants with over 200 employees, headquartered in Maintal, with a global presence. In the USA, a forward-looking business in the field of electrification was acquired. And with the acquisition of STRUB Group, which joined the FUCHS Group in December with around 55 employees, FUCHS gains direct access to the Swiss market.

## Depreciation and amortization

### Depreciation and amortization at previous year level

Scheduled depreciation on property, plant, and equipment and intangible assets, including usage rights, increased by around €5 million or 5 % to €97 million (92), partly due to the commissioning of the specialty grease plant in China.

## Statement of cash flows

### Free cash flow before acquisition at €306 million at normalized level

After years marked by one-off effects, FUCHS generated a normalized free cash flow before acquisitions of €306 million (465) in the reporting year. In 2021 and 2022, the sharp rise in procurement costs and the resulting inventory and receivables buildup due to price increases had significantly strained cash flow. In 2023, thanks to stabilized supply chains and slightly declining prices toward year-end, €117 million in net working capital was released, resulting in an exceptionally strong free cash flow before acquisitions of €465 million. This positive special effect did not recur in the past financial year 2024, so despite an improvement in the result after taxes by €19 million to €302 million (283) and depreciation and impairments at the previous year's level of €97 million (98), the cash flow was lower.

As expected, net working capital changed only moderately in 2024, with largely stable sales revenues. A minor cash outflow due to inventory buildup was mostly offset by positive developments in payables, leading to a total net working capital increase of €13 million, which had little impact on cash flow compared to previous years.

A slight positive effect resulted from other changes amounting to €4 million (45), though to a lesser extent than in the prior year, which had benefited from various one-off effects.

**Statement of cash flows**

| in € million | 2024 | 2023 |
|---|---|---|
| Earnings after tax | 302 | 283 |
| Depreciation, amortization and impairment | 97 | 98 |
| Change of NOWC | –13 | 117 |
| Other changes | 4 | 45 |
| **Cash flow from operating activities** | **390** | **543** |
| Cash paid for intangible assets and property, plant and equipment | –83 | –83 |
| Cash paid for shares in companies consolidated at equity | –2 | 0 |
| Cash received from the disposal of non-current assets | 1 | 5 |
| **Free cash flow before acquisitions** | **306** | **465** |
| Cash paid for acquisitions less cash acquired | –101 | –4 |
| **Free cash flow** | **205** | **461** |

Consequently, cash inflow from operating activities amounted to €390 million (543). As in the previous year, this inflow was offset by cash outflows of €83 million (83) for capital expenditures, with proceeds from cash received from the disposal of non-current assets totaling €1 million (5) and cash outflows of €2 million (0) for additional shares in E-Lyte GmbH. This resulted in a free cash flow before acquisitions of €306 million (465).

Acquisitions completed in 2024 had a negative impact of €101 million (4) on cash flow, leaving a free cash flow of €205 million (461) for the reporting year.

Dividends totaling €146 million (145) were paid to shareholders. Cash and cash equivalents decreased year-on-year by €22 million from €175 million to €153 million.
→ **319** Development of the VFE situation over the financial years – ten-year overview

## Liquidity situation, financing structure, and dividend policy

### Liquidity levels and financing strategy

At the end of the reporting year, FUCHS had cash and cash equivalents of €153 million (175). In addition to its cash and cash equivalents, FUCHS can also use free credit lines with credit institutions in the amount of €253 million by December 31, 2024 (245) to raise additional funds quickly and flexibly if needed, thanks to its robust balance sheet structure.

This will ensure the Group's flexibility and independence. As demonstrated last year, the strong financial position and solid balance sheet structure enable future investments as well as the implementation of special projects such as share buybacks, even in a difficult economic environment, and create scope for taking advantage of potential acquisition opportunities.

There were no planned changes to the financing policy or financing management as at the reporting date.

### Increasing dividend as a goal

FUCHS pursues a policy of annually increasing dividends.

# 2.7 Overall position and performance indicators

The Executive Board is convinced that the FUCHS Group remains in a good economic position.

## FVA performance indicator

FUCHS employs a uniform KPI for the purposes of value-oriented corporate control in the form of FUCHS Value Added (FVA): → 37 Controlling system

**FVA** = **EBIT** − **Capital employed** × **Weighted average cost of capital (WACC)**

## WACC 2024

Basic data[1]:

- Shareholder's equity costs[2] = 7.9% (8.1) after and 11.2% (11.6) before tax
- Borrowing costs[3] = 2.4% (2.7) after and 3.5% (3.8) before tax
- Financing structure[4] = 83% (84) total equity and 17% (16) borrowed capital
- Group tax rate = 30% (30)

[1] Empirical financial market data as of December 31, 2024.
[2] Risk-free interest rate + market risk premium × beta factor.
[3] Risk-free interest rate + sector-specific risk surcharge.
[4] Sector-specific financing structure at market values.

In an environment of falling interest rates, the WACC before taxes calculated using the data as of December 31, 2024, rounded down from 10.5% in the previous year to 10.0%.

The WACC is included in the FVA as a pretax interest rate because the earnings component is also taken into consideration as a pretax figure (EBIT).

At €1,885 million (€1,914), the capital employed was €29 million lower than the previous year. With a simultaneous reduction in the WACC to 10.0%, the cost of capital was reduced by €12 million or 6%.

EBIT improved significantly by EUR 21 million, so that FVA increased overall by €33 million to €245 million (212).

**FVA up by €33 million driven by an improved result and lower WACC**

| in € million | 2024 | 2023 | Change absolute | Change in % |
|---|---|---|---|---|
| EBIT | 434 | 413 | 21 | 5 |
| Capital employed | | | | |
| Total equity[1] | 1,823 | 1,809 | 14 | 1 |
| + financial liabilities[1] | 124 | 171 | −47 | −27 |
| + net pension provisions[1] | 5 | 1 | 4 | >100 |
| + amortized goodwill[1] | 85 | 85 | – | – |
| − cash and cash equivalents[1] | 152 | 152 | 0 | −0 |
| Total capital employed | 1,885 | 1,914 | −29 | −2 |
| WACC (in %) | 10.0 | 10.5 | −0.5 points | −5 |
| Capital costs | 189 | 201 | −12 | −6 |
| **FVA** | **245** | **212** | **33** | **16** |

[1] Average figures, each based on five quarterly values.

**Five-year report of FVA and its components**

| in € million | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| EBIT | 434 | 413 | 365 | 363 | 313 |
| Average capital employed | 1,885 | 1,914 | 1,929 | 1,667 | 1,562 |
| Capital costs | 189 | 201 | 193 | 158 | 148 |
| WACC (in %) | 10.0 | 10.5 | 10.0 | 9.5 | 9.5 |
| FVA | 245 | 212 | 172 | 205 | 165 |

## Liquidity as a performance indicator

FUCHS uses free cash flow before acquisitions as the key liquidity indicator for the Group. It is defined as cash flow from operating activities, net of cash paid for intangible assets and property, plant and equipment Free cash flow before acquisitions indicates the scope of available financial resources, particularly for acquisitions, dividend payments and the settlement of debts and increasing cash and cash equivalents. Free cash flow before acquisitions as an important key liquidity indicator provides the basis for a large number of management decisions.

In the past financial year 2024, FUCHS generated free cash flow before acquisitions of €306 million (465). Cash paid for acquisitions, net of acquired cash, amounted to €101 million (4), resulting in a free cash flow of €205 million (461).

This was primarily used for a further slight increase in dividend payments to €146 million (145) and cash paid of €79 million (122) for share repurchases under the share buyback program. As a result, cash and cash equivalents decreased slightly by €22 million compared to the previous year's reporting date, amounting to €153 million (175).

In addition to the free cash flow before acquisitions, FUCHS bases its assessment of the liquidity performance factor on the cash conversion rate (CCR) measured as the ratio of free cash flow before acquisitions to earnings after tax. In the past financial year, FUCHS achieved a cash conversion rate of 1.01 (1.64), significantly exceeding the target CCR of 0.8.

The following overview presents the evolution of the main liquidity indicators.

**Five-year overview of free cash flow, dividends (distribution amount) and cash conversion rate**

| in € million | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|
| Free cash flow before acquisitions | 306 | 465 | 61 | 90 | 238 |
| Cash paid for acquisitions less cash acquired | –101 | –4 | –2 | –29 | –114 |
| Free cash flow | 205 | 461 | 59 | 61 | 124 |
| Dividend distribution (for the previous year) | 146 | 145 | 143 | 137 | 135 |
| Cash conversion rate[1] | 1.0 | 1.6 | 0.2 | 0.4 | 1.1 |

[1] Free cash flow before acquisitions/earnings after tax.

## Sales revenues as a performance indicator

FUCHS aims to achieve annual growth in sales revenues in the mid-single-digit percentage range. This target was narrowly missed in the past financial year despite business expansion. Exceptionally high increases in procurement costs in 2022 and 2023 required corresponding adjustments in sales prices. In 2024, the situation in procurement markets eased slightly, leading to a reduction in sales prices and a corresponding price-related sales revenues decline. This decline was only partially offset by volume growth in a challenging economic environment, resulting in no organic sales revenues increase in the past financial year. A slight external growth due to acquisitions in EMEA and North America in the second half of the year was countered by negative currency effects.

Further information on organic and external growth is contained in the sections on sales revenues and earnings position of the Group and the regions.

## Profitability as a performance indicator

### EBIT

FUCHS measures the profitability of its business through earnings before interest and tax (EBIT). In 2024, EBIT increased significantly by 5% compared to the prior year. In addition to increasing EBIT, FUCHS has set itself a long-term goal of achieving an EBIT margin of 15%. After the inflation-driven sales revenues growth in 2021 and 2022 diluted and lowered the EBIT margin, FUCHS was able to make significant progress in returning to its long-term target again in 2024 and 2023. Following a substantial increase in the margin from 10.7% to 11.7%, the margin further improved to 12.3% in 2024. Further details can be found in the sections on the Group's sales revenues and earnings position, as well the regions.

# 2.8 Opportunity and risk report

**Opportunities**

Future events that may lead to a positive budget deviation.

**Risks**

Future events that may lead to a negative budget deviation.

**Opportunity and risk management**

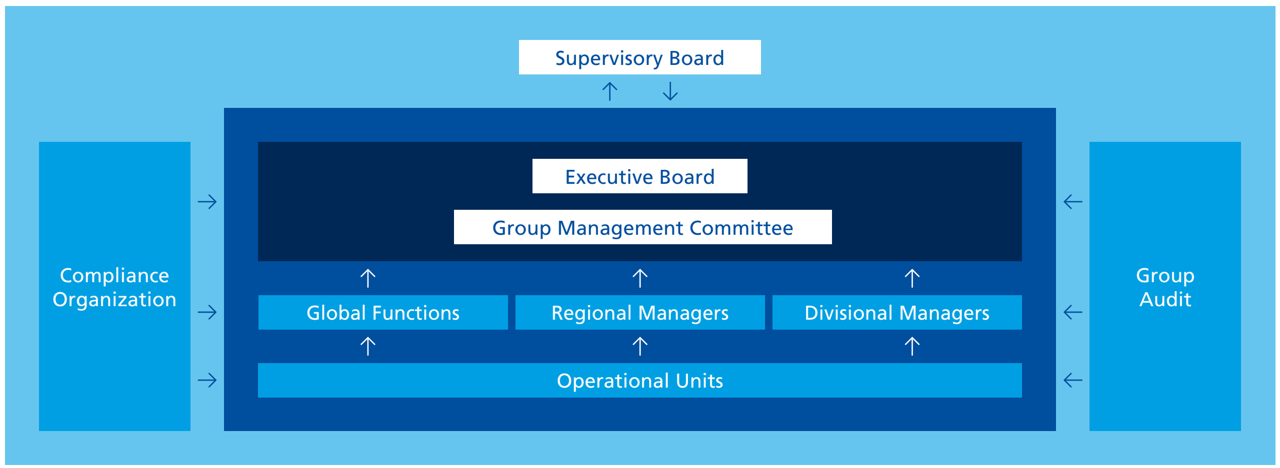
Early identification and appropriate assessment of risks and opportunities and their potential occurrence. Identification of measures for preventing risks and materializing opportunities.

Our opportunity and risk policy focuses on securing the continued existence of the FUCHS Group and increasing its enterprise value. Our corporate objective is to identify and leverage opportunities early on. We aim to detect risks as rapidly as possible, to assess them appropriately, and to introduce adequate responses to prevent or avert them.

The Executive Board of FUCHS SE sets out the risk policy guidelines and strives to ensure a balanced relationship between risks and opportunities on the basis of the business model. Weighing up risks and opportunities is a key aspect of all business decisions, and thus an integral part of day-to-day business management in all operational units. Our system of risk and opportunity management is structured according to strategic planning processes based on comprehensive risk and opportunity assessments. The Executive Board, the Group Management Committee (GMC), the management of the local operational business units, and the Global Functions therefore all work together closely to identify, assess, and control operational and strategic risks and opportunities that could have a financial and non-financial impact. They are assisted in this by the Compliance Organization, Group Internal Audit and the network of Global Functions of FUCHS SE, which include, amongst others, Finance, Controlling, Legal, Taxes, Supply Chain, Human Resources and IT.

→ ◎ Organization of opportunity and risk management in the FUCHS Group

**Organization of opportunity and risk management in the FUCHS Group**



Impacts, risks and opportunities were identified, reviewed and assessed as part of the double materiality analysis in accordance with ESRS 1 3.3. Opportunities and risks are included in the opportunity and risk reporting and taken into account in the Group's overall risk profile.
→ 80 Non-financial Group declaration

The risk and opportunity situation of the Group is constantly monitored by the Executive Board and the GMC. For this purpose, the operational units, the regional and divisional managers as well as the Global Functions regularly report identified opportunities and risks. The Executive Board reports to the Supervisory Board on the findings of the risk and opportunity management process both regularly and on an ad hoc basis. We strive to manage the risks necessary to implement the risk strategy wisely and to prevent or mitigate them by taking appropriate countermeasures. As far as possible and economically reasonable, we transfer risks to third parties, for example through insurance contracts.

The Supervisory Board oversees the effectiveness of the risk management system through its monitoring of the Executive Board. The suitability of the established risk detection system pursuant to Section 91(2) of the German Stock Corporation Act (AktG) is part of the audit of the annual and consolidated financial statements by the statutory auditor.

## Opportunity report

### Opportunity management within the Group

Within a dynamic market environment, the FUCHS Group's global business operations continuously create new opportunities, whose systematic detection and utilization are key components of our long-term focused corporate strategy. This is based on six strategic pillars:

- Global Strength
- Customer and Market Focus
- Technology Leadership
- Operational Excellence
- People and Organization
- Sustainability

The Group has established planning, governance, and reporting processes to ensure that opportunities are detected early on and assessed within the strategy dialog. On the basis of economic analyses by recognized institutes, market information, and information from our own monitoring systems, we also aim to leverage the opportunities presented by the latest developments appropriately and early on.

The measures for taking advantage of opportunities are coordinated between the Executive Board/GMC, the global cross-divisional functions, and the management of the local operational business units. Global information is regularly consolidated in the context of budgeting and general projections. Potential opportunities not taken into account in these calculations are reported as part of the reporting of opportunities and risks at company level.

### Macroeconomic opportunities

Maintaining a global presence in nearly all industrial markets, both established and emerging, allows the FUCHS Group to capitalize on growth opportunities. Our goal is to participate in the dynamic development of these markets and to acquire new customers and additional orders. On the basis of the business model, various opportunities arise across the different regions, customer sectors, products, and customers. Regional hubs in the Americas, Europe and Asia enhance our respective strategic positions and allow specific market requirements to be identified and addressed early.

### Corporate strategy opportunities

On the basis of our mission statement "LUBRICANTS. TECHNOLOGY.PEOPLE.", our focus on lubricants, our capacity for innovation, our technological leadership in key business segments, our pronounced quality consciousness, and not least our qualified employees are the pillars for our corporate success. These strengths, combined with our proven business model and the early identification of future product, environmental, legal, and regulatory requirements, drive the continued expansion of our market position in the global lubricants industry. They also support the development of optimal lubricant solutions for our customers.

We aim for further growth, both organically and, where possible, through strategic acquisitions. Additionally, we seek to strengthen our market presence by acquiring customer lists, specifications, approvals, and expertise, while focusing on complementary acquisitions to support organic growth in specific regions or technologies.

### Sector and competition opportunities

The physical and organizational structure of our efficient and global network of sales representatives, application engineers, and commercial partners is aligned with our customers' sector-specific and market-specific requirements. We focus here on unlocking opportunities in defined market segments.

### Opportunities from research and development

To enhance our customer structure and further diversify our product portfolio, we engage in collaborative research and development with universities, research institutions, and customers. We make targeted investments in research and development of high-quality lubricants to reinforce our technological leadership in key business areas. Our specialty lubricants play an important role in the development of the future areas of sustainability, mobility change, and digitalization. We develop tailor-made, innovative product solutions that provide sustainable benefits for our customers while strengthening both our organic growth and competitive position.

### Opportunities from electromobility

Emission-free mobility is also becoming increasingly important as society as a whole strives for a more sustainable lifestyle. Globally, an increase in vehicle registrations is expected, with a clear trend toward the electric motor as the dominant new drive technology. The mobility transition presents additional demands on lubricants and creates significant opportunities for the demand for new, advanced products, from which FUCHS is well-positioned to benefit. Thermofluids for cooling batteries and electric driveline fluids are particularly relevant here. In addition, we have expanded our involvement in the field of special electrolytes, which are also used, among other things, in high-performance batteries in electric cars.

### Opportunities from sustainability activities

Our goal is to identify trends in the development and application of energy-efficient and environmentally friendly products at an early stage. The use of our high-performance lubricants extends the service life of machinery and enhances energy efficiency, thereby conserving resources. Our sustainability initiatives integrate the economic, ecological, and social aspects of our business operations.

Global climate change and the associated climate policies are driving the demand for renewable energy. The FUCHS Group supports this transition by providing the essential lubricants and functional fluids required for its expansion. FUCHS contributes to making the generation of energy from renewable resources more reliable and efficient, particularly through innovative solutions for the long-term lubrication of wind turbines and the gentle cleaning of solar installations.

### Opportunities from digitalization and Industry 4.0

Ongoing digitalization is fundamentally transforming the economy and reshaping established processes. The fourth industrial revolution, powered by the Internet of Things (IoT), enables a complex integration of software, mechanics, and electronics. Big data approaches are unlocking new value creation opportunities in services and business models.

We see digitalization and Industry 4.0 as opportunities to enhance process efficiency, connect intelligent systems, and explore new business fields. We intend to seize this opportunity to further expand and sustainably strengthen our position as an innovation and market leader.

## Risk report

### The Group's risk management system

The risk management system (RMS) established by the Executive Board of FUCHS SE and implemented across all Group units governs risk management within the FUCHS Group. It defines a standardized methodology that is integrated into the planning, management, and reporting processes of all operational units and global functions throughout the Group. The configuration of the RMS and the internal control system is modeled on the internationally recognized COSO II framework of the Committee of Sponsoring Organizations of the Treadway Commission.

We comprehensibly and transparently map the risks of all business activities and procedures using a structured process that identifies, assesses and then formulates countermeasures, in addition to providing regular reporting and tracking.

The foundation of the Group's global risk control includes budgets, forecasting calculations, and structured risk inventories, which are conducted semi-annually by the management of operational units, regional and divisional managers, and Global Functions. As part of the risk reporting process, only those risks that are not already fully accounted for in the budget and forecast figures are reported. In addition to financial risks, the risk reporting process also incorporates non-financial risks that could have a significant negative impact on the FUCHS Group, using a matrix approach to integrate them into the overall risk profile. These non-financial risks include environmental and social aspects.

The risk reporting process is supported by an IT solution, which enables monitoring to ensure that all required reports have been submitted. Using a risk catalog, users can verify the completeness and classification of their risk reports. The assessment of risks is carried out based on their probability of occurrence and the associated range of potential damage.

The deviation from the budgeted earnings before interest and tax represents the extent of loss. A distinction is made between gross losses before and net losses after risk mitigation measures. Risk mitigation measures are defined, implemented, and assessed locally to determine their effectiveness. The reports are validated by the regional management and the Group Executive Board.

In 2024, the reporting threshold was increased and standardized for opportunities and risks. The reporting limit of €2 million now refers to the impact of a single opportunity or risk before countermeasures, in the worst-case scenario, on earnings before interest and taxes (EBIT). Income tax risks are additionally reported.

The total risk exposure of the FUCHS Group is determined by a Monte Carlo simulation based on the net risks reported by the Group companies and Global Functions. In 95 % of all cases (95 % Value at Risk), the maximum expected loss resulting from the simulation is used as a benchmark against risk tolerance. In addition, reported risks are grouped into risk aggregates at Group level and are also classified according to the maximum expected loss in 95 % of all cases (95 % Value at Risk).

The following assessment criteria therefore apply to aggregated risks at Group level:

**Probability of occurrence**

| Probability of occurrence | Description |
|---|---|
| ≤ 10 % | Unlikely |
| > 10 % and ≤ 25 % | Possible |
| > 25 % and ≤ 50 % | Likely |
| > 50 % | Very likely |

**Extent of net loss**[1]

| Extent of net loss | Description |
|---|---|
| Insignificant | Deviation from the budgeted earnings before interest and tax is less than/equal to €35 million |
| Weak | Deviation from the budgeted earnings before interest and tax is greater than €35 million and less than/equal to €75 million |
| Moderate | Deviation from thebudgeted earnings before interest and tax is greater than €75 million and less than/equal to €100 million |
| Significant | Deviation from the budgeted earnings before interest and tax is greater than €100 million |

[1] Related to the 95 % Value at Risk per risk aggregate. Adding up the individual risks or risk aggregates cannot methodically provide the overall risk value for the FUCHS Group.

**Risk matrix**

| Amount of net loss in relation to the 95 % Value at Risk per risk aggregate | Probability of occurrence | | | |
|---|---|---|---|---|
| | Unlikely (≤ 10 %) | Possible (> 10 % and ≤ 25 %) | Likely (> 25 % and ≤ 50 %) | Very likely (> 50 %) |
| Significant (> €100 million) | Medium | Medium | High | High |
| Moderate (> €75 million and ≤ €100 million) | Low | Medium | Medium | High |
| Weak (> €35 million and ≤ €75 million) | Low | Low | Medium | Medium |
| Insignificant (≤ €35 million) | Low | Low | Low | Low |

The combination of the probability of occurrence and extent of net loss related to the 95 % Value at Risk per risk aggregate determines the classification of risks into the risk category low, medium or high from the Group's perspective. In line with our risk methodology, only moderate and very likely as well as significant and likely or very likely aggregate risks are classified as high risks.

→ ◎ Risk matrix

Even with appropriately set up and fully functional systems of risk reporting, it is not absolutely certain that all risks can be identified. Based on our current knowledge and the information available to us, we have appropriately taken into account and presented the risks associated with business operations.

Based on the presented classification of risks, there are currently no risk aggregates classified as 'high' for the FUCHS Group. Even when considering all risks as a whole, we currently do not see any developments that threaten the existence of FUCHS.

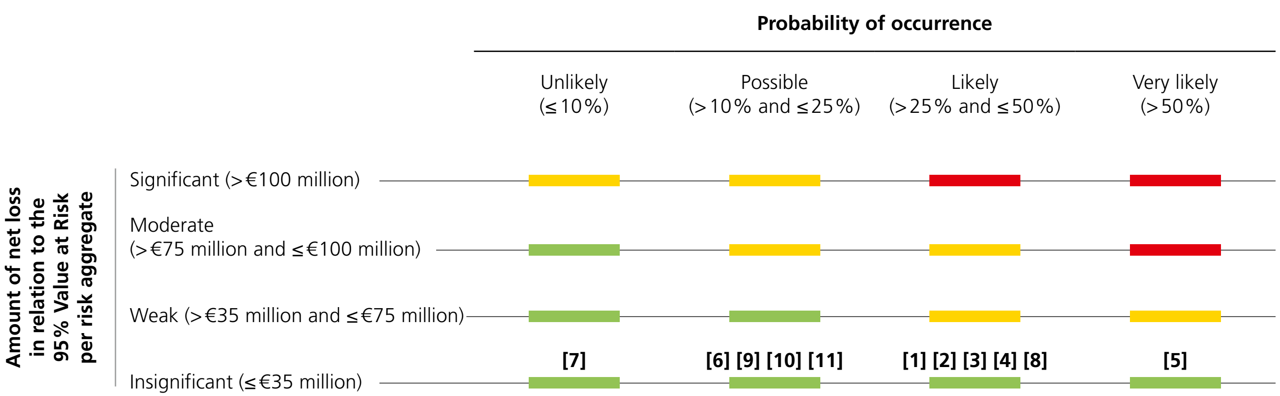
## Risk aggregation

Although there is currently no knowledge of risk aggregates classified as high for the FUCHS Group, the following risks are presented that exceed the company's established reporting threshold.

The following overview reflects the current assessment of the continuously monitored and identified company-specific risks.

→ Overview of risk aggregates

**Overview of risk aggregates**




| No. | Risk aggregate | Risk classification |
|---|---|---|
| | **Overall economic risks** | |
| [1] | Macroeconomic risks (in the broad sense of political risks and risks from natural disasters) | low |
| | **Company-specific risks** | |
| [2] | Customer-related risks | low |
| [3] | Risks within the supply chain | low |
| [4] | Production-related risks | low |
| [5] | HR risks | low |
| [6] | IT risks | low |
| [7] | Product-related risks (mainly risks from research and development) | low |
| | **Legal, regulatory and compliance risks** | |
| [8] | Legal and regulatory risks | low |
| [9] | Compliance risks | low |
| | **Financial risks** | |
| [10] | Currency risks | low |
| [11] | Impairment risks | low |

## Overall economic risks

Like any globally operating company, the FUCHS Group is exposed to risks arising from the unpredictable development of the overall economic situation, which cannot be fully mitigated even with comprehensive risk management. A deterioration in economic conditions in our sales regions could negatively impact the Group's sales revenues and earnings. Geopolitical and economic crises may affect regional markets.

By focusing our business on the major economic regions of Europe, North and South America, as well as Asia-Pacific and Africa, we reduce our dependency on individual customer countries, leading to a diversification of risks. Our diversified product, regional, and customer portfolio helps to partially offset temporary economic fluctuations through positive developments in other regions, markets, or industries.

### [1] Macroeconomic risks

Macroeconomic risks include not only risks arising from the general business environment, such as the mobility transition, but also political risks and risks from natural disasters. These risks form the aggregate with the highest net impact and are therefore presented in more detail below.

- Political risks

In many regions of the world, the geopolitical situation is currently tense, posing a risk to the further development of our sales regions.

The import tariffs planned by the US government on goods from Mexico and Canada, as well as from other nations in Europe or China, could further exacerbate economic tensions. The principle of tariffs and counter-tariffs leads to significant economic uncertainty, as the effects are currently difficult to estimate. In particular, the planned increase in tariffs on imports of cars and vehicle parts from China and Europe could cause substantial disruptions in the global market. A negative economic development, especially in North America, Mexico, and Canada, could hamper exports and lead to a decline in demand.

To what extent a potentially escalating trade conflict with the USA will affect the global business development of FUCHS, particularly in Mexico and Canada, is currently difficult to assess. Due to local production in the USA and the local sourcing of essential raw materials and additives, we do not see any significant risk for FUCHS USA, while the locations in Canada and Mexico could be more affected. FUCHS continuously monitors the economic and geopolitical situation and conducts analyses of material flows to be able to respond promptly to changes.

Furthermore, the consequences of the conflict between Israel and Palestine, as well as the impact of the Russian war of aggression in Ukraine, continue to weigh on the global economy. These conflicts not only affect the business development of FUCHS in the respective regions but also have indirect effects on other parts of the world.

Although FUCHS is active in many industries with a broad product portfolio, increasing geopolitical tensions and trade conflicts between sovereign states could negatively impact some market segments and reduce the demand for segment-specific products. We try to compensate for these risks through our broad geographical presence and a diversified portfolio.

- Risks arising from natural disasters

The impact of climate change and related natural disasters, such as extreme weather events, can affect both FUCHS' operations and our upstream and downstream supply chain. This could lead to shortages or unavailability of raw materials and consumables, restricting or disrupting production and ongoing operations. A climate risk analysis conducted by external consultants shows that FUCHS sites are exposed to very low physical climate risks, such as floods and wildfires. Potential financial damages from climate risks are covered by insurance. Key countermeasures include fire protection and, as needed, rainwater retention measures at our plants. Due to our global presence, potential climate-related failures at individual sites could be offset by other production facilities. As further climate risks affect various business areas, they are considered in different risk aggregates.

- Risks from new mobility

The increased awareness of climate change and the associated regulatory requirements accelerate the electrification of automobiles. This influences the further development of the conventional drivetrain and the lubricants suitable for it. However, when transitioning to battery-electric vehicles, regional differences must be considered. In Europe, the transition is expected to occur most quickly, as the European Union will require all new vehicles to have zero-emissions from 2035. China, one of the largest automobile markets, is showing strong growth and openness to various drivetrain technologies. Therefore, the increasing demand for automobiles affects both vehicles with conventional and those with innovative drive trains. In the United States, the shift toward electric mobility is currently less clear, making it difficult to predict.

FUCHS aims to diversify through a balanced portfolio of customers and products, with most products being drivetrain independent. In the long term, there is a risk of declining sales for products such as engine and transmission oils. However, these sales revenues losses are expected to be offset by revenue and profitability gains from new, higher-priced products for electric vehicles.

## Company-specific risks

### [2] Customer-related risks

Intense competition in sales markets, increasing quality demands, greater price sensitivity from customers, and technological advancements represent general customer-related risks for the FUCHS Group.

Although the Group's business operations are already highly diversified, we are keen to further expand these operations through the incorporation of new client groups, markets, and industries. In this context, we wish to maintain and further consolidate our position as technological leader in strategically important business fields and niches directly with customers through continuous innovation activities, partnership-based research and development work and application-based support. Thus, changing customer needs can be identified and addressed early on, for example, in relation to certain product specifications.

### [3] Risks within the supply chain

Procurement markets are monitored both centrally and regionally to react promptly to unfavorable developments. Through a broad sourcing base, we ensure the supply of base oils and key chemicals. We continuously search for alternative suppliers and collaborate in technical committees to increase the substitutability of base oils.

The raw material usage of the FUCHS Group includes chemical raw materials and base fluids. Many of these raw materials are of petrochemical origin. Other parts of our raw material portfolio go through a long value chain that follows crude oil. Therefore, the price development of these raw materials is not directly linked to crude oil price trends but is influenced by numerous factors along the value chain.

To counteract climate change, we aim to largely replace fossil raw materials with raw materials from biomass and to increase the use of recycled and reused materials. However, the availability of these resources is limited. Since demand for these resources is likely to increase, we do not expect a recovery. This limited availability combined with increasing demand could lead to price increases in the medium to long term. Nevertheless, we expect that societal changes and collective efforts to combat climate change will increase demand for products with a low carbon footprint.

Furthermore, the use of green electricity and self-generated green electricity, as well as the shift to lower-emission energy sources, contributes to reducing emissions and minimizing resource consumption. Therefore, we intend to switch to low-emission energy, even though renewable energy is still limited and, thus, more expensive than non-renewable energy. Especially in the production process, we plan additional investments in alternative heating systems and insulation wherever possible and meaningful.

To ensure compliance with global labor and social standards among our suppliers, we have implemented extensive internal guidelines such as the Supplier Code of Conduct. Despite regular adjustments and voluntary expansions that go beyond the requirements of the Supply Chain Due

Diligence Act, violations cannot be completely excluded. Such an infringement could result in reputational damage for FUCHS.

**[4] Production-related risks**

The production, filling, storage and transport of chemical raw materials, products, and waste entail potential product and environmental risks. These can present themselves in the form of incidents with a direct impact on persons, the environment and production processes. We therefore work to high technical safety standards when building, running, and maintaining our plants. We also use targeted measures to comply with soil and water protection regulations. The insurance programs in place throughout the Group are used to reduce the risks of damage to property, liability risks, transport risks and the risks posed by potential business interruptions. We also counter the effects of unplanned business interruptions in our plants with safety stocks and our global production network.

**[5] HR risks**

Demographic change will increasingly pose challenges for FUCHS in the coming years. The retirement of the baby boomer generation from the workforce creates a gap that cannot be immediately filled by the younger generation. The loss of many experienced employees may lead to bottlenecks, particularly in areas that rely on specialized knowledge and long-term experience. Competition for new talent could intensify, and new hires could be delayed. As a result, a shortage of employees may lead to operational inefficiencies and disruptions, making it more difficult to maintain production levels and meet customer requirements.

The positioning of the FUCHS Group as an attractive employer is crucial to attracting new employees and retaining current ones. To retain high performers and talents in the long term, we offer extensive training and development programs to further educate our employees and prepare them for future tasks. Strengthening knowledge transfer and succession planning is essential to preserving valuable institutional knowledge and ensuring smooth transitions when employees leave.

Research in the field of automation and digitalization can alleviate the pressure caused by labor shortages by increasing efficiency and reducing dependence on human labor.

Protecting the health of our employees is of utmost importance to FUCHS, as it forms the foundation for a productive and sustainable work environment. Therefore, we have implemented extensive safety measures, including systematic risk and exposure assessments, regular safety inspections, and targeted training. A larger outbreak of a pandemic-like disease such as COVID-19 remains a potential health risk for employees and could have far-reaching consequences for the continuity of our business operations.

**[6] IT risks**

The increasing complexity of organizational and technical networking of locations and systems, driven by advancing digitalization, poses information technology risks for the FUCHS Group. Significant technical disruptions or failures of relevant systems could cause substantial impairments to business and production processes and lead to operational disruptions or interruptions. To minimize these risks, we pursue a global IT strategy, collaborate with established IT service providers, and utilize solid backup and recovery procedures.

Additional IT risks arise from cybercrime and attacks that use the Internet as a means of committing crimes. The criminal misuse of digital technologies is an increasing challenge. In addition to targeted attacks on our systems, for example through ransomware, virus or phishing attacks, we also consider the theft of internal data and the various forms of so-called CEO fraud, among others, as risks. We counter these risks by rigorously safeguarding our systems and IT infrastructure using the latest technology. Moreover, we operate a Cyber Security Operations Center with a service provider, including in-house alerting processes for early detection and tracking of attacks in operations, and have an expert team on call for immediate damage limitation in response to successful attacks. These measures are supplemented each year by proactive penetration testing conducted by a reputable external auditor to identify and close vulnerabilities. Our employees are also kept up to date on current practices, developments, and technologies through annual mandatory training, policies and guidance, and are thus made aware of potential fraud attempts.

In order to strengthen the importance of IT within the FUCHS Group, a Digital Board Committee was set up, consisting of the Chief Digital Officer (CDO), senior group IT executives, and the regionally responsible CDOs. Monthly meetings discuss IT strategy and information security issues, and the whole Executive Board is regularly briefed on key developments. In addition, important data protection incidents are immediately reported to the competent authorities in accordance with legal regulations.

### [7] Production-related risks

As a result of using our products on critical machine components in continuous operation, among other things, and for the first fill of vehicles and the commissioning of production facilities, deviations in product quality may lead to product liability risks, especially in the case of business interruptions or recalls. We counter these risks by subjecting our finished goods to an extensive quality control process and comprehensive insurance cover.

## Legal, regulatory and compliance risks

Legal, regulatory, and compliance risks represent the FUCHS Group's risk aggregation with the second-highest net damage potential and are therefore discussed in more detail below.

### [8] Legal and regulatory risks

- Legal risks

We strive to keep legal risks as low as possible and under control. For this purpose, we have implemented measures to detect threats and, if necessary, defend our rights. Legal disputes, the emergence of new, and the settlement of existing legal disputes are part of our everyday business due to our global presence and diversified product portfolio. We address these risks through legal expertise in our Global Functions and with the support of external specialists. The expected outcome of these disputes is regularly reflected in budgets and forecasts, and their status is continuously reviewed.

- Regulatory risks

Regulatory risks mainly refer to amendments in regulation policy and legislation – globally and on individual sales markets. We mitigate these risks with the expertise of dedicated specialists, as well as appropriate legal and insurance consulting.

In particular, amendments to chemicals regulations and the Globally Harmonized System (GHS) constitute specific regulatory risks to the chemicals industry. The European REACH (Registration, Evaluation, and Authorization of Chemicals) regulation is making fundamental changes to legislation governing chemicals in the EU member states. In line with the "no data, no market" principle, all substances that are put on the market in quantities of more than one tonne per year in the EU have had to be REACH registered since May 31, 2018. During the evaluation process, the European Chemicals Agency (ECHA) may request further studies. There is a risk that these studies may identify further major risks that affect the marketability of our products. We mitigate these risks by communicating regularly with our suppliers to ensure that we receive relevant information early to develop alternative solutions and products on time.

In addition to the Chemicals Regulation, the "Green Deal" adopted by the EU will bring new regulatory challenges. The Green Deal aims to directly develop and implement measures to make the European economy climate-neutral and sustainable by 2050. Its main elements are mandatory proof of the carbon footprint of imported and EU-produced goods, $CO_2$ taxation (including on imports), the promotion of the hydrogen economy, the promotion of the circular economy and a generally emission-free economy. An important element of the Green Deal is the "European Chemicals Strategy for Sustainability," which aims to eliminate substances from the European market that may have a negative effect on living beings or the environment. We mitigate these risks through close contacts with industry organizations and the EU, as well as through the early development of a substitution strategy.

In addition to the European chemical and sustainability regulations, other chemicals regulations around the world are also being established or updated at the national and international level. Political developments can have a significant impact on our business. We must meet different regulatory requirements to enable the sale of our products within the EU and worldwide. This is why we have set up a network of experts who analyze the relevant legislation and ensure compliance with the respective regulations in close cooperation with our suppliers.

With its GHS, the United Nations is seeking to introduce a uniform worldwide system for the classification and labeling of chemicals. The introduction of GHS requires a reassessment of the hazardous properties of materials and formulations. We are supporting the introduction of GHS worldwide by creating appropriate organizational structures. The classification and labeling requirements could, however, mean that FUCHS products are subject to restrictions or bans and can no longer be sold unreservedly. We have already developed alternative formulations for potentially affected products. Our expert teams are also working on further alternatives.

Regulatory requirements in the field of sustainability are constantly changing. In response to climate change, many regulations already exist and may be tightened or supplemented by new ones. Therefore, the FUCHS Group faces additional risks, which we address by continuously monitoring sustainability requirements and through membership of national and regional lubricant associations. Various interest groups have diverse expectations of us, which we aim to meet. This may involve additional costs and liability risks. Failure to meet these requirements can lead to a downgrade by rating agencies, reduced attractiveness for customers and employees, reputational damage, or regulatory sanctions. We are committed to sustainable business practices in economic, environmental, and social matters and have defined goals for each of these factors as part of the FUCHS2025 strategy.

For a detailed presentation of the sustainability strategy, please refer to the separate non-financial group declaration.
→ 80 Non-financial Group declaration

**[9] Compliance risks**
Ensuring legal and socially ethical behavior is of utmost importance to FUCHS, as illegal conduct poses the risk of reputational damage, weakens our market position, and can result in financial harm to our company. Therefore, the management board of FUCHS SE has implemented a group-wide Compliance Management System (CMS), the key components of which are the prevention and detection of violations, as well as responding to them. Violations of legal regulations, the FUCHS Code of Conduct, our five core values, our anti-corruption policy, or other internal guidelines are not tolerated. The CMS is presented in more detail in the corporate governance declaration in the Corporate Governance Report.

Furthermore, in certain industries, special certification is required in order to be qualified and authorized to supply. Losing such a certification could lead to the termination of the supply qualification from certain plants, resulting in loss of sales. To address this risk, we conduct internal audits, maintain close connections both internally and externally with our customers, and have established an emergency plan to ensure production in another certified FUCHS plant.

## Financial risks

Major financial risks are monitored and controlled by the central treasury department of FUCHS SE. There are detailed guidelines and requirements, approved by the company's Executive Board, specifying how financial risks are to be controlled. Financial and currency risks are reduced by matching maturity and currency financing and the use of derivatives. We use these funds exclusively for hedging purposes. The fair value of the forward currency transactions is calculated on the basis of recognized valuation models and current market data. The models are assigned to Level 2 in the fair value hierarchy under IFRS 13. This control is carried out strictly in accordance with binding internal policies which, through a dual-control principle, ensure that there is a sufficient functional separation between trading and settlement.

### [10] Currency risks

In regard to currency risks, we distinguish between transaction and translation risks. Transaction risks occur as a result of income and expenditure in foreign currency, such as in the procurement of raw materials. Owing to the structure of the lubricants business, which does not entail long run-up periods or a high level of orders on hand, there is no long-term hedging of currency positions in operational business. By contrast, the exchange rate risks resulting from granting intra-Group loans in foreign currency loans are hedged.

The translation risk is due to currency conversion of balance sheets and income statements into Group currency, the euro. As the FUCHS Group includes many Group companies not based in the euro area, exchange rate fluctuations can influence the Group's results. In some cases, transactional and translation risks at Group level have a temporary counter-effect and thus in some instances a compensatory effect.

### [11] Impairment risks

The determination of the recoverability of goodwill takes place annually on the basis of planning based on past experience, the current operational results, and the best possible estimate of corporate management regarding future developments. In particular, changes in conditions on sales, procurement, and financial markets may result in devaluation risks.

## Overall assessment of the Group's opportunities and risks

The way in which the Group presents opportunities is a consolidated assessment of all significant opportunities in the forecast period. The risk presentation of the entire Group corresponds to a consolidated view of all risks derived from the budget and risk reports of the individual companies, regions, divisions and Global Functions and corresponding to the forecast period. The overall risk profile of the FUCHS Group has not changed since the previous year.

The Executive Board cannot currently discern any risks jeopardizing the company as a going concern. We consider it unlikely that all the individual risks would occur at the same time.

## Significant features of the internal control and risk management system with regard to the Group accounting process

The accounting-related internal control and risk management system is part of the overall ICS and RMS and has the overarching objective of ensuring the regularity of financial reporting in terms of consistency of the consolidated financial statements and combined management report of the FUCHS Group and the annual financial statements of FUCHS SE, as the parent company, with all relevant regulations.

The systems in place for monitoring the entire company comprise a comprehensive control system for monitoring operational and financial processes in the form of periodical financial reports, projections, budgets, compliance reports, and audit reports. There are also stipulations at the level of the individual companies on the dual control principle, the segregation of duties, and compliance with authorization levels. These controls are supported by our IT systems as part of an authorization concept. The SAP authorization concept is tested for conflicts by using software.

The Group accounting process is designed in such a way that uniform reporting of all business transactions is guaranteed throughout the Group in line with legal requirements, generally accepted accounting principles, international accounting standards as adopted by the EU (International Financial Reporting Standards, or IFRS), as well as the complementary group-wide policies, is ensured. All companies included in the scope of consolidation report in a standardized form.

The decentralized organization of the Group accounting process starts with the information in the financial statements of the individual companies of the Group, and comprises reporting with comprehensive monthly key figures in addition to detailed quarterly and annual financial statements. These are regularly checked within the Group for completeness, accuracy, and plausibility. The information is aggregated using a technical, Group-wide reporting system.

The Group accounting requirements are prepared centrally and described in a regularly updated accounting manual. Any amendments to existing accounting regulations affecting the consolidated financial statements of FUCHS SE are analyzed promptly and communicated to the Group companies for implementation. The professional competence of the staff involved in the financial accounting process is ensured through their careful selection, as well as training and continuing professional development. The largely standardized IT systems and corresponding security concepts give the IT systems used in accounting the best possible protection against unauthorized access. Within the scope of its audits over the course of the year, Internal Audit reviews the effectiveness of the internal control system. The internal controls of financial reporting are also checked for appropriateness and effectiveness by the statutory auditor applying a risk-oriented audit approach.

The various activities that make up the internal control and risk management system (particularly with regard to the Group accounting process) at FUCHS SE are specifically designed to detect and reveal potential risks and undesirable developments as early as possible and to uncover them promptly. However, even our systems cannot provide absolute security against potential errors. In the annual audit, the statutory auditor confirmed that the Executive Board has duly implemented the measures required pursuant to Section 91 para. 2 German Stock Corporation Act (AktG). These requirements include the establishment of a monitoring system capable of early detection of developments that could endanger the status of the company as an ongoing concern.

# 2.9 Forecast report

### Group alignment: FUCHS broadly diversified

The FUCHS Group has a broad regional base, serves a large number of industries and special applications, and our portfolio contains a very broad range of products. The FUCHS Group is therefore widely diversified. The Group continues to enhance its existing products, which require high technological standards. Additionally, new products are being developed with the goal of reducing costs in customer application processes, solving technical issues, and improving sustainability performance.

The sales markets include highly developed industrialized countries and emerging markets that often post faster economic growth.

### General economic development forecasts

The global economy is expected to develop moderately due to geopolitical risks and potential trade barriers. In its January 2025 forecast, the IMF projected global economic growth of 3.3% for 2025. The main growth drivers are expected to be the US, China, and India. Economic activity is likely to be supported by continued declining inflation rates and, consequently, further reductions in interest rates.

The anticipated market developments in our customer industries and the three global regions are outlined in the section “Macroeconomic and sector-specific conditions.” The development in the reporting year 2024 and forecasts for 2025 are described starting on page 41 et seq.

→ 41 Macroeconomic and sector-specific conditions

### Anticipated results of operations, net assets and financial position

The general economic uncertainty is accompanied by uncertainty about the further development in commodity prices, and thus sales prices. At present, based on its globally diversified positioning, the FUCHS Group is planning a further increase in sales revenues to around €3.7 billion in 2025.

This growth is largely driven by volume, assuming stable prices. As a result, FUCHS expects to take a step towards the targeted €500 million and generate EBIT of around €460 million. This will be driven by continued strict cost management. However, further inflation-related cost increases, particularly in personnel expenses and additional digitalization costs must be taken into account.

**Forecast performance indicator**

| | Actual 2024 | Forecast 2025 |
|---|---|---|
| **Sales revenues** | **€3,525 million** | around €3.7 billion |
| **EBIT** | **€434 million** | around €460 million |
| **FVA** | **€245 million** | around €260 million |
| **Free cash flow before acquisitions** | **€306 million** | around €260 million |

All regions will contribute to the expected sales revenues of around €3.7 billion through organic growth. External growth through further acquisitions has not been factored into the plans, as it remains uncertain whether acquisitions can be made in the course of 2025. The forecast presented is based on plans that were informed by exchange rates as they stood at the end of August 2024. When converting the planned sales revenues and EBIT into the Group’s reporting currency, the euro, based on January 2025 exchange rates, only a slight positive currency effect is expected.

The achievement of our sales revenues and earnings forecast presupposes that the macroeconomic assumptions made for 2025 are correct. Should the global economy and global lubricant consumption grow more weakly than forecast, lower sales revenues and EBIT should also be expected.

### Moderate increase in NOWC, investments around €15 million above previous year

Given the expected sales revenues growth, we anticipate a moderate increase in net working capital compared to the previous year, assuming a largely stable NOWC-to-revenue ratio by the end of 2025.

For investments, we temporarily plan an increase to around €95 million. By far, the largest individual project is our transformation initiative, Transform2Grow. We put our existing business processes and data structures to the test, rethink, optimize and standardize them. This will establish the foundation for further growth and the planned transition of our ERP landscape to S/4HANA starting in 2026. The primary focus of other investment activities in 2025 will once again be on the EMEA region, with numerous maintenance and modernization efforts taking center stage. The Asia-Pacific region, on the other hand, continues to prioritize expansion and capacity growth. For example, in China, investments in a specialty plant will drive further expansion at the Suzhou site. North and South America is also laying the foundation for further growth with a new plant in Mexico, construction of which is scheduled to begin in 2025, and, like EMEA, is continuing to modernize its sites in the USA with various individual investments.

### FVA and free cash flow before acquisitions at around €260 million

For 2025, we expect an FVA of around €260 million. The EBIT improvement to around €460 million will have a positive impact, while a projected increase in capital costs will have a negative effect. The latter results from an assumed constant weighted average cost of capital (WACC) of 10.0%, alongside higher capital commitments in net working capital due to sales revenues growth, as well as acquisitions made in the second half of 2024. These acquisitions were only reflected in two or one quarters in 2024 but will impact all quarters in 2025, affecting the capital base calculated over an average of five quarters.

For free cash flow before acquisitions, we anticipate a figure of around €260 million, which is lower than the €306 million recorded in the past year. The decline, despite improved earnings, is primarily due to higher investments and, above all, cash outflows related to the growth-driven increase in net working capital.

# 2.10 FUCHS SE (HGB)

FUCHS SE is the parent company and strategic management holding of the FUCHS Group. It operates direct subsidiaries and associates and secures both the continued existence and further growth of the Group with its employees. In addition to business management activities, its important functions include the development and transfer of technical expertise and marketing as well as the protection of the FUCHS brand.

Most of the income generated by FUCHS SE takes the form of dividend income and income from investments, as well as royalties from technical expertise and trademark rights. Its financial position is essentially determined by the commercial success of the Group. FUCHS SE's expenses are mainly related to human resouces, development of know-how, IT and brand management. Furthermore, tax payments need to be made for the tax consolidation group and dividends paid to the shareholders.

FUCHS SE is in a very good economic position, with solid results of operations, net assets and financial position.

The annual financial statements of FUCHS SE are prepared in line with the regulations of the German Commercial Code (HGB) and German Stock Corporation Act (AktG).

## Forecast comparison

The investment income and earnings after tax are used as key performance indicators to manage FUCHS SE. Earnings after tax in the past financial year was €280 million (231), €49 million or 21 % above that of the previous year. The initial expectations for the financial year 2024 were thus significantly exceeded, with earnings after tax for the year slightly above the previous year's level in 2023..

This was mainly due to earnings contributions from the subsidiaries, which achieved higher levels than expected. Write-ups on financial assets also had a positive effect on earnings. → ⌗ Results of operations FUCHS SE

**Results of operations FUCHS SE**

| in € million | 2024 | 2023 |
|---|---|---|
| Sales revenues | 82 | 78 |
| Investment Income | 319 | 266 |
| Other operating income | 20 | 14 |
| Staff costs | –36 | –33 |
| Depreciation and amortization | –3 | –3 |
| Other operating expenses | –63 | –51 |
| **Earnings before interest and tax (EBIT)** | **319** | **271** |
| Financial result | 9 | 16 |
| **Earnings before tax** | **328** | **287** |
| Income taxes | –48 | –56 |
| **Earnings after tax** | **280** | **231** |
| Retained earnings brought forward from the previous year | 1 | 4 |
| Transfer to other retained earnings | –128 | –88 |
| Income from capital decrease | 8 | 0 |
| Transfer to capital reserves | –8 | 0 |
| Expense for purchase and omission of treasury shares | –85 | 0 |
| Withdrawal from the release of retained earnings | 85 | 0 |
| **Unappropriated profits** | **153** | **147** |

## Results of operations

In the reporting year, FUCHS SE reported sales revenues of €82 million (78), resulting from license income of €61 million (57) and allocations of €21 million (21).

The income statement is, however, dominated by investment income. This is based on profit distributions of €187 million (151) from foreign stock corporations, and on profit and loss transfer agreements in place with German subsidiaries, from which €117 million (104) were collected, and on income from write-ups on financial assets totaling €16 million (13). Investment income for the past financial year was slightly reduced by depreciation and amortization on financial assets of €1 million (2). At a total of €319 million (266) in 2024, it was €53 million higher than the previous year due to the increased profit distributions and profit transfers as a result of the improvement in earnings.

Other operating income, which resulted primarily from the transfer of expenses charged by the holding, increased by €6 million to €20 million (14) in the past financial year.

The total of sales revenues, investment income, and other operating income of €421 million (358) was offset by expenses – consisting of personnel expenses, depreciation and amortization, and other operating expenses – totaling €102 million (87), which was €15 million more than the previous year. This increase was mainly attributable to personnel expenses and, in particular to other operating expenses. Staff costs increased by €3 million to €36 million (33) as a result of collectively agreed pay increases and additional employees. Other operating expenses amounted to €63 million (51), a large portion of which was for services provided by subsidiaries to the holding, as well as ERP and IT costs. The substantial increase in other operating expenses compared to the previous year by €12 million was mainly due to increased compensation for additional services provided to FUCHS SE, higher consulting and advertising costs, and higher ERP and IT costs. FUCHS SE purchases numerous ERP and IT services for the Group as a whole, but also transfers a large part of these costs proportionately to its subsidiaries.

Earnings before interest and taxes (EBIT) improved by €48 million to €319 million (271) compared to the previous year, thanks to significantly increased sales revenues and despite increased costs. After accounting for the financial result, which deteriorated due to lower interest from €16 million to €9 million, earnings before tax amounted to €328 million (287). After taxes of €48 million (56) for the tax consolidation group, earnings after tax of €280 million (231) remained.

Unappropriated profits as of December 31, 2024, amounted to €153 million (147).

## Net assets and financial position

**Net assets and financial position FUCHS SE**

| | December 31, 2024 | | December 31, 2023 | | |
|---|---|---|---|---|---|
| | in € million | in % | in € million | in % | Change in € million |
| Intangible assets and property, plant and equipment | 37 | 3 | 34 | 3 | 3 |
| Financial assets | 938 | 76 | 799 | 68 | 139 |
| Receivables due from affiliated companies | 251 | 20 | 326 | 28 | –75 |
| Cash and cash equivalents and current securities | 0 | 0 | 0 | 0 | 0 |
| Other assets | 9 | 1 | 9 | 1 | 0 |
| **Total assets** | **1,235** | **100** | **1,168** | **100** | **67** |
| **Total equity** | **1,193** | **97** | **1,138** | **97** | **55** |
| Provisions | 32 | 2 | 22 | 2 | 10 |
| Liabilities | 10 | 1 | 8 | 1 | 2 |
| **Total equity and liabilities** | **1,235** | **100** | **1,168** | **100** | **67** |

### Assets essentially comprise financial assets and receivables due from affiliated companies

Being the holding company, the assets of FUCHS SE essentially comprise shares and investments in companies, as well as receivables due from these companies. The share of intangible assets and property, plant and equipment, despite a slight increase of €3 million compared to the previous year, still accounts for only about 3% of the total assets, while financial assets and receivables due from affiliated companies total €1,189 million (1,125), or 96% (96) of the assets.

Financial assets showed a strong increase of €139 million compared to the previous year, reaching €938 million (799) at the end of the past financial year. This increase was mainly due to a capital increase through contributions to the capital reserve at a domestic subsidiary, as well as various company acquisitions by FUCHS SE during the year 2024. Additionally, write-ups were made on shares in the Swedish subsidiary amounting to €16 million, while write-downs were made on shares in the Indonesian company amounting to €1 million.

In contrast to the capital increase, receivables due from affiliated companies decreased significantly by 23%. As in previous years, a large proportion of the remaining total receivables, which amounted to €251 million (326) at the end of the reporting period, related to receivables from domestic companies. The Group's financing company FUCHS FINANZSERVICE GMBH alone utilized €169 million (252) or 67% (77) of the total amount as of the end of the reporting period.

Holdings of cash and cash equivalents and current securities remained at €0 million as in the previous year.

### Equity ratio remains at 97% despite share buyback

After about two years, FUCHS ended its share buyback program in the fourth quarter of the past financial year. In total, 4 million ordinary shares and 4 million preference shares, corresponding to 5.8% of the share capital before cancellation and reduction, were acquired and cancelled for a total purchase price (excluding incidental acquisition costs) of €263 million. In the reporting year €79 million were spent on the share buyback and deducted from equity.

Thanks to continued retention of earnings, the equity of FUCHS SE increased by €55 million to €1,193 million (1,138). As a result, the equity ratio remained consistently high at 97% (97).

Provisions account for just 2 % (2) of the total equity and liabilities and are largely attributable to taxes and employee obligations for variable compensation.

Liabilities increased by €2 million to €10 million during the year.

FUCHS SE's off-balance-sheet liabilities increased by €2 million compared to the previous year, amounting to €104 million (102). They resulted entirely from guarantees in favor of affiliated companies or in favor of companies in which an interest is held.

In addition, other financial obligations amounted to around €25 million, almost entirely resulting from contractual obligations related to the global SAP S4/HANA implementation.

## Forecast report (separate financial statements)

The performance of the FUCHS Group has direct effects on the performance of FUCHS SE. The assumptions and statements made in the Group's forecast report are therefore equally relevant for FUCHS SE.

Present planning anticipates a moderate increase in investment income for 2025. Accordingly, we also expect earnings after tax to be slightly higher than the 2024 level.

## Unappropriated profit and dividend proposal

Based on the unappropriated profits of €153 million (147) the Executive Board proposes to increase the dividend by €0.06 per share over the previous year

- to €1.16 (1.10) per ordinary share entitled to a dividend and
- to €1.17 (1.11) per preference share entitled to a dividend

and thus pay out a dividend of €153 million.

# 2.11 Non-financial Group declaration



## Reporting principles

In accordance with Sections 315b to 315c in conjunction with Sections 289c to 289e of the German Commercial Code (HGB), the FUCHS Group (FUCHS) publishes a non-financial declaration (Nfd). Additionally, with the Nfd, FUCHS complies with the requirements of Regulation (EU) 2020/852 of the European Parliament and the Council of June 18, 2020 on the establishment of a framework to facilitate sustainable investments and the amendment of Regulation (EU) 2019/2088 (hereinafter referred to as the "EU Taxonomy Regulation"). No recognized framework under Section 289d HGB was used for the preparation of this year's Nfd, as FUCHS is preparing for the full implementation of the Corporate Sustainability Reporting Directive (CSRD) adopted by the European Commission. This directive provides a new and more comprehensive basis for sustainability reporting and is expected to be maintained following its anticipated transposition into German law. It is therefore expected that sustainability reporting from the next financial year will be carried out in accordance with the requirements of the European Sustainability Reporting Standards (ESRS).

In the current reporting year, FUCHS has aligned with the ESRS as follows:

The materiality assessment was conducted in accordance with the requirements of the ESRS (double materiality), thereby covering the HGB requirements. This means that an aspect deemed not material under the ESRS is also considered non-reportable under Section 289c Para. 3 HGB (single materiality). Sustainability-related impacts, risks and opportunities (IROs) were identified in line with the principle of double materiality. Based on this, the potentially reportable topics, disclosure obligations, and data points within the ESRS were derived (see → 118 Description of the process to identify and assess material impacts, risks and opportunities).

The reporting follows the structure specified by the ESRS and is divided into four Chapters: General Information, Environmental Information, Social Information, and Governance Information. Furthermore, FUCHS has aligned itself with the general ESRS requirements for preparing and presenting sustainability information.

Since FUCHS previously followed the Global Reporting Initiative (GRI) framework, aligning with the ESRS – which will be the relevant standards for FUCHS' future sustainability reporting – represents a break from the principle of reporting consistency.

## Disclosures pursuant to the HGB

The Nfd includes a description of the business model, as outlined in ESRS 2 SBM-1 "Strategy, business model, and value chain." Additionally, for the five sustainability matters "Environmental Concerns," "Employee Concerns," "Social Concerns," "Respect for Human Rights," and "Combating Corruption and Bribery", disclosures must be made in accordance with Section 315c HGB in conjunction with Section 289c Para. 3 HGB. The table below assigns the relevant ESRS topical standards to these five sustainability aspects for FUCHS' reporting.

**Contents of the non-financial declaration (Nfd)**

| Nfd components | ESRS topical standards / Chapters of the Nfd |
|---|---|
| Environmental concerns | Climate change (page 151) |
| | Resource use and circular economy (page 173) |
| Employee concerns | Own workforce (page 181) |
| | Workers in the value chain (page 199) |
| Social concerns | Own workforce (page 181) |
| | Workers in the value chain (page 199) |
| | Business Conduct (page 205) |
| Respect for human rights | Own workforce (page 181) |
| | Workers in the value chain (page 199) |
| Combating corruption and bribery | Business Conduct (page 205) |

As part of the existing risk management system, FUCHS considers and assesses the material risks associated with its business activities, its business relationships and its products and services that are very likely having or will have severely negative repercussions on the non-financial aspects. For the year 2024, no reportable residual net risks were identified as defined by Section 289c Para. 3 Nos. 3 and 4 of the German Commercial Code (HGB).

# General information



## General disclosures

### General basis for the preparation of sutainability statements

The non-financial declaration (Nfd) is prepared on a consolidated basis for the FUCHS Group (FUCHS) and includes all fully consolidated companies of the Group. No companies that are part of the financial consolidation scope have been excluded from the non-financial statement. Associated companies and joint ventures, over which FUCHS does not have operational control, are considered only in the upstream and downstream value chain and in reporting on Scope 3.15 greenhouse gas emissions.

When preparing the Nfd, the upstream and downstream value chain was taken into account as part of the stakeholder survey, the identification of IROs and based on the topical ESRS. Due to limited data availability, the assessment of the upstream value chain focuses on direct suppliers, while the downstream value chain focuses on direct customers, including distributors. Further details on concepts, targets, measures, and key figures regarding the upstream and downstream value chain can be found in the Chapters → 151 Climate change, → 173 Resource use and circular economy as well as → 199 Workers in the value chain.

### Disclosures in relation to specific circumstances

#### Time horizons

The time horizons used in the Nfd are short-term (financial year), medium-term (2–5 years) and long-term (over five years).

#### Value chain estimation

FUCHS primarily relies on actual data and direct measurements. Where this is not feasible, estimates are used, with the methods and assumptions disclosed transparently in the relevant ESRS reporting.

Estimates are partially applied for calculating greenhouse gas emissions in Scope 3, Categories 1 (Purchased Goods and Services) and 4 (Upstream Transport and Distribution). For other parameters of the upstream and downstream value chain, no estimates were used.

#### Sources of estimation and outcome uncertainty

The following metrics within FUCHS' own operations have been partially or fully estimated:

- Energy consumption and mix
- Gross GHG emissions in Scope 3 categories 1 (Purchased Goods and Services), 4 (Upstream Transport and Distribution), 6 (Business Travel), and 7 (Employee Commuting)
- Resource inflows: minimum shelf life and recyclable portion of product groups and packaging.
- Remuneration metrics: The median total compensation per subsidiary and

- Compensation components of FUCHS LUBRICANTS GERMANY GMBH
- Work-related injury rate

On July 26, 2024, the LUBCON Group (Maintal, Germany) with 14 companies (thereof 5 production locations) and 203 employees was acquired. Consolidated sales amounted to around €42 million in the financial year 2024.

On November 28, 2024, STRUB & Co. AG (Reiden, Switzerland) with 55 employees and revenue of around €9 million in the 2024 financial year was acquired. The company develops, produces, and distributes industrial lubricants and specialty products in Switzerland.

Due to different IT systems, relevant data of the acquired companies could not be provided at short notice. Comparable FUCHS companies were used to determine the key figures. Production companies were extrapolated based on tonnage, and sales companies were extrapolated based on net revenue. They were included from the time of the transfer of ownership. This applies to all key figures except the number of employees. For financial year 2025, the key figures for these companies are planned to be determined individually.

### External validation of key figures

The measurements of all key figures are generally not validated externally

### Incorporation by reference

To avoid duplication, references are made in relevant sections to information in other Chapters of the consolidated financial statements and the combined management report. All references contained in the non-financial statement are supplementary information and are not part of this statement.

## The role of the administrative, management and supervisory bodies

FUCHS SE, headquartered in Mannheim, operates as a European company (Societas Europaea – SE) and is subject to the provisions of the SE Regulation, the German SE Implementation Act, the SE Employee Involvement Act, the employee participation agreement, and the German Stock Corporation Act. In accordance with the requirements of German stock corporation law, FUCHS has a two-tier board system with the separation of personnel between the Executive Board as a management body and the Supervisory Board as a monitoring and advisory body, each of which has its own independent responsibilities.

### Composition

The Executive Board of FUCHS SE consists of five members and is collectively responsible for managing the company.

The Supervisory Board of FUCHS SE, as per Section 10 Para. 1 of the Articles of Association, consists of six members. Four members of the Supervisory Board are elected as shareholder representatives by the Annual General Meeting without binding nominations. Two members of the Supervisory Board are elected from among FUCHS employees as employee representatives by the SE Works Council in accordance with the agreement on employee participation established under the SE Employee Involvement Act (SEBG). The Supervisory Board oversees and advises the Executive Board.

### Skills and expertise

All Executive Board members possess the necessary expertise and experience required to manage FUCHS effectively, gained through their education and extensive experience in scientific, technical, and commercial fields. This includes specific expertise relevant to FUCHS in functional fluids and lubricants, customer segments, and global operations. Several members of the Executive Board have gained experience in key international markets outside Germany, such as the USA and China, through professional assignments abroad and work in international business environments.

All members of the Supervisory Board have extensive experience in the chemical sector or related value chains, gained either at FUCHS or other companies, making them well-versed in functional fluids and lubricants, customer groups, and global operations relevant to FUCHS. Several members of the Supervisory Board also have international experience in key markets outside Germany, such as China and other countries, through professional assignments abroad and work in international business environments. Thus, considering its responsibilities in a dualistic corporate governance system, the Supervisory Board possesses the necessary expertise in corporate governance aspects.

The qualification matrix of the individual members of the Supervisory Board, based on the competency profile established in the Supervisory Board's rules of procedure, results in the following personal competencies based on a self-assessment of the board members:

**Skills matrix**

| | Dr. Christoph Loos (Chairman) | Dr. Susanne Fuchs (Deputy Chairwoman) | Jens Lehfeldt | Ingeborg Neumann | Cornelia Stahlschmidt | Dr. Markus Steilemann |
|---|---|---|---|---|---|---|
| International business experience and/or leadership experience with associations and networks | • | • | • | • | | • |
| Knowledge and experience in the chemical sector or related value chains | • | • | • | • | • | • |
| Accounting (specific knowledge and experience in the application of accounting policies, internal control procedures and risk management systems as well as sustainability reporting) | • | | | • | | • |
| Statutory Auditing (specific knowledge and experience in statutory auditing, auditing of sustainability reporting) | | | | • | | |
| Governance and compliance | • | • | • | • | • | • |
| Human resources and corporate culture | • | • | • | • | • | • |
| Sustainability | • | • | | • | | • |
| Innovation | • | • | | • | | • |
| Independence from the company and its Executive Board | • | | Employee representative | • | Employee representative | • |
| Independence from controlling shareholders | • | | Employee representative | • | Employee representative | • |
| Internationality | • | • | | • | | • |
| Gender | m | f | m | f | f | m |
| Age | 56 | 60 | 44 | 67 | 66 | 54 |
| Year of first appointment to the Supervisory Board | 2020 | 2017 | 2019 | 2015 | 2020 | 2022 |

### Diversity

FUCHS ensures that the Executive Board as a whole has the following profile in line with a diversity concept:

- Extensive experience in scientific, technical, and commercial fields
- Adequate international experience based on origin and/or professional background
- At least one female Executive Board member and
- Balanced age structure

Based on these criteria, the composition of the Executive Board is determined:

**Diversity of the Executive Board**

| in % | | |
|---|---|---|
| Training | Chemistry studies | 20 |
| | Business and economics | 80 |
| Proportion of women | | 20 |
| Internationality | | 100[1] |
| Age up to 50 | | 60 |
| Age over 50 | | 40 |

[1] The members of the Executive Board have either worked abroad for several years or have extensive experience in an international business environment.

The Supervisory Board is committed to diversity in the following areas:

- Compliance with gender-specific target quotas
- Personality and internationality (international experience based on origin, background, or professional activity)
- Professional background (education and work experience)
- The maximum age of Supervisory Board members at the time of election is 75 years, and no member has exceeded this age limit.

Based on this, the following applies to the Supervisory Board:

**Diversity of the Supervisory Board**

| in % | |
|---|---|
| Proportion of women | 50 |
| Internationality | 66.7 |
| Age up to 55 | 33.3 |
| Age 55 to 65 | 33.3 |
| Age over 65 | 33.3 |

Three of the four shareholder representatives on the Supervisory Board are independent board members (75%). There are also two employee representatives on the Supervisory Board. These are considered independent due to the statutory protection against dismissal. Overall, five out of six members of the Supervisory Board are independent (83.3%).

### Responsibilities and duties

FUCHS views sustainability as an interdisciplinary issue affecting all departments and national subsidiaries. Responsibility for implementing and monitoring sustainability aspects, including impacts, risks, and opportunities lies with the entire Executive Board. Within the Executive Board, responsibilities for specific sustainability matters are allocated according to the board's organizational structure as follows:

- The Executive Board member for Finance, Ms. Isabelle Adelt, is responsible for methodology and execution of the IRO assessment, as well as corporate governance and compliance.
- The Executive Board member for Technology, Dr. Sebastian Heiner, is responsible for sustainability, procurement, and EH&S (Environment, Health, and Safety).
- The CEO, Mr. Stefan Fuchs, is responsible for corporate culture, strategic corporate planning, human resources, and corporate citizenship.
- As sustainability matters primarily have to be implemented locally by the national companies, the Deputy CEO Dr. Timo Reister is responsible for the North and South America and Asia-Pacific regions and the Executive Board member Dr. Ralph Rheinboldt is responsible for Europe, Middle East and Africa (EMEA).

During Executive Board meetings, the respective board members regularly report on relevant topics, including the impacts, risks, and opportunities associated with sustainability aspects in their respective areas.

The Audit Committee of the Supervisory Board, in accordance with the Supervisory Board's rules of procedure, is responsible for preparing discussions on financial reporting (including sustainability reporting) for the full board, as well as for overseeing the impacts, risks, and opportunities in this regard. The members of the Audit Committee are Ms. Ingeborg Neumann (Chair of the Audit Committee), Dr. Markus Steilemann, and Dr. Susanne Fuchs. The Chair of the Audit Committee regularly reports to the entire Supervisory Board.

### Oversight of impacts, risks and opportunities

The Executive Board of FUCHS SE, as a whole, is responsible for early risk detection systems in accordance with Section 91 Para. 2 of the German Stock Corporation Act (AktG). Within the board's organizational structure, the Chief Financial Officer is responsible for implementing the early risk detection systems. The Executive Board, as a whole, is also responsible for managing and monitoring the impacts and opportunities. The early risk detection system has been expanded to include the management and monitoring of impacts, risks and opportunities, and it is thus assigned to the Chief Financial Officer. The Chief Financial Officer is also responsible within the board for the methodology and execution of the IRO (Impacts, Risks, and Opportunities) assessment. Sustainability matters, including their associated IROs, impact all areas of corporate governance. As a result, Executive Board members have delegated responsibility for implementing sustainability matters to the Global Functions[2] and subsidiary management. Clear responsibilities have been established to organize sustainability matters across different departments and within the corporate entities. Coordination between and implementation in various areas of responsibility is further facilitated through the global networks of individual departments. The respective departments and country subsidiaries report within their respective reporting lines to the Executive Board member responsible for them. To ensure cross-functional coordination of different organizational units, the Governance department, which falls under the Chief Financial Officer, has been tasked by the Executive Board with this responsibility.

The Vice President Governance informs the Executive Board about all IROs and reports on any changes. The Executive Board, supported by the Vice President Governance, provides the Audit Committee of the Supervisory Board with an annual overview of these aspects. The Supervisory Board has assigned the Audit Committee the task of reviewing sustainability reporting. The Chair of the Audit Committee subsequently reports to the Supervisory Board. The Executive Board submits the non-financial declaration to the Supervisory Board.

[2] The key specialist departments at the parent company FUCHS SE, such as Procurement, Operations, Sales, Product Management, Research & Development, Environmental, Health & Safety, Human Resources, Sustainability, Legal, and Governance.

The Heads of Global Functions and the management teams of Group companies report twice a year within the risk management system on impacts, risks, and opportunities. The Governance department reviews the data for completeness and plausibility. The data from national subsidiaries is forwarded by Governance to the respective regional management for review and approval. The responsible Executive Board member ultimately approves the IROs at the highest level of the internal control system. See → 61 Opportunity and risk report for further information.

The existing risk management system has been adapted to meet the materiality assessment requirements under CSRD. It is now possible to record impacts, risks, and opportunities related to sustainability matters within the group-wide risk early detection system.

### Setting and monitoring of targets

The determination of goals depends on their scope and is either made by the Executive Board as a whole or by the responsible Executive Board members in cooperation with the respective specialist departments or country subsidiaries. Below the Executive Board, the individual departments ensure the implementation of the respective sustainability-related goals under the coordination of the Governance department. Monitoring takes place through regular meetings between the Executive Board members responsible for the respective goals and the relevant specialist departments. This monitoring is based on a secure data and information collection process concerning sustainability matters, which the country subsidiaries regularly report to the respective specialist departments. The departments and national subsidiaries regularly report on progress toward their respective key objectives to the Executive Board members responsible for them. Additionally, they support the preparation of Executive Board decisions concerning sustainability matters.

The Executive Board, in turn, is monitored by the Supervisory Board. The Supervisory Board is informed at least once a year as part of sustainability reporting on the progress of target achievement. Furthermore, the departments and regions report to the Supervisory Board or the Audit Committee in regular meetings.

### Skills and expertise

The Executive Board members possess sustainability-related expertise due to their education and years of experience. Both the Executive Board and the Supervisory Board have received specific training on the regulatory framework for sustainability reporting. The Executive Board members are regularly briefed by the respective department heads of the individual specialist divisions. Since all ESRS disclosure requirements are clearly assigned to a responsible area within the Global Functions at FUCHS SE, the respective Executive Board member can additionally consult the expertise of the relevant specialized function.

The Supervisory Board has defined a competency profile in its rules of procedure. The implementation of the competency profile is reflected in the qualification matrix presented above, which includes aspects such as sustainability, human resources, corporate culture, governance, and compliance. The Supervisory Board has two financial experts within the meaning of Section 100 Para. 5 AktG, one in the area of accounting, the other in the area of accounting and auditing. Additionally, all Supervisory Board members have the opportunity to receive external training at the company's expense. The qualification matrix is developed through a self-evaluation by the Supervisory Board members. In accordance with Section 107 Para. 4 AktG, each member of the Audit Committee may obtain information from the management level responsible for sustainability matters via the Committee Chair.

The key impacts, risks, and opportunities in the area of sustainability for FUCHS can be grouped into two fundamental topics. This includes both the technological impacts, risks, and opportunities and closely associated with climate change , resource use and circular economy, as well as the social and legal impacts arising from areas such as own workforce, workers in the value chain, and business conduct. Through the combination of scientific and business expertise, the Executive Board and the Supervisory Board together cover all sustainability matters relevant to FUCHS. The Executive Board and the Supervisory Board regularly receive training from the respective specialist departments on relevant sustainability topics.

**Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies**

The results of the materiality assessment were presented to the Executive Board and Supervisory Board by the Governance department, and the identified IROs were approved by the Executive Board.

Updates to impacts, risks, and opportunities follow a bottom-up process in the form of an impact, risk, and opportunity report, which all FUCHS companies and Global Functions submit twice a year. The Executive Board receives a detailed report and a summary from the Governance department.

"Sustainability" is one of the six strategic pillars of the FUCHS2025 Strategy (see also → 33 Corporate profile). All strategic topics are discussed and aligned during regular Strategic Alignment Days.

The Supervisory Board is regularly informed about strategic aspects and target achievement in these sessions. As part of this process, the Audit Committee receives a written report on the key impacts, risks, and opportunities at least once a year. The implementation of due diligence in sustainability, including the results and effectiveness of concepts, measures, key performance indicators, and targets, is carried out as part of goal setting and progress monitoring.

The Executive Board of FUCHS makes decisions based, among other things, on information from the risk management system, reports from the Chief Sustainability Officer, and the Vice President Governance. Impacts, risks, and opportunities related to sustainability are also considered in this process. In corporate decisions regarding budgets, projects, and transactions, a balance is struck between the sustainability matters of identified IROs and general business considerations, which are evaluated and decided in alignment with the company's strategy on a case-by-case basis. The Supervisory Board engages in regular discussions, monitors, and advises on strategy, risk management processes, and major transactions.

Both the Executive Board and the Supervisory Board have dealt with the initial identification and assessment of the 16 IROs and countermeasures explained in Chapter → 99 Material impacts, risks and opportunities and their interaction with strategy and business model. The IROs relate to the following sustainability matters:

- Climate change mitigation
- Climate change adaptation
- Energy
- Resource inflows, including resource use
- Resource outflows related to products and services
- Working conditions (own workforce)
- Other labor rights (own workforce)
- Working conditions (workers in the value chain)
- Corporate culture
- Corruption and bribery

**Integration of sustainability-related performance in incentive schemes**

### Executive Board

The compensation of the Executive Board is determined by the Supervisory Board. This also applies to the compensation system itself, which, in accordance with Section 120a AktG, is approved by the Annual General Meeting. However, approval by the Annual General Meeting is not a prerequisite for the effectiveness of a compensation system. The compensation of Executive Board members consists of both fixed and variable components. The variable compensation is determined by the FUCHS Value Added (FVA), the individual performance component, and the sustainability factor. The individual performance component is fixed, while the FVA is calculated based on company-specific economic data using the formula provided in the compensation report. The sustainability factor is based on the FUCHS strategic guidelines and refers to the three categories Ecology, Economics and Social. It applies uniformly to all members of the Executive Board. The Supervisory Board defines several subcategories for each of these categories, and these are valid for several years. These subcategories may include aspects such as $CO_2$ reduction and the circular economy in the ecological domain, EBIT and cash flow in the economic domain, and personnel management, corporate culture, and corporate governance in the social domain. The Supervisory Board reserves the right to define subcategories other than those mentioned above, if this is warranted in the context of the implementation of the company's strategy and if the subcategories can be classified under the three categories Ecology, Economics and Social. An overall picture of the level of target attainment and thus the sustainability factor is put together in December of each year, i. e. the different aspects are not assessed individually or weighted. The variable compensation is made up of 45 % from a Short-Term Incentive and 55 % from a Long-Term Incentive. The members of the Executive Board are required to invest the net amount remaining after the deduction of a flat tax rate from the Long-Term Incentive into preferred shares (ISIN DE000A3E5D64) of FUCHS SE within two weeks of the payment. The preference shares acquired are subject to a four-year lock-up period. Further details can be found in the compensation report for the financial year 2024. This report is publicly available on the website at:
→ https://www.fuchs.com/group/the-company/compensation-systems/.

### Supervisory Board

According to Section 16 of the Articles of Association of FUCHS SE, Supervisory Board members receive a fixed compensation, part of which must be invested in preference shares of the company. In addition, they receive compensation for memberships in certain committees. The Supervisory Board members do not receive variable compensation. As a result, their compensation is not tied to sustainability-related goals or impacts.

## Statement on due diligence

| Core elements of due diligence | Paragraphs in the Nfd |
|---|---|
| a) Embedding due diligence in governance, strategy and business model | Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies (page 87)<br>Integration of sustainability-related performance in incentive systems (page 88)<br>Strategy, business model and value chain (page 94)<br>Material impacts, risks and opportunities and their interaction with strategy and business model (page 99) |
| b) Engaging with affected stakeholders in all key steps of the due diligence | Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies (page 87)<br>Interests and views of stakeholders (page 97)<br>Description of the process to identify and assess material impacts, risks and opportunities (page 118)<br>Policies related to climate mitigation and adaptation (page 154)<br>Policies related to resource use and circular economy (page 173, 175)<br>Policies related to own workforce (page 181)<br>Policies related to value chain workers (page 199)<br>Business Conduct policies and corporate culture (page 205) |
| c) Identifying and assessing adverse impacts | Description of the process to identify and assess material impacts, risks and opportunities (page 118)<br>Material impacts, risks and opportunities and their interaction with strategy and business model (page 99) |
| d) Taking actions to address those adverse impacts | Actions and resources in relation to climate change policies (page 156)<br>Actions and resoureces related to resource use and circular economy (page 174, 176)<br>Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and the effectiveness of those action (page 186)<br>Taking action on material impacts on on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action (page 202)<br>Prevention and detection of corruption and bribery (page 209) |

| Core elements of due diligence | Paragraphs in the Nfd |
|---|---|
| e) Tracking the effectiveness of these efforts and communicatiing | Targets related to climate change mitigation and adaptation (page 160)<br>Targets related to resource use and circular economy (page 175, 176)<br>Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (page 189)<br>Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (page 204)<br>Energy consumption and mix (page 165)<br>Gross Scopes 1, 2, 3 and Total GHG emissions (page 167)<br>GHG removals and GHG mitigation projects financed through carbon credits (page 171)<br>Resource inflows (page 177)<br>Resource outflows (page 178)<br>Collective bargaining coverage and social dialogue (page 194)<br>Diversity metrics (page 195)<br>Adequate wages (page 195)<br>Social protection (page 195)<br>Persons with disabilities (page 196)<br>Training and skills development metrics (page 196)<br>Health and safety metrics (Seite 197)<br>Remuneration metrics (pay gab and total remuneration) (page 197)<br>Incidents, complaints, and severe human rights impacts (page 198)<br>Incidents of corruption or bribery (page 211) |

**Risk management and internal controls over sustainability reporting**

The risk management system has been adapted to meet the requirements of CSRD reporting. Starting from the financial year 2024, impacts, risks, and opportunities related to sustainability can be assigned to a sustainability topic under ESRS 1 AR16. These sustainability-related IROs are now part of the established risk management system. IROs are recorded twice a year by local compànies or, for group-wide relevant topics, at the Global Functions level within the risk reporting system. The Governance department first checks the data for completeness and plausibility, followed by approval from regional management and, ultimately, at the highest level of the internal control system by the responsible Executive Board member. A detailed description of the risk management system can be found in the → 61 Opportunity and risk report.

The reporting system for collecting the sustainability information is based on a self-developed SharePoint-based Excel solution. These Excel files are write-protected, non-replaceable, and equipped with personalized access rights to ensure that only a defined group of individuals can edit specific information. After the data is entered by local functions, it is reviewed by the finance department of the local entity or the local CSRD officer. Following local approval, the Governance department examines the data for completeness and plausibility. Additional reviews take place within the specialist departments or at the level of the Global Functions of FUCHS SE. Subsequent changes to the data may only be made with approval from the Governance department and will be documented accordingly.

Both quantitative and qualitative risks are reported as gross risks.

Quantitative risks are reported in three scenarios (best case, most likely case, and worst case) and calculated as gross risk minus the values considered in financial planning and countermeasures:

Gross risk − Value taken into account in financial planning − Effect of the countermeasure = Net risk

Qualitative risks are prioritized using a matrix that reflects the extent of impact. An assessment is then conducted to determine the extent to which countermeasures can mitigate the risk:

Gross risk − Effect of the countermeasure = Net risk

Qualitative risks are quantified based on predefined ranges.
→ # Risk matrix

**Risk matrix**

| Net effect of individual risk or opportunity on EBIT in thousand € (Best / Most likely / Worst case) | Probability of occurrence: Unlikely (≤ 10 %) | Possible (> 10 % und ≤ 25 %) | Likely (> 25 % und ≤ 50 %) | Very likely (> 50 %) |
|---|---|---|---|---|
| Insignificant risk (0 / 2,500 / 5,000) | Low | Low | Low | Low |
| Weak risk (5,001 / 7,500 / 10,000) | Low | Low | Medium | Medium |
| Moderate risk (10,001 / 15,000 / 20,000) | Low | Medium | Medium | High |
| Significant risk (20,001 / 25,000 / 30,000) | Medium | Medium | High | High |
| Significant opportunity (– 30,000 / – 25,000 / – 20,001) | Medium | Medium | High | High |
| Moderate opportunity (– 20,000 / – 15,000 / – 10,001) | Low | Medium | Medium | High |
| Weak opportunity (– 10,000 / – 7,500 / – 5,001) | Low | Low | Medium | Medium |
| Insignificant opportunity (– 5,000 / – 2,500 / 0) | Low | Low | Low | Low |

For the evaluation of individual risks, risk aggregates, and overall risk, FUCHS considers three scenarios (best case, most likely case, and worst case). A Monte Carlo simulation is used to determine the 95 % Value at Risk (VaR) and prioritize accordingly.

## Risks related to Climate Change

**Decline in the market share of combustion engines in certain regions**

The shift in societal awareness and regulatory requirements related to climate change could lead to bans on internal combustion engines for new passenger vehicle registrations in certain regions, particularly in the EU. This could result in a long-term decline in revenue for product groups such as engine and transmission oils. As a countermeasure, FUCHS focuses on technical coverage through alternative technologies. FUCHS actively develops, produces, and distributes lubricants for alternative technologies, such as e-mobility, fuel cells, and alternative fuels. Regular strategic reviews, such as the "Strategy Alignment Days", support this development.

**Changes in legal and regulatory environment**
Legal requirements such as the Supply Chain Due Diligence Act (LkSG), the EU Chemicals Regulation (REACH), and the CSRD, as well as future regulations like the Corporate Sustainability Due Diligence Directive (CSDDD), could lead to increased workload, costs, or revenue losses. Non-compliance could result in fines or reputational damage. As a countermeasure, FUCHS continuously monitors legal requirements. Additionally, FUCHS actively participates in national and regional lubricant associations to track new regulations and assess their impact. Training programs and participation in industry associations enable a rapid response to regulatory changes.

**Climate hazards – Floods and wildfires**
A climate risk analysis has identified physical risks, including flood risks in Mannheim, Suzhou (China), and Fairhaven (USA), as well as wildfire risks in Castellbisbal (Spain), Ambernath (India), and Beresfield (Australia). Natural disasters could cause supply chain and production disruptions. As a countermeasure, FUCHS implements climate resilience measures. These measures include internal and external initiatives such as rainwater retention basins and fire water ponds, as well as collaboration with authorities for flood prevention. A group-wide property and business interruption insurance policy with a deductible of €5 million mitigates financial damages.

For physical climate risks, these are local climate hazards whose mitigation is managed locally. The Governance department monitors countermeasures exceeding €5 million per year.

**Higher costs and investments due to the transition to low-emission energy and lack of availability of low-emission energy**
The transition to low-emission energy leads to higher costs, as green energy is more expensive and limited in availability. Electricity consumption is expected to rise significantly in the coming years, leading to further supply shortages. As a countermeasure, FUCHS focuses on transitioning to low-emission energy supply or in-house energy generation. By using green electricity and self-generated energy, emissions can be reduced, and dependency on external power suppliers can be minimized. Investments in alternative heating systems in the production process and rooftop photovoltaic (PV) systems are being advanced. FUCHS has included newly installed PV rooftop systems in its sustainability reporting for several years, allowing the company to track the development of kilowatt-peak values from PV systems.

### Risks related to resource use and circular economy

**Transition from fossil to biomass-based and recycled raw materials – availability and price**
To mitigate climate change, it is necessary to reduce the global $CO_2$ footprint. FUCHS pursues a Net-Zero strategy, aiming to replace fossil-based raw materials with biomass-based and recycled materials. However, this could result in transitional risks.

Currently, most of the raw materials and packaging used by FUCHS are based on fossil resources. A lack of alternatives could result in parts of our product portfolio not being fully converted, leading to business losses.

Biomass-based, recycled, or reused raw materials are currently more expensive than fossil-based alternatives. Increasing demand for these raw materials could lead to further shortages and higher procurement costs, which may not be fully passed on to customers. Nevertheless, we anticipate growing demand for FUCHS products with a low $CO_2$ footprint.

These challenges also affect the use of recycled packaging compared to conventional packaging.

As a countermeasure, FUCHS focuses on renewable raw materials as well as the reuse and recycling of existing materials. As part of our Net-Zero strategy, we plan to increase the use of renewable raw materials in our production processes. Wherever possible, fossil materials should be replaced by renewable materials, although we remain dependent on customer-specific requirements. To ensure the availability of scarce biomass-based or recycled raw materials, we secure appropriate quantities at an early stage. This approach aims to improve our environmental footprint and serve as a competitive advantage.

Currently, our customers remain price-sensitive and do not fully accept price increases for more sustainable raw materials. However, we anticipate that social awareness and regulatory requirements will evolve and become more stringent, leading to greater customer acceptance in the future.

FUCHS has established a global procurement network, enabling us to source biomass or recycled materials from the market. The quantities and proportions of different raw material types, including biomass-based materials, are continuously analyzed.

## Risks related to own workforce

### Demographic change – shortage of labor

Demographic change presents a transitional risk for FUCHS, particularly regarding the sustainability of employment strategies. With a rising number of employees reaching retirement age, a significant labor market gap is emerging. This makes it more difficult to replace departing employees and recruit new talent, especially given the specialized knowledge required in the lubricant industry. Intensified competition for skilled labor could increase hiring costs and complicate attracting top talent. A shortage of workers could also lead to operational inefficiencies and disruptions, impacting production levels and the ability to meet customer demands. As a countermeasure, FUCHS is enhancing strategies for talent acquisition and retention. To mitigate the risk of demographic change and the resulting labor shortage, FUCHS takes various strategic actions. Strengthening the employer brand is crucial to attracting qualified employees and remaining competitive in a tight labor market. Robust training and development programs help upskill the current workforce and prepare employees for future roles. The Global HR department regularly monitors employee turnover and the age distribution of the workforce.

Exploring automation and digitalization can improve efficiency and reduce dependence on human labor. Knowledge transfer and succession planning are essential for preserving institutional knowledge and ensuring smooth transitions when employees retire. Promoting a diverse and inclusive workplace expands the talent pool and fosters a more innovative and resilient workforce.

## Risks related to workers in the value chain

### In exceptional cases, violations of human rights in the supply chain

Despite extensive internal policies, such as the FUCHS Supplier Code of Conduct (SCoC), there is a potential risk that individual suppliers may violate our SCoC, as well as OECD or ILO standards and human rights. Such violations could lead to fines, reputational damage, customer loss, and the termination of business relationships with non-compliant suppliers. We assume that such cases, if they occur, are exceptions, as the majority of our suppliers are located in countries with high social standards. As a countermeasure, FUCHS is expanding the SCoC and implementing new internal processes and policies. The voluntary expansion of sustainability standards for suppliers through the SCoC applies to all current and future direct suppliers worldwide. This expansion covers working conditions, fair wages, safe workplaces, social dialogue, and freedom of association. New internal procedures and policies, along with planned social audits, are designed to ensure compliance. These measures help prevent human rights violations and have a positive impact on customer acquisition and retention, ESG ratings, employer branding, financing, and stock value.

### Risks related to business conduct

**Bribery and corruption**

Violations of the Code of Conduct and anti-corruption policies can occur due to deliberate or grossly negligent actions by employees, potentially leading to fines and reputational damage. As a countermeasure, FUCHS relies on its Compliance Management System. The FUCHS Code of Conduct (CoC) and the anti-corruption policy clearly convey FUCHS' values and the zero-tolerance approach to misconduct. Online and offline training programs reinforce these messages. Compliance risk assessments identify areas with an elevated risk of bribery and corruption, which are then subject to additional measures. The whistleblower portal allows for anonymous reporting and protects whistleblowers from retaliation. The Compliance Office reviews and monitors reported cases.

The local FUCHS companies and Global Functions are required to provide information on potential impacts, risks, and countermeasures as part of risk reporting. This includes descriptions of the scope, probability, type, and expected conclusion of each countermeasure. The Governance department monitors the status of countermeasures that exceed a certain threshold. The reported impacts, risks, and opportunities are first reviewed by the regional management and then approved by the responsible Executive Board member.

The FUCHS Executive Board receives a comprehensive report on impacts, risks, and opportunities twice a year. The first report is based on the 4+8 forecast of the current period, while the second is based on the budget for the following year. At the end of the year, the Supervisory Board receives a summary of the relevant risks from the budget report for the upcoming year.

**Strategy, business model and value chain**

### Our products

FUCHS develops, produces, and distributes more than 10,000 different specialty lubricants and functional fluids. These products reduce friction and corrosion in moving parts and include lubricating greases, lubricating oils, release agents, dry film coatings, cleaners, rust removers, and corrosion protection products. A more recent product category includes functional fluids such as electrolytes for cooling components. FUCHS also provides services such as lubricant monitoring.

### Our customers

Among our more than 100,000 customers are automobile manufacturers and their suppliers, companies in sectors such as mechanical engineering, metalworking, mining and exploration, aerospace, energy, construction, and transport, as well as agriculture and forestry, and industries such as steel, metal, cement, casting, forging, semiconductor manufacturing, as well as food and glass manufacturers.

### Our employees

FUCHS employs 6,859 workers worldwide: Of these 4,556 are employed in the Europe, Middle East, Africa (EMEA) region, 1,175 in the Americas region and 1,128 in the Asia-Pacific region.

### Sales revenues in the regions

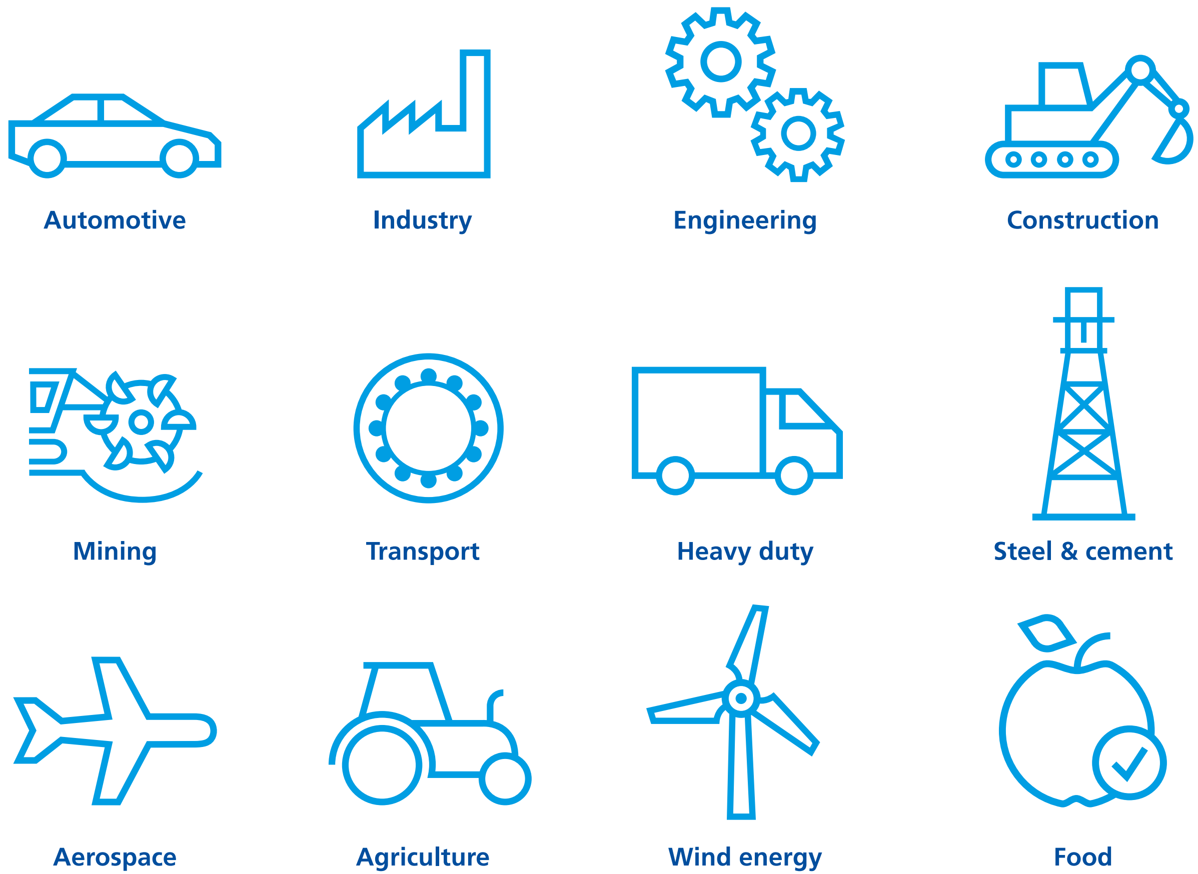
In the past financial year, FUCHS generated sales revenues of €3,525 million. Of this €1,881 million was generated in the Europe, Middle East, Africa (EMEA) region, €659 million in the North and South America region and €985 million in the Asia-Pacific region.

### Our sustainability goals

**1) Reduction of $CO_2$ emissions:**

FUCHS follows a Net-Zero strategy that aims to reduce Scope 1 and 2 greenhouse gas emissions by 2040 and Scope 3 greenhouse gas emissions by at least 90% by 2050. This supports the EU initiative to transform Europe into the first climate-neutral continent by 2050. FUCHS is adapting its product portfolio to the mobility transition, which is progressing at different speeds across various markets. While Europe and China are seeing a trend towards electric vehicles, no significant shift towards increased use of electric vehicles has been observed in North and South America, the Middle East, Africa, and large parts of Asia.

**Our customers**




2) Promoting the circular economy:
The Advanced Circular Technology (ACT) approach aims to replace fossil-based raw materials with recycled and bio-based alternatives. Additionally, we aim to improve the lifespan and efficiency of our customers' equipment through technological advancements in our products, thereby conserving resources at the customer level. Our products reduce friction, wear, and corrosion of components.

3) Partnerships for sustainable innovation:
FUCHS fosters and establishes partnerships along the value chain and promotes the transition toward a more sustainable and carbon-neutral industry.

4) Attracting and retaining talent:
Our employees form the foundation of our success and represent a key stakeholder group from FUCHS' perspective. FUCHS focuses on attracting and retaining talent, supporting employees, and investing in health programs. Protecting workers' rights and preventing workplace accidents are key priorities.

5) Good corporate governance:
FUCHS promotes social engagement and charitable projects and strengthens compliance awareness among its employees, particularly in the areas of bribery and corruption. For this, we have set an internal target of 85% participation for both key compliance trainings, "Fundamental Compliance Training" and "Protection Against Corruption," for the year 2024 and the following year.

## Sustainability of our products

FUCHS products support sustainable consumption (e. g., food packaging), technologies (e. g., wind energy and rail transport), and production processes for customers. They contribute to corrosion protection in many applications and reduce material and energy consumption. Lubricants reduce wear and extend the lifespan of components, leading to greater efficiency and lower energy consumption. A life cycle assessment (LCA) of engine oils has shown a significant reduction in emissions over the lifespan of a mid-sized vehicle. These properties support circular economy principles within the value chain.

The automotive industry is undergoing a shift from internal combustion engines to electric drivetrains. This presents risks for FUCHS, such as a decline in demand for engine and transmission oils, but also opportunities to develop new product lines like FUCHS BluEV for electric vehicles.

FUCHS sets high standards for energy efficiency, renewable energy, and resource-efficient processes in lubricant production. This supports the company's Net-Zero strategy. FUCHS plans to optimize its product carbon footprint in collaboration with suppliers by using biomass-based or recycled raw materials.

## Our sustainability strategy

The sustainability strategy is embedded in the overall FUCHS2025 strategy. Sustainability is one of six strategic pillars, further elaborated in the corporate strategy section of Chapter → 33 Corporate profile.

FUCHS' sustainability approach is based on three elements: "ecological sustainability," "social sustainability," and "economic sustainability." Since its inception, FUCHS has been committed to offering its customers the best possible product technology. With the current FUCHS2025 Strategy, FUCHS aims to achieve technological leadership in its business fields to benefit its customers. This is reflected in improving the efficiency of our products and extending the lifespan of process technologies for our customers, with the goal of contributing positively to resource conservation and climate protection.

A key element of the environmental sustainability strategy is the reduction of $CO_2$ emissions. The majority of $CO_2$ emissions result from raw material purchases from suppliers (Scope 3.1 greenhouse gas emissions). Therefore, FUCHS is working intensively to improve the measure of emissions within the upstream value chain. The prerequisite for this is the willingness of suppliers to exchange data and to use a standardized methodology for PCF calculation in order to increasingly calculate company and product carbon footprints on the basis of primary data. The challenge here is to urge all suppliers to capture, report, optimize, and compensate the emissions from their products.

The second key measure to reduce $CO_2$ emissions is the conversion of our sites to a green electricity supply. This is dependent on the availability of green electricity at each respective FUCHS location.

Within the strategic pillar "Customer and Market Focus", FUCHS is addressing issues such as the change in mobility in order to be able to meet the needs of its customers in the future. The mobility transformation is determined by various technical, regulatory, and societal factors. Therefore, maintaining close proximity to customers is crucial to identify trends and respond to changes in a timely manner. FUCHS believes it is in a good position to either develop product innovations internally or, if necessary, implement them into market-ready products through development partnerships or acquisitions.

Attracting and retaining talent, as well as optimizing working conditions, are part of the strategic pillar "People and Organization." This includes measures related to demographic change and accident prevention.

Sustainability topics related to social responsibility and good corporate governance are anchored in FUCHS' value system – trust, creating value, respect, reliability, and integrity – as well as in corporate culture through the strategic pillar "People and Organization." FUCHS will continue to promote social engagement and charitable projects in the future.

## Our value chain

Since its founding in 1931, FUCHS has specialized in the development, manufacturing, and distribution of lubricants and functional fluids. FUCHS sources its raw materials both centrally and decentrally, with the main categories including base oils, additives, chemicals, and packaging materials made of wood, plastic, and metal. Specialty lubricants for various customer groups are developed in research and development laboratories. The geographical distribution of sites and the broad product portfolio, with over 10,000 products for customers across various industries and applications, make FUCHS' business model resilient to market fluctuations. The production of products primarily involves blending and cooking processes, and distribution is carried out either directly to customers or through dealers.

As the world's leading independent lubricant manufacturer, FUCHS sources raw materials from various suppliers. The fact that FUCHS is less vertically integrated allows the company to replace certain suppliers or raw materials if needed, provided that the product performance and customer approval allow it. Through its decentralized structure with 42 production sites worldwide and local procurement capabilities, FUCHS ensures its supply chains. Furthermore, products can generally be manufactured at different locations, as identical or comparable process technologies are available at multiple sites. As part of its Net-Zero strategy, FUCHS intends to replace mineral base oils with re-refined base oils or bio-based base oils.

Based on research and development as well as controlled production processes, FUCHS offers specialty lubricants and functional fluids that enhance customers' process efficiency and extend the lifespan of their machines. This helps reduce friction and corrosion, making a positive contribution to climate protection and the circular economy. This includes water-based products, environmentally certified products, and specific solutions for electromobility and wind energy. Services such as customer training, laboratory services, and the use of sensor and analysis equipment support the sustainable use of lubricants. Data collection and analysis are supported by the FUCHS Service Software Suite LubeLink.

FUCHS uses a wide variety of raw materials, typically sourced from refineries, traders, or additive suppliers. The primary supplier groups include base oil, additive, and packaging suppliers. Direct customers are predominantly business clients from industries such as automotive, industrial manufacturing, mechanical engineering, construction, mining, transportation, heavy-duty, steel and cement, aerospace, agriculture, wind energy, and food production.

### Interests and views of stakeholders

As part of the materiality assessment, the interests and perspectives of stakeholders were considered. A team of FUCHS employees who regularly deal with sustainability topics identified relevant stakeholders. These stakeholders were evaluated on a long list using a scoring system from 1 to 3, leading to a shortlist of ten key stakeholder groups.

The following ten stakeholder groups were deemed particularly relevant: Shareholders, analysts, the supervisory board, ESG rating agencies, global and local executives, customers, suppliers, FUCHS employees, the FUCHS executive board, and nature as a "silent stakeholder."

These stakeholder groups had the opportunity to participate in the stakeholder survey. Representatives from global functions or the SE works council were interviewed on behalf of ESG rating agencies, customers, suppliers, and FUCHS employees.

The survey was conducted using an online questionnaire that included all topics from ESRS 1 AR16, as well as company-specific topics. Stakeholders were first asked whether they believed FUCHS' actions had an impact – either positive or negative – on the environment or people in relation to specific ESRS topics. The scale of the impact was rated on a 5-point scale. Subsequently, the stakeholders' assessments of the individual subtopics and data points were queried using a 6-point scale.

The purpose of the stakeholder survey was to gain insight into stakeholder perspectives on the impact of FUCHS on sustainability issues, as well as the associated risks and opportunities for FUCHS. The aim was to fully align the sustainability reporting with the informational needs of this group and to validate the company's internal assessment of the impact of FUCHS' activities on the environment and people.

The results of the stakeholder analysis were compared with the findings from the IRO workshops (see → 118 Description of the process to identify and assess material impacts, risks and opportunities). If topics were classified as material or non-material in both the stakeholder analysis and IRO workshops, they retained that classification. In cases of differing classifications, the IRO workshop results took precedence over the stakeholder analysis, as they were based on a more in-depth assessment conducted by experts under the guidance of an external consultancy.

Stakeholders rated the ESRS topics "Climate Change," "Resource Use and Circular Economy," "Own Workforce," "Consumers and End Users," and "Business Conduct" as relevant for FUCHS. The IRO analysis confirmed these assessments, except for "Consumers and End Users," since FUCHS operates almost exclusively in the B2B sector and thus deemed this topic non-material. On the other hand, the topic of "Workers in the value chain" was classified as essential.

FUCHS maintains continuous dialogue with employee representatives, analysts, banks, ESG rating agencies, customers, and suppliers. The business model and strategy are consistently adapted to the interests and perspectives of its stakeholders. For example, FUCHS considers customer interests regarding technological and mobility transitions and supports its workforce by promoting women in leadership positions. The interests of workers within the value chain are addressed through the introduction of the IntegrityNext software for supplier assessments, which includes questions on human rights.

The further development of the strategy and business model will be shaped by the FUCHS100 strategy, which will replace the FUCHS2025 strategy on January 1, 2026, with a planning horizon extending to 2031. At this time, no details can be provided on the content of the FUCHS100 strategy, as it is still in development.

No significant changes in stakeholder relations or their positions are expected as a result of these steps.

The interests and perspectives of stakeholders have been communicated to FUCHS' management and supervisory bodies. The Executive Board and the Audit Committee of the Supervisory Board were informed about the results of the stakeholder survey during their regular meetings.

### Interests and views of stakeholders related to own workforce

The interests of the workforce are taken into account through operational co-determination, both by works councils and by employee representatives on the Supervisory Board of FUCHS SE. The human rights of our employees are embedded in the FUCHS Human Rights Principles, the Code of Conduct (CoC), and other FUCHS policies. Compliance is monitored by a dedicated Human Rights Officer, who reports directly to the Executive Board. The interests and perspectives of our employees are part of the strategic pillar "People & Organization." Our employees are a fundamental part of our business model, which is also reflected in our positioning and customer promise – LUBRICANTS. TECHNOLOGY. PEOPLE.

### Interests and views of stakeholders related to workers in the value chain

The interests and views of workers in the value chain were considered as part of the materiality analysis. Our suppliers and customers were identified as relevant stakeholders in the upstream and downstream value chain. The interests of our suppliers, as well as their actual or potential impacts and associated risks and opportunities, were represented by the leadership of our global procurement function, both in the stakeholder survey and in the corresponding IRO workshops. The interests of our customers, including their actual or potential impacts and associated risks and opportunities, were represented by the management of our global sales function both within the stakeholder survey and in the IRO workshop.

Although FUCHS maintains a partnership-based relationship with its suppliers and pays market-appropriate prices for the procurement of our raw materials, it cannot be excluded that, in exceptional cases, human rights violations could occur in the upstream or downstream value chain. Any violation could lead to fines, reputational damage, the loss of customers for FUCHS, and the termination of business relationships with suppliers who do not share these ethical standards. Therefore, FUCHS has implemented several measures to ensure the respect for human rights in the upstream and downstream value chain.

**Material impacts, risks and opportunities and their interaction with strategy and business model**

Six strategic pillars were defined as part of the FUCHS2025 Strategy: "Global Strength," "Customer & Market Focus," "Technology Leadership," "Operational Excellence," "People & Organization," and "Sustainability." The positive and negative impacts of FUCHS' activities on the environment and people can be attributed to the strategic pillars "People & Organization," "Technology Leadership," and "Sustainability."

Since the FUCHS business model is designed for the long term, all positive and negative impacts, as well as all risks and opportunities, are short-, medium-, and long-term in nature.

**Material Impacts, Risks and Opportunities**

| | | | Position in the value chain | | | Time horizon | | |
|---|---|---|---|---|---|---|---|---|
| | IRO Description | IRO Measure/Countermeasure | Upstream | Own operations | Downstream | Short term | Medium term | Long term |
| **ENVIRONMENT** | | | | | | | | |
| **Climate change** | | | | | | | | |
| Actual negative impact | Generation of greenhouse gas emissions, among other things, due to the use of fossil raw materials | Net-Zero strategy | • | • | | • | • | • |
| Risk | Decline in market share of combustion engines in certain regions | Technical coverage through alternative technologies | | • | | • | • | • |
| Opportunity | Mobility change with additional requirements for lubricants | Functional fluids and electrolytes | | • | | • | • | • |
| Risk | Changes in the legal and regulatory environment (e.g., sustainability reporting and due diligence obligations) | Ongoing monitoring | • | • | • | • | • | • |
| Risk | Climate hazards – floods and wildfires | Climate resilience measures & insurance | | • | | • | • | • |
| Risk | Higher costs and investments due to the transition to low-emission energy and lack of availability of low-emission energy | Transition to low-emission energy supply or own energy generation | | • | | • | • | • |
| **Resource use and circular economy** | | | | | | | | |
| Risk | Transition from fossil to biomass-based and recycled raw materials – availability and price | Renewable raw materials & reuse and recycling of existing materials | • | | | • | • | • |
| Actual positive impact | Extending the service life and increasing the efficiency of customers' systems and components with FUCHS products | Technical development of our lubricants | | | • | • | • | • |

**Material Impacts, Risks and Opportunities**

| | | | Position in the value chain | | | Time horizon | | |
|---|---|---|---|---|---|---|---|---|
| | IRO Description | IRO Measure/Countermeasure | Upstream | Own operations | Downstream | Short term | Medium term | Long term |
| **SOCIAL** | | | | | | | | |
| **Own workforce** | | | | | | | | |
| Actual positive impact | Employee promotion and development & health programs | Training and further education, development plans, health promotion | | • | | • | • | • |
| Potential negative impact | In exceptional cases, violations of internationally applicable labor rights by employees | Strengthening mechanisms for compliance and ethical oversight | | • | | • | • | • |
| Actual positive impact | Protection of labor rights and equal treatment of all employees | Promoting workplace diversity with equal opportunities for all employees | | • | | • | • | • |
| Actual negative impact | Work-related accidents | Extensive safety measures | | • | | • | • | • |
| Risk | Demographic change – shortage of labor | Improvement of talent acquisition and retention strategies | | • | | • | • | • |
| **Workers in the value chain** | | | | | | | | |
| Risk | In exceptional cases human rights violations in the supply chain | Expansion of the Supplier Code of Conduct, new internal processes, and guidelines | • | | | • | • | • |
| **GOVERNANCE** | | | | | | | | |
| **Business Conduct** | | | | | | | | |
| Actual positive impact | Promoting a good corporate culture based on ethical standards | Continuous improvement and further development of corporate culture | | • | | • | • | • |
| Risk | Bribery and corruption | Compliance Management System | | • | | • | • | • |

## IROs related to climate change

**Actual negative impact: Generation of greenhouse gas emissions, among other things, due to the use of fossil raw materials**

The production of our products currently relies primarily on fossil raw materials. Greenhouse gas emissions generated in production, their further processing in manufacturing processes, and the depletion of fossil resources have a negative impact on climate change.

The FUCHS Net-Zero strategy aims to reduce $CO_2$ emissions for Scope 1 and 2 to near zero by 2040 and for Scope 3 by 2050. FUCHS has committed to reducing its Scope 1 and 2 greenhouse gas emissions by at least 42 % by the short-term target year 2030 and by at least 90 % by 2040, the Net-Zero target year for Scope 1 and 2 greenhouse gas emissions (in line with the Science Based Targets Initiative, SBTi, which follows the 2015 Paris Agreement). Additionally, FUCHS has set ambitious targets to reduce its Scope 3 greenhouse gas emissions by at least 25 % by 2035. By 2050, FUCHS aims to reduce total cradle-to-grave emissions by at least 90 %, including Scope 3.

As part of this strategy, FUCHS aims to continuously switch to biomass-based raw materials or recycled materials from circular sources, thus promoting the circular economy, reducing emissions along the entire value chain, cutting Scope-3 emissions, increasing the share of renewable energy in the power supply, and saving energy to lower our Scope-1 and -2 emissions.

**Risk: Decline in the market share of combustion engines in certain regions**

The societal shift in awareness regarding climate change and the associated regulatory requirements could pose a transitory risk for FUCHS, as internal combustion engines might be banned for new car registrations in certain regions. This currently applies to countries in the European Union. In the long term, this could result in potential revenue losses for certain product categories, such as engine oils and, in some cases, transmission oils.

Within the strategic pillar "Customer & Market Focus," FUCHS addresses the mobility transition to continue meeting customer needs in the future. As a result, FUCHS is actively engaged in the development, production, and distribution of lubricants for alternative technologies such as e-mobility, fuel cells, and alternative fuels.

**Opportunity: Mobility change with additional requirements for lubricants**

Due to the transitional adaptation to climate change, a technological trend toward electric motors as the dominant new propulsion technology is already evident. This presents significant opportunities for demand in new products, from which FUCHS can strongly benefit. Thermofluids for cooling batteries and functional fluids for electric drivetrains are particularly relevant in this context.

With the FUCHS2025 strategy, FUCHS aims to achieve technology leadership in its business fields. The mobility transformation is influenced by technical, regulatory, and societal factors. Close customer proximity is crucial to recognizing trends early and responding quickly. FUCHS is well-positioned to develop product innovations internally or make them market-ready through partnerships and acquisitions.

As a result, FUCHS has entered into a joint venture in the market segment of functional fluids and electrolytes, as a core technology for electromobility. Demand, particularly in Europe, is expected to increase significantly. We are intensifying our efforts to participate in the emerging market by advancing product developments and partnerships in this area.

**Risk: Changes in the legal and regulatory environment (e.g. sustainability reporting and due diligence obligations)**

With the German Supply Chain Due Diligence Act (LkSG), the EU Chemicals Regulation (REACH), and the Corporate Sustainability Reporting Directive (CSRD), numerous regulations for climate change prevention and adaptation are already in effect.

There is a transitory risk for FUCHS that the constant adaptation and compliance with regulations could lead to increased workload and costs or even a loss of sales revenues. Failure to comply with the regulations could result in fines or reputational damage.

The FUCHS corporate mission, based on the values of trust, value creation, respect, reliability, and integrity, serves as the foundation and benchmark for responsible action at FUCHS.

These values are embedded in our Code of Conduct (CoC) and include, among others, compliance with laws, regulations, and our internal corporate guidelines.

For this purpose, FUCHS continuously monitors the development of legal requirements related to sustainability and is also active in national and regional lubricant associations (such as UEIL and ATIEL for Europe, ALIA for Asia, etc.) to closely track and support the emergence of new regulations, assess their impact on the lubricant sector, and mitigate the resulting consequences.

**Risk: Climate hazards – floods and wildfires**

In 2024, a climate risk analysis was conducted for the first time with the support of an external consulting firm to assess the impact of climate change on the FUCHS business model.

The identified physical climate risks primarily relate to flood risks in Mannheim, Suzhou (China), and Fairhaven (USA), as well as wildfire risks in Castellbisball (Spain), Ambernath (India), and Beresfield (Australia). Additionally, other individual plants and locations could be affected by natural disasters, which may intensify due to climate change. As a result, there could be interruptions in the supply chain and production, and orders might not be fulfilled.

To mitigate potential climate risks, FUCHS relies on a combination of internal and external measures. These include the establishment of rainwater retention basins and fire ponds, as well as collaboration with local authorities to implement drainage and flood control measures. These comprehensive precautions help ensure the safety and protection of operational sites and surrounding communities.

Furthermore, potential financial damages are mitigated by a group-wide property and business interruption insurance policy with a deductible of €5 million.

**Risk: Higher costs and investments due to the transition to low-emission energy and lack of availability of low-emission energy**

To counteract climate change and reduce greenhouse gas emissions, it is necessary to transition to low-emission energy sources. This presents a transitional risk of higher costs, as renewable energy remains limited and is therefore more expensive than non-renewable energy. Furthermore, additional investments are required to implement low-emission heating systems in the production process. It is expected that electricity consumption will increase significantly in the coming years, leading to a further supply-demand imbalance.

As part of its Net-Zero strategy, FUCHS aims to reduce its Scope 2 greenhouse gas emissions to zero specifically for electricity by 2025. Part of this strategy includes increasing the share of renewable energy in the power supply and saving energy.

Renewable electricity and self-generated renewable electricity, as well as the transition to lower-emission energy carriers, contribute to reducing emissions, combating climate change, minimizing resource consumption, and have the potential to attract new customers and retain existing ones. Self-generated energy reduces our dependence on external power suppliers and the risk of under-supply or power outages.

To reduce energy consumption, we are therefore focused on investing in alternative heating systems and insulation whenever possible and sensible.

Regarding investments in our own energy generation, we will primarily focus on photovoltaic (PV) roof installations to avoid additional land consumption.

## IROs related to resource use and circular economy

**Risk: Transition from fossil to biomass-based and recycled raw materials – availability and price**

To combat climate change, it is essential to reduce global greenhouse gas emissions. The negative impact described under climate change – the generation of greenhouse gas emissions due to the use of fossil raw materials – is something FUCHS seeks to counteract with its Net-Zero strategy by replacing fossil raw materials with biomass-based raw materials whenever possible and increasing the use of recycled and reused materials. This could lead to a transitional risk for FUCHS.

Currently, most of the raw materials and packaging used by FUCHS are still based on fossil raw materials. However, the availability of biomass and recycled materials is limited, and we anticipate that this will remain the case in the long term, as demand may increase. Due to a potential shortage of alternatives, part of our product portfolio may not be fully transitioned, which could result in a partial loss of business.

Many biomass-based, recycled, or reusable raw materials are already more expensive than their fossil-based counterparts. Even if we take cost increases into account in order to achieve the overall goal of reducing our global carbon footprint, limited availability combined with increased demand could lead to higher prices in the medium and long term, which may not be fully passed on to customers. However, we anticipate that the demand for FUCHS products with a low $CO_2$ footprint will increase.

Both the limited availability and higher prices also apply to the use of recycled packaging instead of conventional packaging.

As part of our Net-Zero strategy, we plan to increase the use of renewable raw materials in our production process. Wherever possible, fossil-based materials should be avoided or replaced by renewable alternatives. However, we remain dependent on customer-specific requirements. To ensure the availability of scarce biomass-based or recycled raw materials, we strive to secure quantities as early as possible. This approach is expected to contribute to an improved environmental footprint and is considered a competitive advantage.

Currently, our customers are still highly price-sensitive and do not fully accept price increases for more sustainable raw materials. However, we anticipate that social awareness and regulatory requirements will evolve and become more stringent, leading to greater customer acceptance in the future.

FUCHS has established a global procurement network, enabling us to source biomass or recycled materials from the market.

**Actual positive impact: Extending the service life and increasing the efficiency of customers' systems and components with FUCHS products**

FUCHS lubricants are designed to enhance efficiency across a wide range of applications. They not only reduce wear and corrosion but also extend the service life of our customers' equipment and components. These properties contribute to energy savings and resource conservation for our customers by reducing repairs and the need to replace machines or parts. As a result, our products have an actual positive impact on resource use and the circular economy.

In addition, FUCHS products are designed within the usage specifications so that they can generally be recycled. For individual product groups and applications, it is also possible for products to be reused or reconditioned in the application. However, this currently only represents a small proportion of the business. This supports sustainable practices and helps to reduce waste and conserve natural resources for our customers.

Since its founding, FUCHS has been committed to providing its customers with the best possible product technology. With the current FUCHS2025 Strategy, FUCHS aims to achieve technological leadership in its business fields to benefit its customers. This is reflected in the continued increase in the efficiency of our products and the extended lifespan of process technologies at our customers.

FUCHS invests sustainably in its own research and development activities, participates in development partnerships, and expands its product and customer portfolio through strategically sound acquisitions to meet the strategic target of technological leadership. The success of FUCHS is a testament to the value customers attribute to our products.[1]

## IROs related to own workforce

### Impacts, risks and opportunities related to the organization's workforce and their interaction with strategy and business model

Attracting and retaining the best employees is crucial to our success. Given the intense global competition for highly qualified professionals and executives, offering an attractive and compelling overall package for employees is becoming increasingly important.

All employees who may be significantly impacted by the company's activities fall under the following disclosures to ensure that all relevant information on workforce impacts is presented transparently and comprehensively. This includes all employees, regardless of their position or employment status, who could potentially be affected by the company's business activities and decisions.

FUCHS has a diverse workforce that may be significantly impacted by the company's business activities. This includes both industrial workers, such as production employees, and commercial personnel, such as engineers, sales staff, and administrative employees working in planning, sales, and administrative functions.

Additionally, temporary workers and subcontractors, if integrated into operational processes, are considered part of the workforce. These temporary workers and subcontractors may either be independent contractors or workers provided by third-party companies, who predominantly operate under directive authority.

These various groups can be materially affected by FUCHS' business activities.

At present, we do not see any impacts on our workforce resulting from transition plans aimed at reducing negative environmental effects.

It should be mentioned that FUCHS does not tolerate any form of forced labor, modern slavery, or human trafficking. In line with our commitment to ILO Conventions No. 29 (Forced Labor Convention) and No. 105 (Abolition of Forced Labor Convention), as well as the 2014 Protocol to Convention No. 29, we are dedicated to preventing and eliminating cases of forced labor within our operations and at suppliers. We commit to responsible conduct and adherence to high ethical standards. These principles apply to all types of employment within the company and at every FUCHS location.

Under the supervision of the Human Rights Officer, FUCHS has conducted a global risk assessment. The results indicate that there is no increased risk of forced labor within FUCHS' own business operations worldwide.

FUCHS does not tolerate any form of child labor. We prohibit the employment of individuals under the age of 15, regardless of whether local laws permit it, in accordance with ILO Convention No. 138 (Minimum Age Convention). The only exceptions are government-approved vocational training programs that clearly benefit the participants. Workers under the age of 18 may not perform tasks that could endanger their health or safety. This includes, for example, night shifts, overtime, or hazardous work in accordance with ILO Convention No. 182 (Convention on the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labor). Similar to the risk assessment on forced labor, the Human Rights Officer-led analysis found no increased risk of child labor within FUCHS' own business operations worldwide.

[1] Further scientific information on the benefits of lubricants for energy consumption and their impact on $CO_2$ emissions can be found in Holmberg, Kenneth; Erdemir, Ali (September 1, 2017). "Influence of tribology on global energy consumption, costs and emissions". Friction. 5 (3): 263–284. doi:10.1007/s40544-017-0183-5. → https://atiel.eu/wp-content/uploads/2021/04/DOC-20.pdf.

As part of the materiality assessment, representatives of the HR department took into account the interests and effects on their own employees when considering the topics, sub-topics and sub-sub-topics in accordance with ESRS 1 AR16, as well as representatives of the global departments depending on the type of person. No particularly vulnerable groups were identified as being more negatively impacted than other employee groups. However, in terms of occupational safety, a higher likelihood of accidents is expected within industrial operations.

**Actual positive impact: Employee promotion and development & health programs**

FUCHS places great emphasis on supporting its employees and offers a variety of measures for assistance and development. Additionally, FUCHS actively promotes the health and well-being of its workforce, thereby achieving a tangible positive impact on its employees.

Employee promotion and development are of great importance to FUCHS, which is why numerous support initiatives are offered. A particular focus is placed on employee health and well-being.

The health and safety programs that FUCHS has implemented deserve special mention. These programs aim to reduce work-related injuries and maintain or improve overall employee health. Such initiatives help mitigate safety risks, which is a critical factor in FUCHS' business success.

Additionally, FUCHS provides an extensive range of training and professional development programs to enhance employees' skills and job satisfaction. These programs are available both offline and online through FUCHS CONNECT, supporting employees' professional growth.

The aforementioned measures apply to all direct employees, while safety programs apply to both direct and external workers integrated into FUCHS' operational processes.

The FUCHS2025 Strategy places a strong emphasis on employee development. FUCHS strives to be the employer of choice for both current and future employees. Within the strategic pillar "People and Organization," development programs, competency models, and succession planning have been implemented.

To expand the expertise and skills of its workforce, FUCHS continuously invests in employee training and professional development. This includes both technical and business-related training. Furthermore, the company offers long-term career and development plans to provide employees with clear career prospects and opportunities for advancement within the organization. The company relies on flat hierarchies and short decision-making processes in order to give its employees more responsibility and opportunities to help shape the company. To enhance workforce satisfaction and well-being, FUCHS promotes flexible working models and supports numerous health-promotion initiatives.

**Potential negative impact: In exceptional cases, violations of internationally applicable labor rights by employees**

As a globally operating company, FUCHS is committed to doing everything necessary within its corporate guidelines to ensure compliance with internationally recognized standards, such as the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the United Nations Global Compact initiative for sustainable and responsible corporate governance, and the Universal Declaration of Human Rights. In the FUCHS Code of Conduct (CoC), which applies to all employees within the group, the company commits to complying with applicable laws and regulations on local, national and international levels. Fair treatment of all employees, as well as ensuring workplace health and safety, is of utmost importance to us. Our principles aim to create a work and business environment that promotes dignity, equality, personal well-being, and respect for all. Despite various preventive measures, employee misconduct cannot be entirely ruled out. In exceptional cases, this could lead to issues such as unequal treatment within the company, negatively impacting employees. Unethical behavior could harm our reputation as an employer, making it harder to retain employees or attract new talent. FUCHS is committed to extending the core values and contents of the Code of Conduct to its value chain. In 2024, FUCHS established the Supplier Code of Conduct (SCoC).

In the FUCHS Code of Conduct, which applies to all employees within the group, the company commits to complying with all applicable laws and regulations. It strictly prohibits any form of slavery, illegal child labor, human trafficking, unlawful forced labor, and physical abuse of employees. All employees must be treated fairly, equally, and with respect. However, in exceptional cases, there is a risk that these values may not be fully upheld. FUCHS has implemented a robust system to prevent systemic violations of internationally recognized labor rights. This concept includes the role of the Human Rights Officer, relevant policies such as the CoC and Human Rights Principles, as well as corresponding training programs. Against this backdrop, FUCHS considers potential violations of international labor rights as isolated incidents. If concerns arise regarding potential unequal treatment, FUCHS offers multiple channels to encourage employees to voice these concerns.

FUCHS is aware of its social responsibility and has therefore deliberately included the protection of labor and associated human rights as a central element in its CoC.

To ensure compliance with the Code of Conduct, FUCHS strengthens its monitoring and ethical oversight mechanisms. This includes regular training programs to ensure that all employees are aware of and understand the Code of Conduct and its significance.

In order to underline the company's commitment to ethical practices and human rights policy, the role of the Human Rights Officer has been created. Regular training sessions and communications provide additional information on the Human Rights Policy.

In addition, we have created and published our "Human Rights Principles". We explicitly support adherence to international conventions protecting civil liberties and political, economic, and social rights.

The implementation of robust monitoring and reporting systems helps to detect and address potential violations promptly. Regular audits and reviews promote compliance with ethical standards and identify areas for improvement. Furthermore, fostering a culture of integrity and accountability, where ethical behavior is recognized and rewarded, reinforces the importance of adhering to the Code of Conduct.

These measures collectively contribute to maintaining high ethical standards and protecting the company's reputation.

By deeply embedding human rights into our corporate culture and interactions with employees, business partners, and stakeholders, we ensure our contribution to a respectful and ethical working environment.

### Actual positive impact: Protection of employee rights and equal treatment of all employees

FUCHS places great importance on protecting employee rights and fostering respectful and fair interactions. The FUCHS CoC highlights the significance of respect, integrity, and equal treatment of all employees. All employees must be treated fairly, equally, and with respect, regardless of their origin and nationality, religion and beliefs, gender and sexual orientation, political or union activities, age, illness or disability, or other personal characteristics. FUCHS expects all employees to commit to adhering to the CoC to ensure a positive impact on all employees. An indicator of how much FUCHS values "Gender Diversity" is the first place in the BCG Gender Diversity Index 2021 among all MDAX companies and 3rd place among the 100 largest publicly listed companies.

The FUCHS value system, as described in the FUCHS CoC and the FUCHS SCoC, clearly expresses the importance of respect, integrity, and equal treatment of employees. All must be treated fairly, equally and with respect, regardless of origin and nationality, religion and ideology, gender and sexual orientation, political or trade union activity, age, illness or disability or other personal characteristics. FUCHS expects the entire workforce to adhere to this set of values.

In its CoC, FUCHS commits to upholding the principles of equal opportunity for employees within the framework of applicable legal provisions.

Various measures and initiatives are designed to create an inclusive and respectful work environment while raising awareness of diversity and inclusion. Through a diverse recruitment policy and an international applicant platform, candidates from various social, cultural, and professional backgrounds are considered. Furthermore, FUCHS implements targeted measures to support women, minorities, and people with disabilities. In our corporate values and in our daily interactions, we ensure that all employees feel welcome and valued, regardless of nationality, religion, gender, age, illness or other personal characteristics.

The commitment to equal opportunities and fair working conditions for all employees includes equal pay for equal work, equal career advancement opportunities, and access to numerous training and development programs that promote both professional and personal growth.

### Actual negative impact: Work-related accidents

Despite the comprehensive occupational health and safety measures implemented by FUCHS within its production processes, negative impacts on our employees in the form of workplace accidents cannot be entirely ruled out. The company is committed to ensuring a safe work environment by adhering to strict safety protocols and conducting regular accident prevention training. FUCHS is committed to minimizing workplace accidents and continuously developing and implementing measures to improve workplace safety.

Workplace accidents may occur at company locations. However, as FUCHS has relevant accident prevention and occupational safety measures in place, we assume that these are not systemic risks, but rather individual cases. In general, the abstract risk is higher for industrial workers than for office staff and is also greater at production sites compared to sales locations.

The strategic pillar "People and Organization" aims, among other things, to optimize working conditions.

To prevent workplace accidents and continuously improve employee safety, particularly in production processes, FUCHS follows a holistic approach incorporating various measures and strategies. By combining these efforts, a safe working environment is established, and the risk of workplace accidents is minimized.

The implementation of a structured occupational health and safety management system in accordance with ISO 45001 establishes and continuously enhances safety standards. Changes in current laws and regulations are continuously monitored to ensure that all safety measures meet the latest standards. Regular safety training ensures that all employees are informed about the latest safety protocols and procedures and can apply them effectively.

Tracking and analyzing accidents and near-miss incidents provide a better understanding of root causes and contribute to preventing future accidents. Regular safety inspections and workplace assessments serve to identify and eliminate hazards at an early stage.

#### Risk: Demographic change – shortage of labor

Demographic change presents a transitional risk for FUCHS, particularly concerning workforce sustainability strategy. As the world's population ages, the number of retiring workers is expected to increase while the number of new entrants to the labor market is expected to decrease in many developed countries, creating a significant gap in the labor market. This demographic shift could make it increasingly difficult to replace retiring employees and recruit new talent, especially given the specialized knowledge required in the lubricants industry.

Intensified competition for skilled workers could drive up hiring costs and make it more challenging to attract top talent. Moreover, a shortage of employees could lead to operational inefficiencies and disruptions, preventing the company from maintaining production levels and meeting customer demands. To address these challenges, FUCHS is developing strategies to strengthen its employer brand and implement robust training and development programs.

Within the strategic pillar "People and Organization", talent recruitment and retention are also addressed.

To mitigate the risks associated with demographic change and the resulting labor shortages, FUCHS can implement various strategic countermeasures. Strengthening the employer brand is crucial. By positioning itself as an attractive employer, FUCHS can attract qualified employees. Implementing solid training and development programs will help to upskill current employees and prepare them for future roles, thereby addressing the skills shortage.

Exploring automation and digitalization can partially alleviate the pressure caused by labor shortages by increasing efficiency and reducing dependence on human labor. Strengthening knowledge transfer and succession planning is essential to preserve valuable institutional knowledge and ensure a smooth transition when employees retire. Finally, promoting a diverse and inclusive workplace will expand the talent pool and create a more innovative and resilient workforce. All these measures can help FUCHS navigate the challenges of demographic change.

The "Demographic Change" risk does not affect specific employee groups but rather represents a general dependency for FUCHS in terms of business model continuity, as our employees are a key success factor for our business operations.

### IROs related to value chain workers

#### Impacts, risks and opportunities related to the organization's workforce in the value chain and their interaction with strategy and business model

During IRO workshops, the actual and potential impacts, risks, and opportunities related to workers in the supply chain, connected to FUCHS' strategy or business model, were analyzed. The analysis has shown that while human rights are not part of the FUCHS2025 strategy, they are explicitly embedded in the corporate culture and our Code of Conduct, which form the foundation of our actions. As a globally operating company, our business model thrives on close relationships and partnerships with customers and suppliers. Their workforce is undoubtedly a key success factor for our customers and suppliers. For this reason, FUCHS considers the protection of human rights a prerequisite for sustainable business relationships, not only due to its own values but also in the interest of long-term partnerships. Any violation of human rights affecting workers in our upstream or downstream supply chain could impact our business model. However, if such a violation leads to a termination of the business relationship, FUCHS estimates that the impact on its business model would be limited, given its diversified supplier and customer portfolio. Since FUCHS has no direct influence on potential human rights violations in the downstream supply chain and considers such violations to have a relatively minor impact on its business model, the following statements focus solely on our direct suppliers.

As part of the materiality assessment, the impact on workers in the supply chain was assessed, identifying "In exceptional cases of human rights violations in the supply chain" as a material risk within the upstream value chain.

According to this analysis, FUCHS cannot completely rule out the possibility that all categories of workers and individuals within the supply chain could be potentially affected by negative impacts. However, this potential risk in the upstream value chain does not stem from FUCHS' own activities, products, or services but solely from the way our business partners treat their workforce.

Within the workforce groups analyzed, the following groups are affected by this risk:

- Workers at company sites who are not employed by FUCHS
- Workers employed by companies within the upstream supply chain
- Workers (from the above or other categories) who are particularly vulnerable to adverse impacts due to their inherent characteristics or special circumstances, such as trade union members, migrant workers, homeworkers, women or young workers

The country-specific risk assessment, including identified risks, was conducted by our partner IntegrityNext.

IntegrityNext's country assessments are based on three sustainability dimensions: environmental, social, and corporate governance. Various global indices are used for each dimension, including those from the World Bank, UN bodies, ILOSTAT, Transparency International, and other relevant NGOs. As a result, all countries are classified into five risk intervals, which are then summarized using a three-tier traffic light system (red, yellow, green). This assessment was cross-referenced with the supplier data of FUCHS.

The following countries within the supply chain were identified as having an increased risk of child labor or forced labor according to the IntegrityNext rating system: India, Singapore, South Africa, USA, China, Indonesia, Mexico, Poland, South Africa, Thailand, Malaysia.

The risk assessment at the raw material level was also conducted by cross-referencing FUCHS supplier data with the IntegrityNext rating system. The NACE code, a classification system for economic sectors within the European Union, serves as the basis for this assessment, enabling the systematic collection and presentation of statistical data by industry sector. A total of 88 sectors were analyzed. Similar to the country assessment, the evaluation follows a traffic light system. Currently, 18 industries have been identified as having an elevated risk of child or forced labor, including three key industries for FUCHS: the production of chemical products, the manufacture of rubber and plastic goods, and land transportation and pipeline transport.

A yellow or red IntegrityNext rating was considered an indicator of high risk for both countries and industries.

Since FUCHS is not currently aware of any specific cases, the identified risks of child and forced labor at both the country and industry levels are considered potential systemic risks. To assess risks related to child labor and forced labor, externally available data were used, which are independent of specific incidents at FUCHS but rather refer to reported incidents in certain countries or industries.

According to the materiality assessment conducted, no significant positive impacts on the workforce within the supply chain were identified.

Based on the materiality assessment, no opportunities for FUCHS were identified in relation to the impacts and dependencies of workers in the supply chain. However, there is a possibility of procurement disruptions due to supplier failures or reputational damage. This could lead to a loss of customers for FUCHS and the termination of business relationships with suppliers that fail to respect human rights.

As part of the materiality assessment, a distinction was made between the upstream and downstream value chains. The supply chain generally does not come into contact with FUCHS' products and services. Since the implementation of the Supply Chain Due Diligence Act (LkSG), more information is available regarding human rights and working conditions at FUCHS' suppliers than at its customers. The analysis of the downstream value chain focused primarily on the impact of our products and services on the workforce of our customers. Due to the B2B nature of FUCHS' business model, responsible and proper handling of its products and services is assumed, leading to this aspect being classified as insignificant.

The risk of human rights violations identified in the IRO analysis applies without restriction to all workers in the supply chain.

**Risk: In exceptional cases human rights violations in the supply chain**

FUCHS has extensive internal policies, such as the (SCoC), which are regularly updated to align with new regulatory requirements. In individual cases, there may be a delay in aligning the audit process with updated guidelines.

Despite these internal FUCHS guidelines, there is a potential risk that individual suppliers may violate our SCoC or OECD or ILO standards and human rights, e.g. child or forced labor. We assume that such cases, if they occur, are exceptions, as the majority of our suppliers are located in countries with high social standards.

Any violation could lead to fines or reputational damage, as well as the loss of customers for FUCHS, and could result in the termination of business relationships with suppliers who fail to meet these ethical standards.

The voluntary expansion of our sustainability standards for suppliers to include the Supplier Code of Conduct, which exceeds the requirements of the LkSG, potentially affects all current and future suppliers.

This expansion covers working conditions, particularly working hours, work-life balance, fair wages, safe workplaces, social dialogue, freedom of association, including the existence of works councils and collective bargaining.

Additionally, we are introducing new internal procedures and guidelines to ensure compliance, and we are planning social audits to monitor adherence.

We believe that these expanded requirements will help prevent human rights violations and will have a positive impact on customer acquisition and retention, improving our ESG rating, employer branding, financing and insurance, as well as share value.

## IROs related to business conduct

### Actual positive impact: Promoting a good corporate culture based on ethical standards

FUCHS is committed to clear principles and values, assuming corporate, ethical, environmental, societal, and social responsibility that goes beyond its own business operations, and has a positive impact on the aforementioned areas. Our commitment to social responsibility and environmental protection is deeply rooted in our corporate culture.

Compliance with all applicable national and international laws and regulations, adherence to internal FUCHS rules, and overall integrity are fundamental aspects of FUCHS' culture and reputation. The clear documentation and communication of these values, their integration into the CoC and related guidelines, aim at that the expectations of both internal and external stakeholders regarding good corporate governance are met or even exceeded.

At FUCHS, corporate culture is regarded as an essential element of the corporate strategy and is systematically developed in every strategic cycle. A key focus of the FUCHS2025 strategy has been the development and consolidation of our corporate culture, which in recent years has been shaped by elements such as an open feedback culture, hierarchy-free communication, and a "growth mindset."

FUCHS communicates and promotes its corporate culture through a variety of initiatives.

The FUCHS CoC, along with its key elements, related policies, compliance standards, and supporting documents that elaborate on the Code, undergo regular review and improvement. Regular training ensures that the entire workforce is familiar with the Code of Conduct, including FUCHS' values.

Since the management plays a crucial role in fostering corporate culture in daily operations, a global "Train the Trainer" program, The essence of leadership in changing times, was introduced. This initiative is designed to establish a shared understanding of management expectations and behaviors.

In addition, employees across different countries have been appointed as Cultural Scouts, whose role is to promote FUCHS values throughout the company. This approach aims to strengthen trust, agility, and engagement while also fostering better cross-functional and cross-regional collaboration.

As part of the annual performance management process, employees are assessed on their implementation of FUCHS values, and a performance goal linked to FUCHS2025 is defined.

### Risk: Bribery and corruption

Violations of the FUCHS Code of Conduct and anti-corruption policy can be committed by employees acting intentionally or with gross negligence. In addition to fines, there is the risk of a loss of reputation.

The FUCHS Code of Conduct and anti-corruption policy clearly convey the company's values and the principle that misconduct will not be tolerated. Both online and offline training support these messages, ensuring that all employees have the opportunity to understand FUCHS' expectations. Compliance risk assessments help identify areas with an increased risk of bribery and corruption.

These areas are subject to additional compliance measures to mitigate any potential risks. By establishing a whistleblowing channel that allows anonymous reports and implementing governance policies that protect whistleblowers from retaliation, FUCHS fosters a speak-up culture. Anyone who violates laws or internal regulations must expect to be reported by whistleblowers. The same applies to the auditing of business units, where individuals who breach laws or internal policies must anticipate the disclosure of their misconduct and the associated consequences.

**Financial effects**
There have been no current financial impacts from significant risks and opportunities on the financial position, financial performance, or cash flows in the current financial year.

The possible risks and opportunities could have the following financial effects on EBIT and cash flow in the financial year 2025 → # Material risks and opportunities.

FUCHS' process technologies for manufacturing engine and transmission oils can be adapted for the production of other industrial oils in the event of a decline in demand. Therefore, we do not anticipate any financial impact on the carrying values of our fixed assets due to technological shifts in the automotive sector.

**Resilience of the business model**
The FUCHS business model and strategy demonstrate high resilience to potential sustainability-related risks. FUCHS can rely on a broad network of suppliers for various raw, auxiliary, and operational materials, which can be sourced from multiple world regions. The diversified product portfolio includes over 10,000 products that can be manufactured at multiple global locations. The customer portfolio is also extensive and geographically diverse. Our skilled workforce is trained and encouraged to adopt a "growth mindset" that embraces change. Finally, FUCHS' financial strength, combined with its research and development capabilities, enables the company to continuously adapt to market and environmental developments.

**Material risks and opportunities**

| | | 95% Var. Net in € million |
|---|---|---|
| Risk | Decline in the market share of combustion engines in certain regions | 1.7 |
| Opportunity | Mobility change with additional requirements for lubricants | – 1 |
| Risk | Changes in the legal and regulatory environment (e.g. sustainability reporting and due diligence obligations) | 0.4 |
| Risk | Climate hazards – floods and wildfires | 0 |
| Risk | Higher costs and investments due to the transition to low-emission energy and lack of availability of low-emission energy | 4.1 |
| Risk | Transition from fossil to biomass-based and recycled raw materials – availability and price | 3.3 |
| Risk | Demographic change – shortage of labor | 4.1 |
| Risk | In exceptional cases human rights violations in the supply chain | 0.8 |
| Risk | Bribery and corruption | 0 |

## Material impacts, risks and opportunities and their interaction with strategy and business model

**Climate risk analysis**
In 2024, FUCHS commissioned an external consulting firm to conduct a climate risk analysis The analysis found no physical climate risks in the upstream or downstream value chain. Within FUCHS' own operations, a moderate gross physical risk was identified at certain selected sites due to climate hazards such as flooding, drought, and wildfire risk.

Regarding transition climate risks, the analysis identified a risk in the upstream value chain concerning the availability and potentially higher procurement costs of biogenic and recycled raw materials compared to fossil-based raw materials. No transition risks were identified within FUCHS' own operations. In the downstream value chain, there is a moderate risk due to technological change, with an expected decline in combustion engine vehicles affecting FUCHS' product portfolio in the engine and transmission oil sector. However, this is counterbalanced by opportunities for new products, such as functional fluids and electrolytes in the e-mobility sector.

### Scope of the climate resilience analysis

The resilience analysis is based on the findings of the preceding climate risk analysis. Areas exposed to high risks were analyzed through interviews with FUCHS employees.

### Physical climate risks

To assess physical climate risks, 17 sites from FUCHS companies in 10 countries across various climate zones were examined. This analysis covered approximately 88 % of the replacement value of fixed assets across all FUCHS companies. The physical climate risks considered in the resilience analysis included threats from flooding, wildfires, and droughts. The sites in Mannheim, Germany, and Suzhou, China, are projected to face a high flood risk under the analyzed scenario through 2050. Due to municipal and urban flood protection measures as well as internal FUCHS measures, such as a flood management plan, the net risk after resilience-enhancing measures is assessed at a medium level. At the Castellbisbal site in Spain, a high gross risk related to drought and wildfires was identified. Similarly, local initiatives, such as participation in an on-site fire department and water protection measures, have led to a net risk rating at a moderate level. The physical climate risks in both the upstream and downstream value chains were also analyzed. Since no significant risks were identified, there was no need to conduct a climate resilience analysis for the supply chain.

### Transitional climate risks

Transitional climate risks arise from regulatory and societal shifts toward a carbon-neutral economy. As part of its Net-Zero strategy to reduce $CO_2$ emissions, FUCHS aims to replace fossil-based raw materials with biogenic substances in both its supply chain and its own operations. However, the limited availability of biogenic materials, combined with increased demand, could lead to rising prices. To mitigate this, FUCHS is not only transitioning to biomass but also incorporating recycled raw materials from circular sources. Overall, FUCHS adapts to market developments in different global regions and mitigates risk concentration within specific product groups through a diversified product portfolio. Additionally, FUCHS is working closely with suppliers to reduce the $CO_2$ emissions associated with procured raw materials. Based on market demand, FUCHS secures access to biogenic raw materials. Growing awareness of climate change and the associated regulatory requirements is accelerating the electrification of vehicles, potentially leading to a decline in new registrations of internal combustion engines. Over the long term, this presents a risk of decreased demand for products such as engine and transmission oils in the downstream value chain. FUCHS is addressing this by expanding and adapting its product portfolio to align with the technological shift from internal combustion engines to “New Mobility” solutions. The transition in mobility brings additional requirements for lubricants while also creating significant opportunities for the development of new products. The overall projected development of the automotive sector through 2050 could positively impact demand. Current assessments suggest that the transition to e-mobility will unfold differently across global regions. Through its local presence, in-house research and development, new investments, technology partnerships, and product portfolio expansion, FUCHS aims to support the technological evolution of these markets. The company’s own operations were also analyzed for transitional climate risks. Since no significant risks were identified, there was no need to conduct a climate resilience analysis for FUCHS’ internal operations.

### Conducting of the climate resilience analysis

The climate resilience analysis was conducted between October and December 2024 by an external consulting firm in collaboration with the relevant specialist departments, including strategy, procurement, operations, sales, governance, and sustainability.

The following data served as the basis for the climate risk analysis:

- Double materiality assessment
- Procurement list of key raw materials and suppliers
- Risk management information
- Overall strategy and governance structures
- Building energy performance certificates and resilience measures
- Building values and insured risks
- Sustainability strategy
- $CO_2$ emissions
- Share of coal, gas, and oil in total energy consumption
- Revenue and margins with key customers and key product groups

A risk-oriented approach was chosen for both physical and transitional climate risks to focus the analysis on the most significant risks.

Physical climate risks were assessed using the following approach:

1) Scoping of relevant locations based on economic and strategic importance, considering 88 % of the replacement costs of tangible assets.
2) Identifying relevant climate hazards and assessing vulnerability in terms of asset exposure and productivity
3) Analysis of physical risks for the sites and determination of the severity of the risk.
4) Evaluating climate risk scores and overall gross physical risk classification for 2030 and 2050 per site
5) Assessing adaptation and resilience measures
6) Determining net risk for 2030 and 2050 per site

Key factors in defining the physical climate risk profile included:

- Asset value at the FUCHS site
- Geographical location.
- Insurance value
- Produced product portfolio

For the transitional climate risk analysis, the following transition drivers were considered across the entire value chain:

- Political / regulatory drivers
- Reputational drivers
- Technological drivers
- Market drivers

Building on the climate risk analysis, significant physical and transitional gross risks were initially identified and validated using statistical data by the external consulting firm. Risks, opportunities, and related countermeasures were then discussed first with the governance department and subsequently with relevant business units, including operations, procurement, strategy, sales, and sustainability. The statistical data validation was reviewed for plausibility. Based on the gross risks, risk-mitigating measures were evaluated to determine the net risks after applying the countermeasures.

The climate resilience analysis is based on the assumption that global $CO_2$ emissions must decline to counteract ongoing climate change. However, in the short term, the required transition in energy consumption and energy mix within the mobility sector does not significantly impact FUCHS’ business model or result in measurable financial consequences. In the medium to long term, a decline in newly registered internal combustion engine vehicles is expected in the automotive sector. However, this transitional risk is counterbalanced by opportunities for new product sales in the field of new mobility. The transition from fossil-based to biomass-based raw materials, necessary for FUCHS due to its Net-Zero strategy, may lead to increased procurement costs for raw materials. These financial effects cannot yet be estimated, as prices and demand in raw material markets will evolve differently over time depending on regulations and customer behavior in each global region.

The occurrence of different climate scenarios results in higher $CO_2$ emissions in a high-temperature scenario but lower transitional costs, whereas physical climate risks are high. In contrast, a low-temperature scenario leads to higher transitional risks and associated costs but lower physical climate risks, as illustrated in the following graphic:

**Physical and transitional risks related to climate scenarios**

| Transitional Risks | | | | Physical Risks | | | |
|---|---|---|---|---|---|---|---|
| **Efforts to reduce emissions** | **Energy generation** | **Transport** | | **Temperature until 2100** | **Extreme weather until 2100** | **Necessary adjustments** | |
| Low | Fossil energy | Conventional transportation | SSP 5–8,5 | >4 °C | Very strong increase | Very high costs | High Physical risks |
| Low | Mix of predominantly fossil and renewable energy | Mix of low-emission and conventional transportation | SSP 3–7,0 | 4 °C | Strong increase | High costs | |
| Medium | Mix of fossil and renewable energy | Mix of low-emission and conventional transportation | SSP 2–4,5 | 3 °C | Moderate increase | Moderate costs | |
| High | Renewable energy | Low-emission transportation | SSP 1–2,6 | 1,8 °C | Slight increase | Low costs | |
| High | Renewable energy | Low-emission transportation | SSP 1–1,9 | <1,5 °C | Minimal increase | Low costs | High Transitional risks |

The IPCC[1] SSP5-8.5[2] scenarios for the periods up to 2030 and 2050 were used to assess the physical climate risks, while the IEA[3] Net Zero Emissions by 2050 scenario (based on World Energy Outlook 2024) was used for the periods up to 2030 and 2050 for the transitory risks in order to evaluate transitory effects on the value chain and physical climate risks for the company's own operations. In the "FUCHS Net Zero 2040/50" Strategy, a short-term target for 2030 and a long-term target for 2050 have been defined. FUCHS is committed to reducing its Scope 1 and 2 greenhouse gas emissions by at least 42% by the short-term target year 2030. In addition, FUCHS is committed to reducing its Scope 1, 2, and 3 greenhouse gas emissions by at least 90% by 2050.

### Results of the climate resilience analysis

The results of the physical climate resilience analysis indicate a medium net risk related to the climate hazard "flood" for the Mannheim, Germany, and Suzhou, China, sites. The Castellbisbal site in Spain is exposed to a medium net risk from the climate hazard "wildfire," according to the climate resilience analysis.

**Climate risks at FUCHS locations**

| Climate risk | Location | Risk assessment |
|---|---|---|
| Flood | Mannheim | ○ ○ ● ○ |
| Flood | Suzhou | ○ ○ ● ○ |
| Flood | Castellbisbal | ○ ○ ○ ○ |
| Forest fires | Mannheim | ○ ○ ○ ○ |
| Forest fires | Suzhou | ○ ○ ○ ○ |
| Forest fires | Castellbisbal | ○ ○ ● ○ |
| Drought | Mannheim | ○ ○ ○ ○ |
| Drought | Suzhou | ○ ○ ○ ○ |
| Drought | Castellbisbal | ○ ○ ○ ○ |

● ○ ○ ○ High opportunity ○ ● ○ ○ Medium opportunity
○ ○ ● ○ Medium risk ○ ○ ○ ● High risk
○ ○ ○ ○ Neither risk nor opportunity

**Transition lever for determining transitional risks**

| Value chain | Lever | Parameters | Risk/opportunity assessment |
|---|---|---|---|
| Supply chain | Political driver | $CO_2$ taxes and bans on fossil base oils | ○ ○ ● ○ |
| Supply chain | Reputational drivers | Scope 3 Target achievement | ○ ○ ● ○ |
| Supply chain | Technological drivers | Prices and availability of biogenic substances | ○ ○ ● ○ |
| End market/product portfolio | Technological drivers | Mobility transition | ○ ● ○ ○ |
| End market/product portfolio | Market drivers | Overall development Automotive | ● ○ ○ ○ |

● ○ ○ ○ High opportunity ○ ● ○ ○ Medium opportunity ○ ○ ● ○ Medium risk
○ ○ ○ ● High risk ○ ○ ○ ○ Neither risk nor opportunity

In terms of transitional climate risks, achieving the $CO_2$ emission reduction targets requires a shift toward biogenic raw materials. Failure to meet emissions reduction targets, particularly in reducing Scope 3 greenhouse gas emissions, could potentially harm FUCHS' reputation in the perception of some stakeholders. The transition from internal combustion engines to electric mobility presents both risks and opportunities for FUCHS. The company is intensifying its efforts in product development and partnerships to participate in this growing market, which is expected to continue growing globally in terms of passenger vehicle numbers.

[1] Intergovernmental Panel on Climate Change
[2] Shared Socioeconomic Pathways of the IPPC (AR6) Report
[3] International Energy Agency

The climate scenarios under consideration currently represent the latest scientific knowledge but inherently involve uncertainties due to long timeframes, geographical distribution, and other influencing factors. FUCHS currently considers the climate protection measures mentioned above sufficient to mitigate physical climate hazards. The transitional climate risks mentioned above are associated with the strategic pillar "Customer and Market Focus" (see also → 94 Strategy, buisness model and value chain). As a result, the development of transitional climate risks is integrated into FUCHS' strategy and investment decisions.

FUCHS believes it is well positioned to respond to changes in both physical and transitional climate risks. With a highly diversified product portfolio of over 10,000 different products manufactured at multiple locations worldwide, a broad customer portfolio, and a global presence, FUCHS is not dependent on any single customer group. Additionally, FUCHS' financial strength, based on positive cash flow and a low debt ratio, combined with its research and development capabilities, enables it to continuously adapt to market and environmental developments in the short, medium, and long term.

**Description of the process to identify and assess material impacts, risks and opportunities**

### Double materiality assessment

The starting point for the double materiality assessment was a stakeholder survey in which representatives from ten different stakeholder groups evaluated the relevant topics, subtopics, and sub-subtopics of the ESRS using a questionnaire. In a second step, key topics were identified through a materiality assessment or an IRO assessment. Workshops with FUCHS experts and external consultants were conducted to discuss the relevant sustainability matters of ESRS 1 AR16 for each topic. The aim was to identify sustainability-related topics where FUCHS' activities either have an impact on the environment or people (inside-out perspective) or where there are risks and opportunities for FUCHS (outside-in perspective). A topic is considered material if a significant IRO is present in either dimension (double materiality).

The evaluation covered the entire FUCHS value chain. Impacts, risks, and opportunities were assessed based on scale, scope, time horizon, irremediability, and likelihood. The sum of scale, scope, and irremediability (each with a maximum of 5 points) results in a maximum score of 15 for actual impacts. With a likelihood of, for example, 50%, a maximum score of 7.5 applies to potential impacts. The median is therefore 7.5 for actual impacts and 3.75 for potential impacts. The threshold for actual impacts was set at 6 and for potential impacts at 3, meaning only one value below the median had to be reached for an impact to be classified as material. This analysis represents a conservative approach and tends to classify impacts as material even when the median has not yet been reached. Risks and opportunities were assessed analogously based on financial impact and probability. The identified IROs were then matched with the topics of ESRS 1 AR16. As a result, the topics of climate change, resource use and circular economy (excluding waste), own workforce, workers in the value chain, and business conduct (excluding management of relationships with suppliers, political influence and lobbying activities, and payment practices) were classified as material for FUCHS.

### Process to identify, assess, prioritize, and monitor potential and actual impacts

The prioritization of actual and potential impacts is based on the materiality assessment. For actual impacts, materiality assessment was equivalent to severity assessment. The severity score was determined by summing:

- Scale (the gravity of the negative impact or the benefit of the positive impact)
- Scope (the extent to which positive or negative impacts are widespread)
- Irremediability (whether and to what extent the negative impact can be remediated)

For potential impacts, the severity score was multiplied by likelihood of occurrence. The monitoring of impacts is operationally managed by the Global Functions for global impacts, while local impacts are overseen by the respective management teams. Overall responsibility lies with the company's Executive Board. The annual review of IROs within the risk reporting framework ensures continuous updating, evaluation, and prioritization of the IROs. The fundamental approach and scales used align with the EFRAG IG 1: Materiality Assessment Implementation Guidance, May 2024 (formerly: [Draft] ESRG 1 Double materiality conceptual guidelines for standard-setting Working paper, January 2022).

**Scope of the impact**

| | None 0 | Local 1 | Regional 2 | Nationwide 3 | Supra-regional 4 | Global 5 |
|---|---|---|---|---|---|---|
| **Definition: Geographically** | No effect | Seat of the company | Region around the seat of the company (100 km radius) | nationwide | Region | worldwide |
| **Definition: Location-based** | No effect | Company location | Company location | Company-wide | Region | All FUCHS companies |
| **Definition: People-oriented** | No effect | Company location | Region around the company location (100 km radius) | Company-wide | Region | worldwide |

Since FUCHS operates under a homogeneous business model focused on the production and distribution of lubricants and functional fluids, neither the consultants nor the working groups deemed it necessary to analyze specific activities separately. The upstream and downstream value chain was considered in all workshops. Geographical impact was included as part of the scale used to assess the scope of impact. Specific geographical factors were conceptually integrated into a five-tier scale used to evaluate all impacts. The geographical impact was analyzed using Table → # Scope of the impact.

Geographical factors were particularly considered within the biodiversity analysis, climate risk assessment, mobility transition assessment, and human rights evaluation.

In the IRO workshops, every analysis included the assessment of impacts, risks, and opportunities related to FUCHS' own operations as well as its business relationships. For this purpose, a tabular overview was used to record, in separate columns, where in the value chain the impact, risk, or opportunity could occur.

The affected stakeholders were initially consulted as part of the stakeholder survey, as described above. During the IRO workshops, participants were selected to ensure that FUCHS internal experts could incorporate the perspectives of stakeholders. For example, the interests of customers, suppliers, employees, and ESG rating agencies were specifically taken into account through internal representatives. Additionally, all workshops were accompanied by external experts from a consulting firm. Nature was considered as a silent stakeholder in the workshops for the discussions and evaluations.

As described above, scales for scale, scope, and irremediability were used to determine the respective severity. For potential impacts, risks, and opportunities, the likelihood of occurrence was also taken into account to determine the materiality level. Threshold values were set for impacts, risks, and opportunities. Impacts, risks, and opportunities were classified as material if the materiality score exceeded the respective threshold. In the case of negative impacts on human rights, the severity took precedence over the likelihood of occurrence.

## Process to identify, assess, prioritize, and monitor risks and opportunities

The procedure for identifying and assessing risks and opportunities is described above. The prioritization of risks and opportunities is based on the materiality assessment. For actual risks and opportunities, the materiality assessment corresponds to the financial effect. For potential risks and opportunities, the financial effect is multiplied by the likelihood of occurrence to determine the materiality score. Risks and opportunities with a financial effect greater than €2 million were generally considered material. The monitoring of risks and opportunities is ensured through IRO updates and the risk management system.

The effects and dependencies resulting from the risks and opportunities classified as material were analyzed in the IRO workshops with regard to their impact on the value chain, the short, medium or long-term monetary impact on the financial position, financial performance and cash flows, the geographical impact, the regional impact of the FUCHS sites and the regional impact on the people affected. The financial effect of risks and opportunities was assessed using a five-tier scale in line with the risk management system (see Table → # Financial effect).

The classification of financial effect and likelihood of occurrence was carried out based on experience and assessments of internal experts in the workshops, using scales and guided by an external consultant. The classification of financial effect and likelihood of occurrence was performed in accordance with the risk management system using → # Financial effect and the following four probability groups:

Likelihood of occurrence ≤ 10 % (unlikely)
Likelihood of occurrence > 10 % to ≤ 25 % (possible)
Likelihood of occurrence > 25 % to ≤ 50 % (likely)
Likelihood of occurrence > 50 % (very likely)

Sustainability risks are assessed in the same way as other risks within the risk management system, but they are not generally prioritized over other risks. However, a separate IRO assessment for sustainability risks was conducted for the financial year 2024.

The decision-making process regarding whether certain sustainability-related impacts, risks, and opportunities are considered material from FUCHS' perspective is based on the aforementioned scales for assessing scale, scope, irremediability, and likelihood. Assessments for each IRO were discussed in workshops with FUCHS experts under the guidance of an external consultancy. Topics, subtopics, and sub-subtopics according to ESRS 1 AR16, where the

**Financial effect**

| | Very low | Low | Medium | High | Very high |
|---|---|---|---|---|---|
| EBIT | <€1 million | <€5 million | <€10 million | <€20 million | >€20 million |
| Cash flow | <€1 million | <€5 million | <€10 million | <€20 million | >€20 million |
| Balance sheet | <€1 million | <€5 million | <€10 million | <€20 million | >€20 million |
| Capital costs | <€1 million | <€5 million | <€10 million | <€20 million | >€20 million |
| Net sales revenue | <€5 million | <€25 million | <€50 million | <€100 million | >€100 million |

materiality assessment of the corresponding IRO exceeded the established threshold, were classified as "material." The IROs were then grouped by topic and reviewed by the Global Functions in the framework of risk reporting, before being forwarded to the Executive Board for approval.

### Integration into the overall risk management process

FUCHS' opportunity and risk management system has been adapted to meet the requirements of the CSRD. The risk map was expanded to include additional sustainability risks and opportunities. All risks and opportunities can be assigned to an ESRS topic and a subtopic in accordance with ESRS 1 AR16. Positive and negative impacts have also been recorded in our risk management system. The impact, risk, and opportunity reporting is updated for the 4+8 forecast and budgeting purposes. Since all legal entities of FUCHS and all global functions are involved in this reporting, a holistic view of actual and potential impacts, opportunities, and risks is possible.

### Integration into the overall management process

Opportunities are managed locally at the legal entity level by local management or globally by a global function, a division, or a project team. Global opportunities are often part of the strategic objectives set by the Executive Board and are typically managed by project teams. Sustainability-related opportunities are included in the regular opportunity and risk reporting and are subject to the same assessment, management, and approval processes as risks.

### Input parameters used

For scope determination, input parameters such as geographical impact, location, and impact on the affected population size were taken into account. Irremediability was assessed by evaluating the difficulty in addressing the impacts and the time required for mitigation. For financial impacts, five different ranges of Euro amounts were defined for each KPI: EBIT, cash flow, balance sheet, capital costs, and net sales revenues. The goal of this process was to objectify the decision-making process. The key data sources used included, among others, procurement volume and value by product and supplier category from the procurement department, personnel data from FUCHS CONNECT, sales data from the Business Warehouse, a specific query for sales to consumers and end users, an external tool for assessing biodiversity issues, and publicly available information.

### Revision of the materiality assessment

For financial year 2024, FUCHS conducted the materiality assessment with double materiality for the first time as the basis for the non-financial statement, in accordance with ESRS 1 Para. 3. The materiality assessment will be reviewed annually. In previous years, the materiality assessment was based on materiality according to Section 289c HGB.

### Description of the procedures to identify and assess material climate-related impacts, risks, and opportunities

When determining the impact of FUCHS' activities on climate change, FUCHS' business model – i.e., its product and service groups, their product lifespan, and their environmental impact – was identified. The production process of FUCHS consumes only small amounts of energy and water per ton produced. A significant portion of the purchased raw materials is of fossil origin, which is why Scope 3.1 greenhouse gas emissions from purchased goods constitute the largest share of total greenhouse gas emissions. Therefore, the generation of greenhouse gas emissions, including from the use of fossil raw materials, was identified as an actual negative impact within the materiality assessment. The procedure for greenhouse gas accounting and the completeness of the greenhouse gas balance is described in detail in Chapter → 167 Gross Scopes 1, 2, 3 and Total GHG emissions.

#### Physical climate risk analysis

To identify physical climate risks, FUCHS' locations were categorized based on their asset value and the potential financial impact of a business interruption at each location. For the locations derived from this, risks were analyzed and manually validated by an external consulting firm using a climate scenario analysis tool.

For FUCHS as a whole, a medium gross risk was determined before considering resilience measures, and no net risk was identified after resilience measures were applied. Since FUCHS can freely source pre-products from supply markets, and the raw materials, such as base oil, are not subject to scarcity or climate change, and FUCHS is not dependent on individual supply chains, physical climate risks for the upstream supply chain were not considered material. Due to our diversified and global customer portfolio, there is also no dependence on individual customers in the downstream value chain, resulting in no material risk.

A high-temperature scenario was applied to determine physical climate risks. Overall, the entire FUCHS group can be regarded as having a very low or negligible net physical climate risk across the entire value chain.

The following FUCHS locations were examined for physical climate risks:

- Ambernath, India
- Barueri, Brazil
- Beresfield, Australia
- Castellbisbal, Spain
- Fairhaven, USA
- Harvey, USA
- Johannesburg, South Africa
- Kaiserslautern, Germany
- Kansas City, USA
- Kiel, Germany
- Mannheim, Germany
- Stoke-on-Trent, United Kingdom
- Sunshine, Melbourne, Australia
- Suzhou, China
- Västerhaninge, Sweden
- Wedel, Germany
- Yingkou-City, China

For these locations, the following ten climate hazards were identified as relevant:

**Climate-related hazards in the application area**

| Type of risk | Element | Physical Climate Risk (EU Taxonomy) |
|---|---|---|
| Chronic | Temperature | Temperature change (air, fresh water, sea water) |
| | | Heat stress |
| | | Temperature variability |
| | | Thawing of permafrost |
| | Wind | Change in wind conditions |
| | Water | Changing precipitation patterns and types (rain, hail, snow/ice) |
| | | Variability of precipitation or hydrology |
| | | Ocean acidification |
| | | Saltwater intrusion |
| | | Sea level rise |
| | | Water stress |
| | Solid matter | Coastal erosion |
| | | Soil degradation |
| | | Soil erosion |
| | | Solifluction |
| Acute | Temperature | Heat wave |
| | | Cold spell/frost |
| | | Forest and wildfires |
| | Wind | Cyclone, hurricane, typhoon |
| | | Storm (including snow, dust and sand storms) |
| | | Tornado |
| | Water | Drought |
| | | Heavy precipitation (rain, hail, snow/ice) |
| | | Floods (coastal, river, rainwater, groundwater) |
| | | Overflow of glacial lakes |
| | Earth mass | Avalanche |
| | | Landslide |
| | | Subsidence |

- Included in the risk assessments of the sites (10 hazards)
- No or low risk was identified for the FUCHS locations after the analysis (14 hazards)
- Not relevant due to irrelevance for FUCHS regarding the business model, the locations and the types of assets in the FUCHS portfolio (4 hazards)

The climate hazards were assessed for the periods 2030 and 2050.

Given that climate hazards are expected to change over longer time horizons based on current knowledge, the timeframes of 2030 were chosen as an intermediate target in alignment with FUCHS' $CO_2$ transformation pathway, and 2050 as the European climate neutrality target.

The identified climate risks were explored and documented based on the geographical data of the selected locations for the years 2030 and 2050 under the SSP 5-8.5 scenario.

In three steps, the climate risk score for all hazards was calculated from the following three variables by location:

1) The significance of the individual sites for FUCHS was determined in step 1 of the valuation on the basis of the asset value and the business interruption

2) The vulnerability for productivity and the vulnerability for the asset was defined in step 2 for each hazard

3) The severity was defined in step 3, including higher frequencies and/or higher intensities

As a result, medium net risks for flooding were identified at the Mannheim (Germany) and Suzhou (China) locations, and for wildfires at the Castellbisbal (Spain) location.

**Climate risks at FUCHS locations**

| Climate risk | Location | Risk assessment |
|---|---|---|
| Flood | Mannheim | ○ ○ ● ○ |
| Flood | Suzhou | ○ ○ ● ○ |
| Flood | Castellbisbal | ○ ○ ○ ○ |
| Forest fires | Mannheim | ○ ○ ○ ○ |
| Forest fires | Suzhou | ○ ○ ○ ○ |
| Forest fires | Castellbisbal | ○ ○ ● ○ |
| Drought | Mannheim | ○ ○ ○ ○ |
| Drought | Suzhou | ○ ○ ○ ○ |
| Drought | Castellbisbal | ○ ○ ○ ○ |

● ○ ○ ○ High opportunity ○ ● ○ ○ Medium opportunity
○ ○ ● ○ Medium risk ○ ○ ○ ● High risk
○ ○ ○ ○ Neither risk nor opportunity

Total gross physical risks for 2030 and 2050:

**Physical risk**

| | 2030 | 2050 |
|---|---|---|
| Upstream supply chain | | |
| Own operations | ○ ○ ● ○ | ○ ○ ○ ○ |
| Downstream supply chain | | |

Total gross and net physical risks for 2050:

**Year 2050 Physical risk**

| | Gross risk | Net risk |
|---|---|---|
| Upstream supply chain | | |
| Own operations | ○ ○ ● ○ | ○ ○ ● ○ |
| Downstream supply chain | | |

● ○ ○ ○ High opportunity ○ ● ○ ○ Medium opportunity
○ ○ ● ○ Medium risk ○ ○ ○ ● High risk
○ ○ ○ ○ Neither risk nor opportunity

### Transitional climate risk analysis

The starting point for conducting the transitional climate risk analysis was an examination of FUCHS' business model, i.e., its product and service groups and their product lifespan. The approach for determining transitional climate risks was carried out in three steps:

1) Identification of key risk areas: The most important risk areas along the value chain were identified based on the data provided by FUCHS (supply chain, end markets, product portfolio).

2) Analysis of transitional drivers: Consideration of transitional risk drivers within the supply chain, end markets, and product portfolio under a 1.5-degree scenario, along with the localization of potential risks and opportunities.

3) Assessment of transitional risks and opportunities: For each relevant position, a risk and opportunity assessment was performed. The assessment was made on a scale from "low" to "medium" to "high" and was qualitatively explained.

To assess the transitional risks, the following transitional drivers were used:

**Transition lever for determining transitional risks**

| Value chain | Driver | Parameters | Risk / opportunity assessment |
|---|---|---|---|
| Supply chain | Political driver | $CO_2$ taxes and bans on fossil base oils | ○ ○ ● ○ |
| Supply chain | Reputational drivers | Scope 3 Target achievement | ○ ○ ● ○ |
| Supply chain | Technological drivers | Prices and availability of biogenic substances | ○ ○ ● ○ |
| End market/product portfolio | Technological drivers | Mobility transition | ○ ● ○ ○ |
| End market/product portfolio | Market drivers | Overall development Automotive | ● ○ ○ ○ |

● ○ ○ ○ High opportunity ○ ● ○ ○ Medium opportunity ○ ○ ● ○ Medium risk
○ ○ ○ ● High risk ○ ○ ○ ○ Neither risk nor opportunity

In order to evaluate the potential impacts of climate change on FUCHS' operations and assets, political and regulatory changes, new technological advancements, market shifts, and potential reputational damages for FUCHS' key raw materials and other production costs were analyzed. It was assessed whether these drivers would influence FUCHS' business model and its upstream and downstream value chain in the short, medium, or long term. For the analysis, the medium-term horizon was set for 2030, and the long-term horizon for 2050.

Various sources were used to assess these factors, such as expectations regarding crude oil price developments, the $CO_2$ tax, the global passenger car fleet development, the intensity of modal shift from road to rail, and the expectations of FUCHS' global departments on various topics. The external consulting firm gathered and validated this information from available data sources.

To assess the transitory climate risks, a low temperature scenario IEA Net Zero Emissions by 2050 (based on World Energy Outlook 2024) was used to meet the 1.5 degree target and to assess the physical climate risks a high temperature scenario IPCC SSP5-8.5, which corresponds to a mean average temperature increase of over 4 degrees Celsius.

Both analyses consider the timeframes up to 2030 and 2050.

Overall, a medium transitory risk was determined for FUCHS and its value chain in the upstream value chain. This refers to the transitional risk of limited availability and consequently rising prices of biomass-based raw materials. In the downstream value chain, the transitional risk of a decline in newly registered combustion engine vehicles was identified. However, this medium transitional risk is counterbalanced by the medium transitional opportunity for the sale of new products in the field of New Mobility, resulting in a balanced opportunity/risk position in the downstream value chain.

Transitional gross risks for 2030 and 2050 in total:

**Transitory risk**

| | 2030 | 2050 |
|---|---|---|
| Supply chain | ○ ○ ● ○ | ○ ○ ● ○ |
| Own operations | ○ ○ ○ ○ | ○ ○ ○ ○ |
| End market + product portfolio | ○ ● ● ○ | ○ ● ● ○ |

● ○ ○ ○ High opportunity ○ ● ○ ○ Medium opportunity
○ ○ ● ○ Medium risk ○ ○ ○ ● High risk
○ ○ ○ ○ Neither risk nor opportunity

Transitional gross and net risks for 2050 in total:

**Year 2050 Transitory risk**

| | 2030 | 2050 |
|---|---|---|
| Supply chain | ○ ○ ● ○ | ○ ○ ● ○ |
| Own operations | ○ ○ ○ ○ | ○ ○ ○ ○ |
| End market + product portfolio | ○ ● ● ○ | ○ ● ○ ○ |

● ○ ○ ○ High opportunity ○ ● ○ ○ Medium opportunity
○ ○ ● ○ Medium risk ○ ○ ○ ● High risk
○ ○ ○ ○ Neither risk nor opportunity

As part of the climate risk analysis, FUCHS did not identify any assets or business activities that are incompatible with the transition to a climate-neutral economy. The basis for this assessment was the "FUCHS Net Zero 2040/50 Strategy," in which FUCHS has committed to reducing its Scope 1 and 2 greenhouse gas emissions by at least 42% by the short-term target year 2030 and by at least 90% by 2040, the year of the net-zero target for Scope 1 and 2 greenhouse gas emissions. Additionally, FUCHS has set ambitious targets to reduce its Scope 3 greenhouse gas emissions by at least 25% by 2035. By 2050, FUCHS aims to reduce total cradle-to-grave emissions (including Scope 3) by at least 90%. Both targets outline a transition pathway for FUCHS that requires significant efforts to be compatible with a climate-neutral economy.

To assess the transitional climate risks, a low-temperature scenario IEA Net Zero Emissions by 2050 (based on World Energy Outlook 2024) was used to comply with the 1.5-degree target, while a high-temperature scenario IPCC SSP5-8.5, which corresponds to a moderate average temperature increase of over 4°C, was applied for evaluating the physical climate risks. Both analyses refer to the periods 2030 and 2050. The high-temperature scenario implies a continuation of current trends in societal and economic development, while the low-temperature scenario requires substantial adaptation efforts to achieve the UN's Paris Agreement 1.5-degree target. By considering both scenarios, significant physical climate risks and significant transitional risks are captured. For details on technological change, energy consumption, and energy mix in the mobility sector, see Section → 99 Material impacts, risks and opportunities and their interaction with strategy and business model.

The climate scenarios used are in line with the current standards of climate research and align with the "FUCHS Net Zero 2040/50 Strategy". The high-temperature scenario ensures the appropriate consideration of physical climate risks, while the low-temperature scenario ensures the appropriate consideration of transitional climate risks.

### Description of the procedures to identify and assess material impacts, risks, and opportunities related to pollution

FUCHS conducted a review of its locations and business activities to assess actual and potential impacts, risks, and opportunities related to pollution. Both its own activities and the upstream and downstream value chains were considered. The review was conducted as part of a stakeholder survey in which various stakeholder groups were directly or indirectly involved. Stakeholders were encouraged to incorporate the aforementioned aspects into their evaluations. The results were evaluated by an expert committee consisting of divisional leaders and discussed in a final IRO workshop. Relevant departments (Sustainability, Operations, EH&S) have detailed knowledge about the production process, which does not differ significantly at the location level. This process was analyzed concerning air, soil, and water pollution and was deemed not material, provided that local regulations on water purity, soil contamination, and air emissions are met. This assessment applies to the locations of FUCHS.

Although no direct consultations with affected communities were conducted, FUCHS considered their perspectives and concerns indirectly through the IRO workshops. The results showed that pollution in the lubricant manufacturing process does not play a significant role, as legal limits are adhered to and measures to prevent contamination are implemented.

### Description of the procedures to identify and assess material impacts, risks, and opportunities related to water and marine resources

FUCHS conducted a review of its assets and business activities to assess actual and potential impacts, risks, and opportunities related to water and marine resources. Both its own activities and the upstream and downstream value chains were considered. The review was conducted as part of a stakeholder survey in which various stakeholder groups were directly or indirectly involved. Stakeholders were encouraged to incorporate the aforementioned aspects into their evaluations. The results were evaluated by an expert committee consisting of divisional leaders and discussed in a final IRO workshop. Relevant departments (Sustainability, Operations, EH&S) have detailed knowledge about the production process, which does not differ significantly at the asset level. FUCHS' water usage in production is comparatively low compared to other industries, with water consumption largely limited to sanitary facilities. Moreover, FUCHS complies with local regulations for wastewater discharge at its locations. Therefore, the topic of water and marine resources was deemed immaterial for FUCHS.

Although no direct consultations with affected communities were conducted, FUCHS considered their perspectives and concerns indirectly through the IRO workshops. The results also showed that the issue of water and marine resources is not relevant for FUCHS.

### Description of the procedures to identify and assess material impacts, risks, dependencies and opportunities related to biodiversity and ecosystems

FUCHS has assessed the actual and potential impacts on biodiversity and ecosystems by analyzing its locations and the value chain. The data and decision-making foundations required for the assessment were gathered through an external tool that includes environmental, species, and location data. The following criteria were included in this analysis:

1) Exact geographic location of FUCHS locations and selected locations of suppliers
   Species of animals, plants, and microorganisms as well as the nature, conditions, and fragmentation of the surrounding environment within a radius of 30 km were considered during the site analysis.

The key species metrics used for the analysis are the number of threatened species and the integrity of biodiversity.
Important environmental characteristics considered included the number of biodiversity-sensitive areas (BSA) and the fragmentation of the site surroundings, categorized into areas such as forests, urban zones, water bodies, and farmland.
These criteria serve as one of the bases for evaluating the sites regarding the severity, extent, and irreversibility of actual and potential impacts on biodiversity and ecosystems.

2) Economic activity according to NACE classification of FUCHS locations and locations within the value chain.
Each FUCHS location, as well as selected locations of suppliers, was assigned an economic activity. This was chosen analogous to the appropriate NACE classification. An impact score was generated based on economic activity and geographic location using an external tool, which played a crucial role in further analyses and decision-making.

3) Assessment by an internal expert committee with support from an external service provider
Using the collected data and identified key figures for each site, a FUCHS internal expert panel listed and assessed the actual and potential impacts based on their severity, scope, and irremediability. None of the thresholds defined by FUCHS were exceeded in this evaluation.

The actual and potential impacts were assessed as not material.

The dependency on biodiversity and ecosystems and their services was assessed for each site. The main dependency identified was "protection against floods and storms." Evaluation criteria included the exact geographic location and the degree of environmental fragmentation around the site. Based on this information, it was determined that the dependency was not material.

During the analysis, the logistical and economic availability of renewable raw materials was identified as a transitional risk related to the reduction of biodiversity and ecosystems and their services. The financial dependency on market developments was used as the main criterion. This resulted from planned purchasing volumes of relevant raw material groups and expected price increases, as well as the probability of occurrence. The dependency was assessed as not material.

Systemic risks related to biodiversity-relevant issues were considered during the analysis. It was determined that FUCHS' business model and processes are not significantly affected by systemic risks. The severity, scope and probability of occurrence were used as assessment criteria.

A centrally managed consultation on sustainability topics with potentially affected communities has not taken place. Local subsidiaries continuously engage in stakeholder management and strictly adhere to local laws. Input from subsidiaries on the materiality of biodiversity-related topics was collected through a survey. Based on this assessment, biodiversity-related topics were classified as not material.

Some FUCHS sites are located near biodiversity-sensitive areas (BSA). The type, condition, and key characteristics of all BSA within a 30 km radius of FUCHS sites are continuously monitored using a database. FUCHS' production processes have no negative impact on natural habitats.

The analyses and assessments carried out led to the conclusion that no remedial measures are necessary with regard to biodiversity.

### Description of the procedures to identify and assess material impacts, risks, and opportunities related to resource use and circular economy

A materiality assessment was conducted to identify impacts, risks, and opportunities related to the circular economy and resource use. The focus of the analysis was on the impacts, risks, and opportunities arising from resource use and the circular economy on our business activities and the upstream and downstream value chains. No impacts were identified on our assets, such as technical equipment and machinery, as these assets are capable of processing a variety of raw materials. The identified IROs mainly affect the upstream value chain – our suppliers – but also the downstream value chain – our customers. The risk "Transition from fossil to biomass-based and recycled raw materials – availability and price" was assessed as material by our Group Purchasing department and the impact "Extending the service life and increasing the efficiency of systems and components at customers through FUCHS products" was assessed as material by the Global Product Management department.

No material impacts, risks, or opportunities related to waste were identified in the materiality assessment.

FUCHS aims to counteract the negative impact of emitted greenhouse gases by transitioning from fossil-based to biomass-based and recycled raw materials. The procurement of these raw materials may involve the transitional risk of limited availability and higher purchase prices.

The aforementioned risk of the "transition from fossil to biomass-based and recycled raw materials – availability and price" and the associated positive impact of "extending the lifespan and increasing the efficiency of equipment and components for customers through FUCHS products" apply to all business areas of FUCHS, with only a few exceptions, such as water-based products and Smart Services. The key resources used by FUCHS are primarily fossil-based. If FUCHS were to continue its business operations unchanged and fail to implement the transition from fossil to biomass-based and recycled raw materials as a central element in reducing Scope 3 greenhouse gas emissions, the company's Net-Zero strategy goal for this scope would not be achievable by 2050. Through increased use of recycled or reclaimed materials, FUCHS can optimally utilize scarce resources, reduce its $CO_2$ footprint, secure competitive advantages, and strengthen its existing business model. However, scarce resources and the use of biomass-based raw materials could lead to higher purchase prices in the medium to long term. At present, it is not yet possible to determine whether and to what extent increases in procurement costs can be passed on to customers. However, we expect that our customers will have a strong interest in using products with a low $CO_2$ footprint in their facilities and processes in the future. In the analysis of assets and business activities, the value chain, particularly the production process of FUCHS, was considered. Since transitioning the product technology from fossil-based to biomass-based and recycled products does not require significant adjustments to production technology, FUCHS assumes that the identified risks and opportunities from technological change will not have a material impact on its assets.

In our value chain, we have not identified any significant IROs related to affected communities. Therefore, this stakeholder group was not involved in consultations. However, the interests of the upstream and downstream value chain were taken into account as part of the stakeholder analysis.

### Description of the procedures to identify and assess material impacts, risks, and opportunities related to business conduct

The materiality assessment regarding business conduct considered aspects specific to FUCHS, including its activities, sector, and geographic locations. The relevance assessment was conducted through a stakeholder survey, in which various stakeholder groups were directly or indirectly involved. Stakeholders were encouraged to incorporate the aforementioned aspects into their evaluations. The results were evaluated by an expert committee consisting of divisional leaders and discussed in a final IRO workshop. The results showed that business conduct is generally relevant for FUCHS, particularly in the subcategories of "Corporate culture" as well as "Corruption and bribery." Other aspects included in the standard, such as supplier relationship management, payment practices, political influence, and animal welfare, were determined to be irrelevant for FUCHS.

**Disclosure requirements in ESRS covered by the undertaking's Nfd**

In preparing our first disclosures in alignment with the ESRS requirements, we considered all sustainability matters related to the identified IROs and assigned them to the disclosure obligations. We also assessed at the level of disclosure obligations and data points whether the identified impacts, risks, and opportunities are relevant to our business and whether this information may be useful to the recipients of the non-financial statement. No threshold values were applied, and no data points were excluded based on the materiality of the information.

# Environmental information



## Disclosures pursuant to Article 8 of Regulation (EU) 2020 / 852 (Taxonomy Regulation)

### Background and objectives

The EU Taxonomy Regulation is an important component of the European Green Deal and the action plan "Financing Sustainable Growth", which aims to make the EU climate neutral by 2050. The key objectives of EU Taxonomy Regulationare to create transparency for capital market participants and to direct capital flows into environmentally sustainable economic activities. The EU Taxonomy Regulation was published in June 2020. The delegated act on the first two environmental objectives, climate change mitigation and adaptation, and the act on reporting obligations (Art. 8 of the EU Taxonomy Regulation) entered into force at the end of December 2021. On January 1, 2023, Commission Delegated Regulation (EU) 2022/1214 of March 9, 2022, amending Delegated Regulation (EU) 2021/2139 with regard to economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 with regard to specific disclosure requirements for these economic activities entered into force. In June 2023, the EU Commission published the Delegated Regulation (EU) 2023/2486 (the "Environmental Act") for environmental objectives 3–6 to supplement the Delegated Regulation (EU) 2020/852 of the European Parliament and of the Council. This environmental act contains, among other things, four annexes on the technical assessment criteria for the activities of environmental objectives 3–6. At the same time, the delegated act amending the Climate Law Act (Regulation 2023/2485/EU) was published, which contains adjustments to established activities as well as new activities under objectives 1 and 2. In addition, a large number of other documents relating to the EU Taxonomy, such as FAQs, have been published.

The EU Taxonomy Regulation is a classification system that describes specific economic activities for the six environmental objectives. These economic activities are, in principle, eligible under the Taxonomy. Based on criteria specified in the EU Taxonomy Regulation, the economic activities can be classified as environmentally sustainable, or Taxonomy-aligned. The assessment of environmental sustainability is undertaken in a three-step process. Essentially, a substantial contribution to one of the six environmental objectives must be made in the first step:

1) Climate Change Mitigation (CCM)
2) Climate Change Adaptation (CCA)
3) Sustainable use and protection of water and marine resources (WTR)
4) Transition to a circular economy (CE)
5) Pollution prevention and control (PPC)
6) Protection and restoration of biodiversity and ecosystems (BIO).

This is demonstrated by the fulfillment of technical assessment criteria defined in the Delegated Acts of the EU Taxonomy Regulation. The second step then follows, known as the "do no significant harm" (DNSH) test, according to which none of the five other environmental objectives must be significantly affected. In the final step, the minimum safeguard criteria "human and consumer protection, anti-corruption and bribery, taxation and fair competition" must be met. An economic activity is considered to be Taxonomy-aligned only when all the criteria are met cumulatively.

Economic activities that do not fall within the scope of the EU Taxonomy Regulation are not eligible under the Taxonomy and therefore not Taxonomy-aligned.

With the phased introduction of the EU Taxonomy reporting obligations set out in the delegated act on Art. 8 of the EU Taxonomy Regulation, listed companies such as FUCHS already had to report the Taxonomy-eligible share of sales, capital expenditure (CapEx) and operating expenditure (OpEx) for the first two environmental targets for 2021. In financial year 2022, the reporting requirement was extended to include Taxonomy-aligned proportions of sales revenues, capital expenditure, and operating expenditure for the first two environmental targets. From the 2023 financial year, the reporting obligation for the Taxonomy eligible shares of revenue, capital expenditure (CapEx) and operating expenditure (OpEx) for environmental targets 3 to 6 and the new activities of environmental targets 1 and 2 was also applied for the first time. From the 2024 financial year, the reporting obligation now also applies to the Taxonomy-aligned shares of revenue, capital expenditure and operating expenses for environmental objectives 3 to 6 and the new activities of environmental objectives 1 and 2.

### Our approach

As part of our EU Taxonomy Implementation Project, as in the previous year, we first checked all of FUCHS' economic activities against the scope of the EU Taxonomy Regulation and identified the economic activities on which the Taxonomy has a bearing. The development, manufacture and distribution of lubricants are outside the scope of the EU Taxonomy Regulation, so revenues that are subject to Taxonomy cannot be derived. FUCHS' economic activities relevant to the EU Taxonomy Regulation relate exclusively to CapEx and OpEx, which can be divided into three sub-areas:

**Our approach**

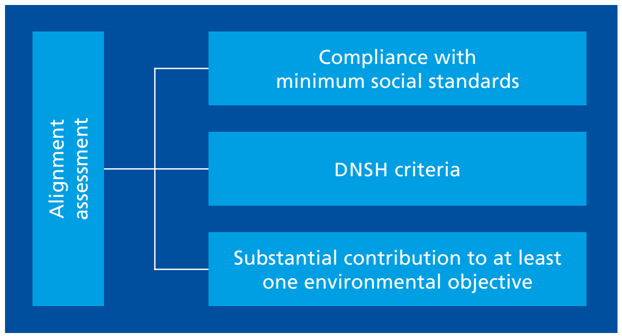
a) Real-estate–related activities include the following activities:
- Construction of new buildings
- Renovation of existing buildings
- Installation, maintenance and repair of energy efficiency equipment
- Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)
- Installation, maintenance, and repair of instruments and devices for measuring, regulation, and controlling the overall energy performance of buildings
- Installation, maintenance and repair of renewable energy technologies
- Acquisition and ownership of buildings (leasing)

b) Vehicle-related activities include the following:
- Manufacture of other low-carbon technologies
- Transport by motorbikes, passenger cars and light commercial vehicles
- Freight transport services by road

c) Activities related to water supply, wastewater and waste disposal and removal of environmental pollution
- Production of alternative water resources for purposes other than human consumption

Based on the key financial figures of all fully consolidated companies of the FUCHS Group, the results were validated by an interdisciplinary team from controlling, finance and governance as part of a Group-wide analysis.

The economic activities for environmental objectives 1 to 6 subject to the Taxonomy were subsequently analyzed by FUCHS for compliance via three testing steps:




The technical assessment criteria were reviewed across the Group using checklists completed by the national companies. At the central level, these checklists were evaluated and grouped by individual business activities. In many cases, the economic activities were classified as being subject to the Taxonomy but could not meet the technical assessment criteria. This applies in particular to the availability of energy certificates or energy labels for buildings and the recycling rate or noise and rolling resistance classes of tyres for vehicles. A climate risk analysis in accordance with Appendix A of Regulation 2021/2139/EU is also required as part of the conformity assessment. To address this requirement, a climate risk analysis for 17 locations of the FUCHS Group was carried out externally by a consulting firm. The analysis covered approximately 88% of the replacement value of the propery, plant and equipment of all FUCHS companies. For climate risks, the high temperature scenario IPCC SSP5- 8.5, which is a worst-case scenario, was used. The analysis with consideration of the resilience measures did not reveal any significant physical climate risks for the FUCHS locations and thus for the FUCHS activities CCM6.5, CCM7.4, CCM7.5 and CCM7.6. An exception is the installation of electric charging stations for cars at our company FUCHS BENELUX N.V. under activity CCM7.4, as no physical climate risk analysis was carried out for our site in Huizingen, Belgium. Therefore, this investment could not be reported as Taxonomy-aligned, as not all DNSH criteria are met in this case. FUCHS ensures compliance with procedures on minimum social standards in the areas of human rights including labor rights and consumer protection, bribery and corruption, taxation, and fair competition.
→ **199 Workers in the value chain**
→ **205 Business Conduct**

A Taxonomy-aligned share of CapEx or OpEx is only reported if all criteria of the test steps are met cumulatively. The details per key performance indicator are provided in the discussion below.

All FUCHS activities, except for activity 2.2 Generation of alternative water resources for purposes other than human consumption relate to Environmental Goal 1 "Climate Change Mitigation" (hereinafter "CCM" for "Climate Change Mitigation") as no significant separate CapEx or OpEx were identified within the meaning of the EU Taxonomy Regulation for environmental objective 2 'Climate change adaptation' (hereinafter CCA) that specifically contribute to climate change adaptation. Activity CCM 7.1 Construction of new buildings has the potential to contribute to environmental objective 4 "Transition to a Circular Economy" (hereinafter "CE" for "Circular Economy"), and Activity CE 3.1, respectively. The activity of renovation of existing buildings (CCM 7.2) may also potentially contribute to Environmental Goal 4 "Transition to a Circular Economy" or Activity CE 3.2. In the reporting sheets according to Annex V of the amendments to the Annexes of the Delegated Regulation (EU) 2021/2178, Environmental Goal 1 "Climate Change Mitigation" is highlighted in bold for Activities 7.1 and 7.2 to avoid double counting of economic activities in the KPIs of financial companies. Activity 2.2 Generation of alternative water resources for purposes other than human consumption relates to Environmental Goal 4 or CE.

**Performance indicators according to EU Taxonomy**

### Sales revenues

The EU Taxonomy defines sales revenues as net revenue (denominator according to EU Taxonomy, revenue from customer contracts according to IFRS 15). Due to the fact that FUCHS does not fall within the primary scope of the EU Taxonomy, there are no Taxonomy-eligible or Taxonomy-aligned sales revenues (numerator according to the EU Taxonomy). In the 2024 financial year, sales revenues amounted to €3,525 million.

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→ 234 Income statement

### CapEx

The EU Taxonomy defines capital expenditure as all additions and investments in intangible assets, property, plant and equipment as defined in IAS 16, right-of-use assets as defined in IFRS 16 and, where applicable, capitalized development costs as defined in IAS 38 (denominator as defined in the EU Taxonomy). The numerator represents the Taxonomy-eligible or Taxonomy-aligned portion of CapEx related to the activities mentioned above. Based on the key financial figures from the annual financial statements of all fully consolidated companies, the various activities were allocated to the items in the financial statements by means of a separate Group-wide query.

It is irrelevant whether FUCHS performs the activity itself or has it performed by a third party. In accordance with 1.1.3.2. Paragraph c of Annex I of the reporting requirements also includes the acquisition of such services.

Description of significant individual matters in the past financial year with contribution to the CapEx KPI:

CCM 3.6 Manufacture of other low-carbon technologies (electric forklift trucks; IAS 16: €0.1 million; IFRS 16: €0.6 million)

CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles, (category company vehicles M1; IAS 16: €0.2 million; IFRS 16: €2.4 million)

CCM 6.6 Freight transport services by road (heavy goods vehicles of category N2 and N3; IAS 16: €0.1 million)

CCM 7.1/CE 3.1 Construction of new buildings (New FUCHS construction projects; IAS 16: €6.0 million)

CCM 7.2/CE3.2 Renovation of existing buildings, (energy-related renovation of production and non-production buildings; IAS 16: €4.7 million)

CCM 7.3 Installation, maintenance and repair of energy efficiency equipment (IAS 16: €1.9 million)

CCM 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) ; IAS 16: €0.3 million)

CCM 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings (IAS 16: €0.5 million)

CCM 7.6 Installation, maintenance and repair of renewable energy technologies (installation of photovoltaic systems; IAS 16: €0.5 million; IFRS 16: €0.5 million)

CCM 7.7 Acquisition and ownership of buildings (IAS 16: €19.5 million, thereof LUBCON and Strub €16.5 million; IFRS 16: €26.8 million, thereof LUBCON and Strub €2.4 million)

CE 2.2 Production of alternative water resources for purposes other than human consumption (IAS 16: €0.0 million)

The activities were initially quantified and described as part of a query. The Taxonomy alignment of the CCM 7.4, CCM 7.5 and CCM 7.6 activities was verified using product descriptions, technical data sheets, energy efficiency benchmarks and invoices on a sample basis. In the case of activity CCM 6.5 Transportation by motorbikes, passenger cars and light commercial vehicles, the $CO_2$ emissions, the Euro 6 Standard and the mass percentages of recyclability and recoverability were checked on the basis of the registration documents. In addition, the values for rolling noise and the rolling resistance coefficient of the tires were determined for the road vehicles in class M using the purchase or leasing contracts or by asking dealers.

The Taxonomy-eligible and Taxonomy-aligned activities amount to €64.2 million and include additions from property, plant, and equipment according with IAS 16 of €34.0 million as well as capitalized rights of use assets according with IFRS 16 of €30.2 million. Of the Taxonomy-eligible activities, €2.0 million are Taxonomy-aligned.

The total amount of CapEx in the financial year 2024 is €215 million. This includes the balance sheet items "Property, plant, and equipment" €70 million "Intangible assets" €10 million, "Capitalized rights of use" €33 million as well as "acquisitions" €102 million.

The Taxonomy-aligned CapEx breakdown of economic activities is as follows:

**Breakdown of Taxonomy-aligned activities (CapEx)**

| Activity | Additions of owned property, plant and equipment | Additions to capitalized rights of use of property, plant and equipment | Total | Of which acquisitions in the context of mergers | Of which part of a CapEx plan |
|---|---|---|---|---|---|
| | in € million | in € million | **in € million** | in € million | in € million |
| **CCM 6.5** | 0.0 | 0.4 | 0.4 | | |
| **CCM 7.4** | 0.3 | | 0.3 | | |
| **CCM 7.5** | 0.3 | | 0.3 | | |
| **CCM 7.6** | 0.5 | 0.5 | 1.0 | | |
| **Total** | 1.1 | 0.9 | 2.0 | | |

## OpEx

The EU Taxonomy defines operating expenses as expenses for non-capitalized research and development costs, short-term leases, low-value leases, building maintenance as well as maintenance and repairs (denominator according to the EU Taxonomy). The numerator includes Taxonomy-eligible or Taxonomy-aligned operating expenses for buildings (e.g. maintenance).

The total amount of OpEx in the financial year 2024 is €113.5 million. This includes the financial statement items: "repair and maintenance expenses"; "research-and-development expenses"; and "rent and lease expenses for short-term leases"[1]. When determining the Taxonomy-eligible repair and maintenance expenses, the percentage of repair and maintenance expenses for buildings in relation to the total repair and maintenance expenses of selected representative individual companies was calculated at 8.6% (2023: 8.6%) and then applied to the total group.

The Taxonomy-eligible but non-Taxonomy-aligned activities amounting to €9.8 million are limited exclusively to the activity "Renovation of existing buildings", which serve the environmental objectives of climate change and potentially transition to a circular economy CCM7.2/CE3.2. The Taxonomy-eligible expenditure of €9.8 million for the renovation of existing buildings is not Taxonomy-aligned.

For financial year 2024, the key figures are as follows:

[1] The proportion of Taxonomy-eligible OpEx was extrapolated to the Group as a whole on the basis of a representative analysis.

## Turnover

| | 2024 | | | Substantial contribution criteria | | | | | | DNSH criteria ("Does not Significantly Harm") | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Economic Activities (1)** | Code (2) | Turnover (3) | Proportion of Turnover, 2024 (4) | Climate Change Mitigation (5) | Climate Change Adaptation (6) | Water (7) | Pollution (8) | Circular Economy (9) | Biodiversity (10) | Climate Change Mitigation (11) | Climate Change Adaptation (12) | Water (13) | Pollution (14) | Circular Economy (15) | Biodiversity (16) | Minimum Safeguards (17) | Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, 2023 (18) | Category enabling activity (19) | Category transitional activity (20) |
| | | € million | in % | Y; N; N/EL (a) | Y; N; N/EL (a) | Y; N; N/EL (a) | Y; N; N/EL (a) | Y; N; N/EL (a) | Y; N; N/EL (a) | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | % | E | T |
| **A. TAXONOMY-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **A.1 Environmentally sustainable activities (Taxonomy-aligned)** | | | | | | | | | | | | | | | | | | | |
| **Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)** | | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | | | | | | | | **0.0** | | |
| Of which enabling | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | | | | | | | | 0.0 | E | |
| Of which transitional | | 0.0 | 0.0 | 0.0 | | | | | | | | | | | | | 0.0 | | T |
| **A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)** | | | | | | | | | | | | | | | | | | | |
| | | | | EL; N/EL (b) | EL; N/EL (b) | EL; N/EL (b) | EL; N/EL (b) | EL; N/EL (b) | EL; N/EL (b) | | | | | | | | | | |
| **Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)** | | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | | | | | | | | **0.0** | | |
| **A. Turnover of Taxonomy-eligible activities (A.1+A.2)** | | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | | | | | | | | **0.0** | | |
| **B. TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **Turnover of Taxonomy non-eligible activities** | | **3,524.9** | **100.0** | | | | | | | | | | | | | | | | |
| **TOTAL** | | **3,524.9** | **100.0** | | | | | | | | | | | | | | | | |

a) Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective
b) EL – Taxonomy-eligible activity for the relevant objective
N/EL – Taxonomy-non-eligible activity for the relevant objective

**Turnover**

| | Proportion of turnover/Total turnover | |
|---|---|---|
| | Taxonomy-aligned per objective | Taxonomy-eligible per objective |
| CCM | 0% | 0% |
| CCA | 0% | 0% |
| WTR | 0% | 0% |
| CE | 0% | 0% |
| PPC | 0% | 0% |
| BIO | 0% | 0% |

## CapEx

| | 2024 | | | Substantial contribution criteria | | | | | | DNSH criteria ("Does not Significantly Harm") | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Economic Activities (1)** | Code (2) | CapEx (3) | Proportion of CapEx, 2024 (4) | Climate Change Mitigation (5) | Climate Change Adaptation (6) | Water (7) | Pollution (8) | Circular Economy (9) | Biodiversity (10) | Climate Change Mitigation (11) | Climate Change Adaptation (12) | Water (13) | Pollution (14) | Circular Economy (15) | Biodiversity (16) | Minimum Safeguards (17) | Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, 2023 (18) | Category enabling activity (19) | Category transitional activity (20) |
| | | € million | in % | Y; N; N/EL (a) | Y; N; N/EL (a) | Y; N; N/EL (a) | Y; N; N/EL (a) | Y; N; N/EL (a) | Y; N; N/EL (a) | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | % | E | T |
| **A. Taxonomy-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **A.1 Environmentally sustainable activities (Taxonomy-aligned)** | | | | | | | | | | | | | | | | | | | |
| Transport by motorbikes, passenger cars and light commercial vehicles | CCM 6.5 | 0.4 | 0.2 | Y | N/EL | N/EL | N/EL | N/EL | N/EL | Y | Y | Y | Y | Y | Y | Y | 0.4 | | T |
| Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) | CCM 7.4 | 0.3 | 0.1 | Y | N/EL | N/EL | N/EL | N/EL | N/EL | Y | Y | Y | Y | Y | Y | Y | 0.1 | E | |
| Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings | CCM 7.5 | 0.3 | 0.1 | Y | N/EL | N/EL | N/EL | N/EL | N/EL | Y | Y | Y | Y | Y | Y | Y | 0.2 | E | |
| Installation, maintenance and repair of renewable energy technologies | CCM 7.6 | 1.0 | 0.6 | Y | N/EL | N/EL | N/EL | N/EL | N/EL | Y | Y | Y | Y | Y | Y | Y | 0.8 | E | |
| **CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)** | | **2.0** | **1.0** | **1.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **Y** | **Y** | **Y** | **Y** | **Y** | **Y** | **Y** | **1.5** | | |
| Of which enabling | | 1.6 | 0.8 | 0.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | Y | Y | Y | Y | Y | Y | Y | 1.1 | E | |
| Of which transitional | | 0.4 | 0.2 | 0.2 | | | | | | Y | Y | Y | Y | Y | Y | Y | 0.4 | | T |

## CapEx

| Economic Activities (1) | Code (2) | CapEx (3) | Proportion of CapEx, 2024 (4) | Climate Change Mitigation (5) | Climate Change Adaptation (6) | Water (7) | Pollution (8) | Circular Economy (9) | Biodiversity (10) | Climate Change Mitigation (11) | Climate Change Adaptation (12) | Water (13) | Pollution (14) | Circular Economy (15) | Biodiversity (16) | Minimum Safeguards (17) | Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, 2023 (18) | Category enabling activity (19) | Category transitional activity (20) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 2024 | | Substantial contribution criteria | | | | | | DNSH criteria ("Does not Significantly Harm") | | | | | | | | | |
| | | € million | in % | Y; N; N/EL (a) | Y; N; N/EL (a) | Y; N; N/EL (a) | Y; N; N/EL (a) | Y; N; N/EL (a) | Y; N; N/EL (a) | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | % | E | T |
| **A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)** | | | | | | | | | | | | | | | | | | | |
| | | | | EL; N/EL (b) | EL; N/EL (b) | EL; N/EL (b) | EL; N/EL (b) | EL; N/EL (b) | EL; N/EL (b) | | | | | | | | | | |
| Manufacture of other low carbon technologies | CCM 3.6 | 0.7 | 0.3 | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 1.6 | | |
| Transport by motorbikes, passenger cars and light commercial vehicles | CCM 6.5 | 2.1 | 1.0 | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 1.0 | | |
| Freight transport services by road | CCM 6.6 | 0.1 | 0.0 | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 0.1 | | |
| Construction of new buildings | **CCM 7.1**/CE 3.1 | 6.1 | 2.8 | EL | N/EL | N/EL | N/EL | EL | N/EL | | | | | | | | 19.4 | | |
| Renovation of existing buildings | **CCM 7.2**/CE 3.2 | 4.7 | 2.2 | EL | N/EL | N/EL | N/EL | EL | N/EL | | | | | | | | 3.4 | | |
| Installation, maintenance and repair of energy efficiency equipment | CCM 7.3 | 1.9 | 0.9 | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 1.8 | | |
| Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) | CCM 7.4 | 0.1 | 0.0 | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 0.0 | | |
| Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings | CCM 7.5 | 0.2 | 0.1 | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 0.0 | | |
| Installation, maintenance and repair of renewable energy technologies | CCM 7.6 | 0.0 | 0.0 | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 0.0 | | |
| Acquisition and ownership of buildings | CCM 7.7 | 46.3 | 21.6 | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 16,7 | | |
| Production of alternative water resources for purposes other than human consumption | CE 2.2 | 0.0 | 0.0 | N/EL | N/EL | N/EL | N/EL | EL | N/EL | | | | | | | | 0.0 | | |
| **CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)** | | **62.2** | **28.9** | **28.9** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | | | | | | | | **44.0** | | |
| **A. CapEx of Taxonomy-eligible activities (A.1+A.2)** | | **64.2** | **29.9** | **29.9** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | | | | | | | | **45.5** | | |
| **B. TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **CapEx of Taxonomy non-eligible activities** | | **150.7** | **70.1** | | | | | | | | | | | | | | | | |
| **TOTAL** | | **214.9** | **100.0** | | | | | | | | | | | | | | | | |

a) Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective

b) EL – Taxonomy-eligible activity for the relevant objective
N/EL – Taxonomy-non-eligible activity for the relevant objective

**CapEx**

| | Proportion of CapEx/Total CapEx | |
|---|---|---|
| | Taxonomy-aligned per objective | Taxonomy-eligible per objective |
| CCM | 1.0% | 29.9% |
| CCA | 0.0% | 0.0% |
| WTR | 0.0% | 0.0% |
| CE | 0.0% | 5.0% |
| PPC | 0.0% | 0.0% |
| BIO | 0.0% | 0.0% |

## OpEx

| Economic Activities (1) | Code (2) | OpEx (3) | Proportion of OpEx, 2024 (4) | Climate Change Mitigation (5) | Climate Change Adaptation (6) | Water (7) | Pollution (8) | Circular Economy (9) | Biodiversity (10) | Climate Change Mitigation (11) | Climate Change Adaptation (12) | Water (13) | Pollution (14) | Circular Economy (15) | Biodiversity (16) | Minimum Safeguards (17) | Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, 2023 (18) | Category enabling activity (19) | Category transitional activity (20) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 2024 | | Substantial contribution criteria | | | | | | DNSH criteria ("Does not Significantly Harm") | | | | | | | | | |
| | | € million | in % | Y; N; N/EL (a) | Y; N; N/EL (a) | Y; N; N/EL (a) | Y; N; N/EL (a) | Y; N; N/EL (a) | Y; N; N/EL (a) | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | % | E | T |
| **A. TAXONOMY-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **A.1 Environmentally sustainable activities (Taxonomy-aligned)** | | | | | | | | | | | | | | | | | | | |
| **OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)** | | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | | | | | | | | **0.0** | | |
| Of which enabling | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | | | | | | | | 0.0 | E | |
| Of which transitional | | 0.0 | 0.0 | 0.0 | | | | | | | | | | | | | 0.0 | | T |
| **A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)** | | | | | | | | | | | | | | | | | | | |
| | | | | EL; N/EL (b) | EL; N/EL (b) | EL; N/EL (b) | EL; N/EL (b) | EL; N/EL (b) | EL; N/EL (b) | | | | | | | | | | |
| Renovation of existing buildings | **CCM 7.2/CE** 3.2 | 9.8 | 8.6 | EL | N/EL | N/EL | N/EL | EL | N/EL | | | | | | | | 8.6 | | |
| High-efficiency co-generation of heat/cool and power from fossil gaseous fuels | CCM 4.3 | 0.0 | 0.0 | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | | | |
| **OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)** | | **9.8** | **8.6** | **8.6** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | | | | | | | | **8.6** | | |
| **A. OpEx of Taxonomy-eligible activities (A.1+A.2)** | | **9.8** | **8.6** | **8.6** | **0.0** | **0.0** | **0.0** | **0.0** | **0.0** | | | | | | | | **8.6** | | |
| **B. TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **OpEx of Taxonomy non-eligible activities** | | **103.7** | **91.4** | | | | | | | | | | | | | | | | |
| **TOTAL** | | **113.5** | **100.0** | | | | | | | | | | | | | | | | |

a) Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective
b) EL – Taxonomy-eligible activity for the relevant objective
N/EL – Taxonomy-non-eligible activity for the relevant objective

**OpEx**

| | Proportion of OpEx/Total OpEx | |
|---|---|---|
| | Taxonomy-aligned per objective | Taxonomy-eligible per objective |
| CCM | 0.0% | 8.6% |
| CCA | 0.0% | 0.0% |
| WTR | 0.0% | 0.0% |
| CE | 0.0% | 8.6% |
| PPC | 0.0% | 0.0% |
| BIO | 0.0% | 0.0% |

Reporting of activities in the fields of nuclear energy and fossil gas according to the Delegated Regulation (EU) 2022/1214 of the Commission from March 9, 2022, in conjunction with Delegated Regulation (EU) 2021/2178 Art. 8 Para. 6 and 7.

In this context, FUCHS has identified activity 4.30 'High-efficiency co-generation of heat/cool and power from fossil gaseous fuels.' FUCHS has exclusively taxonomically eligible activities to report here – after the completion of the conformity assessment.

**Template 1: Nuclear- and fossil-gas-related activities**[1]

| Row | Nuclear-energy-related activities | Result |
|---|---|---|
| 1 | The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle. | No |
| 2 | The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies. | No |
| 3 | The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades. | No |

| Row | Fossil-gas-related activities | Result |
|---|---|---|
| 4 | The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. | No |
| 5 | The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. | Yes |
| 6 | The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels. | No |

[1] Based on our understanding, the activities presented in template 1 refer to the activities defined in the Complementary Climate Delegated Act.

**Template 2: Taxonomy-aligned economic activities (denominator)**

| Row | Economic activity | Amount and proportion of turnover | | | | | | Amount and proportion of CapEx | | | | | | Amount and proportion of OpEx | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Climate change mitigation | | Climate change adaptation | | CCM + CCA[1] | | Climate change mitigation | | Climate change adaptation | | CCM + CCA[1] | | Climate change mitigation | | Climate change adaptation | | CCM + CCA[1] | |
| | | € million | % | € million | % | € million | % | € million | % | € million | % | € million | % | € million | % | € million | % | € million | % |
| 1 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 2 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 3 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 4 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 6 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **7** | **Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI** | – | – | – | – | – | – | **2.0** | **1.0 %** | – | – | **2.0** | **1.0 %** | – | – | – | – | – | – |
| **8** | **Total applicable KPI** | **3,524.9** | **100 %** | – | – | **3,524.9** | **100 %** | **214.9** | **100 %** | – | – | **214.9** | **100 %** | **113.5** | **100 %** | – | – | **113.5** | **100 %** |

[1] Climate change mitigation (CCM) and climate change adaptation (CCA)

**Template 3: Taxonomy-aligned economic activities (numerator)**

| Row | Economic activity | Amount and proportion of turnover | | | | | | Amount and proportion of CapEx | | | | | | Amount and proportion of OpEx | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Climate change mitigation | | Climate change adaptation | | CCM + CCA[1] | | Climate change mitigation | | Climate change adaptation | | CCM + CCA[1] | | Climate change mitigation | | Climate change adaptation | | CCM + CCA[1] | |
| | | € million | % | € million | % | € million | % | € million | % | € million | % | € million | % | € million | % | € million | % | € million | % |
| 1 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 2 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 3 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 4 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 6 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **7** | **Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI** | – | – | – | – | – | – | **2.0** | **100%** | – | – | **2.0** | **100%** | – | – | – | – | – | – |
| **8** | **Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI** | – | – | – | – | – | – | **2.0** | **100%** | – | – | **2.0** | **100%** | – | – | – | – | – | – |

[1] Climate change mitigation (CCM) and climate change adaptation (CCA)

**Template 4: Taxonomy-eligible but not taxonomy-aligned economic activities**

| Row | Economic activity | Amount and proportion of turnover | | | | | | Amount and proportion of CapEx | | | | | | Amount and proportion of OpEx | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Climate change mitigation | | Climate change adaptation | | CCM + CCA[1] | | Climate change mitigation | | Climate change adaptation | | CCM + CCA[1] | | Climate change mitigation | | Climate change adaptation | | CCM + CCA[1] | |
| | | € million | % | € million | % | € million | % | € million | % | € million | % | € million | % | € million | % | € million | % | € million | % |
| 1 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 2 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 3 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 4 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 5 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | – | – | – | – | – | – | – | – | – | – | – | – | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 6 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |

[1] Climate change mitigation (CCM) and climate change adaptation (CCA)

**Template 4: Taxonomy-eligible but not taxonomy-aligned economic activities**

| Row | Economic activity | Amount and proportion of turnover | | | | | | Amount and proportion of CapEx | | | | | | Amount and proportion of OpEx | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Climate change mitigation | | Climate change adaptation | | CCM + CCA[1] | | Climate change mitigation | | Climate change adaptation | | CCM + CCA[1] | | Climate change mitigation | | Climate change adaptation | | CCM + CCA[1] | |
| | | € million | % | € million | % | € million | % | € million | % | € million | % | € million | % | € million | % | € million | % | € million | % |
| **7** | **Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI** | **–** | **–** | **–** | **–** | **–** | **–** | **62.2** | **28.9%** | **–** | **–** | **62.2** | **28.9%** | **9.8** | **8.6%** | **–** | **–** | **9.8** | **8.6%** |
| **8** | **Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI** | **–** | **–** | **–** | **–** | **–** | **–** | **62.2** | **28.9%** | **–** | **–** | **62.2** | **28.9%** | **9.8** | **8.6%** | **–** | **–** | **9.8** | **8.6%** |

[1] Climate change mitigation (CCM) and climate change adaptation (CCA)

**Template 5: Taxonomy-non-eligible activities**

| Row | Economic activity | Turnover | | CapEx | | OpEx | |
|---|---|---|---|---|---|---|---|
| | | Amount | Proportion | Amount | Proportion | Amount | Proportion |
| | | € million | % | € million | % | € million | % |
| 1 | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | – | – | – | – | – | – |
| 2 | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | – | – | – | – | – | – |
| 3 | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | – | – | – | – | – | – |
| 4 | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | – | – | – | – | – | – |
| 5 | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | – | – | – | – | – | – |
| 6 | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | – | – | – | – | – | – |
| **7** | **Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI** | **3,524.9** | **100%** | **150.7** | **70.1%** | **103.7** | **91.4%** |
| **8** | **Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI** | **3,524.9** | **100%** | **150.7** | **70.1%** | **103.7** | **91.4%** |

**FUCHS' contribution to sustainability in the downstream value chain**

FUCHS supports the overarching objective of the EU Taxonomy Regulation to promote private financing of sustainable economic activities in order to make Europe the first climate-neutral continent in the world by 2050. As a company aiming to establish a climate-neutral business model across its value chain by 2050, we welcome initiatives that serve this target. For this purpose, we as a company have set ourselves specific targets and are systematically accountable for their achievement every year.

→ **94** Strategy, business model und value chain
→ **151** Climate change
→ **173** Resource use and circular economy

The current scope of the EU Taxonomy covers defined economic sectors at present which are jointly responsible for a substantial proportion of greenhouse gas emissions in the EU. In the view of the European Commission's experts, these sectors can make a significant contribution to reducing emissions. The aforementioned approach and focus of the European Commission result in lubricant producers like FUCHS not being directly covered by the six environmental targets, and therefore can report only limited activities on this matter.

Although FUCHS is currently unable to identify products and related sales revenues as Taxonomy-eligible and Taxonomy-aligned due to the above definition of EU Taxonomy, the lubricants and functional fluids manufactured and supplied by FUCHS serve the environmental objectives of climate change mitigation, and the transition to a circular economy, which are anchored in the EU Taxonomy.

## Climate change

**Environment – Climate change**

| | | | Position in the value chain | | | Time horizon | | |
|---|---|---|---|---|---|---|---|---|
| | IRO Description | IRO Measure/Countermeasure | Upstream | Own operations | Downstream | Short term | Medium term | Long term |
| Actual negative impact | Generation of greenhouse gas emissions, among other things, due to the use of fossil raw materials | Net-Zero-Strategy | • | • | | • | • | • |
| Risk | Decline in market share of combustion engines in certain regions | Technical coverage through alternative technologies | | • | | • | • | • |
| Opportunity | Mobility change with additional requirements for lubricants | Functional fluids and electrolytes | | • | | • | • | • |
| Risk | Changes in the legal and regulatory environment (e.g., sustainability reporting and due diligence obligations) | Ongoing monitoring | • | • | • | • | • | • |
| Risk | Climate hazards – floods and wild-fires | Climate resilience measures & insurance | | • | | • | • | • |
| Risk | Higher costs and investments due to the transition to low-emission energy and lack of availability of low-emission energy | Transition to low-emission energy supply or own energy generation | | • | | • | • | • |

### Transition plan for climate change mitigation

FUCHS is committed to climate change mitigation and, as part of its "FUCHS Net Zero 2040/50 Strategy," has pledged to reduce Scope 1 and 2 GHG emissions by at least 90% by 2040, and Scope 3 GHG emissions by at least 90% by 2050. In the following, FUCHS uses only the term "FUCHS Net Zero 2040/50 Strategy" for this purpose. FUCHS aligns with the Paris Climate Agreement of 2015, aiming to limit global warming to 1.5 degrees Celsius, and follows the guidelines of the Science Based Targets Initiative (SBTi). The underlying emissions calculations are based on the GHG Protocol Corporate Accounting and Reporting Standard.

The current business model partially relies on fossil energy and primarily on fossil materials for product manufacturing. Greenhouse gas emissions generated in production, their further processing in manufacturing processes, and the depletion of fossil resources have a negative impact on climate change.

FUCHS will adapt its business model to replace fossil energy sources as soon as they become sufficiently available while simultaneously working to reduce energy consumption and losses. Fossil-based raw materials will gradually be replaced by recyclable materials from recycling or biomass, provided they are available from suppliers in sufficient quality and at market-competitive costs. FUCHS is also exploring long-term business model innovations to transition from a linear to a circular value chain, with a primary focus on reintroducing used lubricants into material recycling to create new raw materials for lubricants. Achieving this goal requires collaboration with partners across the downstream value chain.

In 2023, FUCHS expanded its corporate strategy by introducing a sustainability strategy with an emissions reduction pathway based on a scientifically validated target methodology. In 2024, further adjustments were made:

FUCHS is committed to reducing its Scope 1 and 2 GHG emissions by at least 42% by the short-term target year 2030 and by at least 90% by 2040, each compared to the base year 2021. The ambition and timeframe for the Scope 1 and 2 reduction-targets are in line with the SBTi guideline for 1.5 degrees Celsius at the time the target is officially set.

FUCHS has also set ambitious targets to reduce its Scope 3 GHG emissions by at least 25% by 2035. By 2050, FUCHS aims to reduce total "cradle-to-grave" emissions by at least 90%, including Scope 3 each compared to the base year 2023. The timeframe for the short-term Scope 3 reduction target is in line with the SBTi guideline with the earliest officialization of the targets in 2025, whereby the ambition of the Scope 3 target corresponds to a "well below 2 degrees Celsius pathway".

These targets were developed with an external consulting firm. There is currently no binding sectoral decarbonization pathway for the lubricants or chemical industry. FUCHS is closely monitoring the development of a sectoral SBTi standard for the chemical industry.

The emission reduction targets are defined and further detailed in Chapter → 160 Targets related to climate change mitigation and adaptation. These targets are regularly reviewed and adjusted to ensure they remain relevant and achievable.

The emission categories considered in determining the emission baseline and emission pathway in the "cradle-to-grave" scope are specified in → 167 Gross Scopes 1, 2, 3 and Total GHG emissions.

FUCHS has identified decarbonization levers and planned key activities to achieve the emission reduction targets set in → 156 Actions and resources in relation to climate change policies.

These levers include measures to reduce greenhouse gas emissions from direct emissions (Scope 1), such as lowering fossil fuel consumption and electrifying the vehicle fleet and processes; measures to reduce indirect emissions from purchased energy (Scope 2) by transitioning to renewable, low-emission energy sources; and measures to reduce indirect emissions in the upstream and downstream value chain (Scope 3) by utilizing renewable materials and minimizing waste.

In 2024, €64.2 million of FUCHS' total €214.9 million in investments were allocated to sustainable investments. These primarily include investments in electric vehicles, EV charging stations, energy-efficient technologies, and energy-efficient building renovations. Further details can be found in the Chapter → 131 EU Taxonomy Regulation.

Potential significant "locked-in" emissions could arise from production sites and the installed heating systems within those facilities. However, due to the nature of FUCHS' production processes and the relatively lower energy demand compared to other chemical industry companies, Scope 1 and 2 GHG emissions represent a smaller share of total emissions. According to current projections, no 'locked-in' emissions have been identified that would hinder the achievement of the 2040 targets for Scope 1 and 2 under the "FUCHS Net Zero 2040/50 Strategy".

Additionally, there are several initiatives, policies, and measures to increase the energy efficiency of existing production sites, such as ISO 50001 certification, as well as extensive requirements for the construction of new sites. These measures and strategies are designed to prevent potential "locked-in" emissions from jeopardizing greenhouse gas reduction targets. The transition of FUCHS' product portfolio to renewable raw materials does not require major changes in technical production processes. As a result, no significant "locked-in" emissions exist within production facilities.

FUCHS products themselves do not contain "locked-in" emissions, as lubricants are designed to reduce emissions by enhancing efficiency and minimizing friction.

Given FUCHS' decentralized organizational structure, there is no central budget or investment plan dedicated to achieving sustainability targets. As part of the FUCHS Net Zero 2040/50 Strategy, detailed Scope 1, 2, and 3 reduction targets have been assigned to FUCHS subsidiaries. It is the responsibility of each subsidiary to plan the required budget locally. Subsidiaries are encouraged to allocate up to 10% of their annual CapEx budget for sustainable investments aimed at reducing Scope 1 and 2 GHG emissions.

Regarding the performance indicator sales revenues, FUCHS currently does not report Taxonomy-eligible activities or values. The manufacturing and processing of lubricants are not currently classified as Taxonomy-eligible economic activities. FUCHS will largely maintain its overall business model while gradually transitioning its products from fossil-based raw materials to renewable raw materials to reduce its carbon footprint. In addition, FUCHS will continue to invest in individual energy measures, such as photovoltaics, thermal insulation and insulation of buildings as well as conversion to green and renewable forms of energy, also in the area of the vehicle fleet.
→ 131 EU Taxonomy Regulation

FUCHS has no significant CapEx amounts to report for the financial year in connection with economic activities in the coal, oil, and gas sectors.

FUCHS is not exempt from the Paris-aligned EU benchmarks.

Sustainability, particularly ecological sustainability, is a central component of the FUCHS2025 corporate strategy, which was developed, adopted, and has been further developed since 2020. A key part of the sustainability strategy is the "FUCHS Net Zero 2040/50 Strategy" as part of the FUCHS2025 strategy. The sustainability strategy outlines activities in the core functions of FUCHS that are essential for fulfilling the strategy and its related goals. These activities were developed and coordinated with the corporate functions Global R&D, Global Product Management, Global Operations, and Global Procurement and transferred to the respective functional networks within FUCHS.

The initial Net-Zero strategy was approved in April 2023, including further adjustments in 2024, such as guidelines for cost allocation for measures to reduce Scope 1, 2 and 3 GHG emissions. The "FUCHS Net Zero 2040/50 Strategy" will also be an integral part of the following strategy cycle "FUCHS100".

The sustainability strategy, including the Net-Zero strategy, was presented to the Group Management Committee (GMC; see Chapter 1.2 → 18 Organization of the 2024 Annual Report 2024) and approved by the Executive Board. The key points of the "FUCHS Net Zero 2040/50" strategy were also presented to the Supervisory Board during the reporting year.

So far, the reduction plan has led to a realized reduction in Scope 1 and 2 GHG emissions of around 29.9% compared to the base year 2021. Scope 3 GHG emissionshave marginally increased by 0.4% compared to the base year 2023.

This was achieved through the implementation of measures within the companies as part of the transition plan. Scope 2 GHG emissions were significantly reduced, among other things, by the increased purchase of certified green electricity at FUCHS sites and by increasing the self-use and self-generation of electricity, i.e., through the installation of solar and photovoltaic systems.

**Policies related to climate change mitigation and adaptation**

### Generation of greenhouse gas emissions, among other things, due to the use of fossil raw materials

FUCHS has developed the "FUCHS Net Zero 2040/50 Strategy" to reduce the company's $CO_2$ emissions for Scope 1 and 2 to zero by 2040 and for Scope 3 by 2050. This strategy aims to minimize the negative impacts of greenhouse gas emissions, which arise in part from the use of fossil raw materials. To monitor progress, FUCHS calculates its "cradle-to-grave" emissions annually and compares them with the defined target pathways for FUCHS. Further details on the strategy, baseline and target years, as well as the emission categories and reduction targets covered, can be found in Chapters → 167 Gross Scopes 1, 2, 3 and Total GHG emissions. The scope of the 'FUCHS Net Zero 2040/50 Strategy' includes all fully consolidated FUCHS companies as well as associated companies and joint ventures through their contribution to Scope 3 category 15.

Responsibility and monitoring of the climate protection strategy lies with the Chief Technology Officer (CTO), a member of the Executive Board.

The strategy was developed in alignment with the guidelines of the Science Based Targets Initiative (SBTi), which is based on the 2015 Paris Climate Agreement. FUCHS has decided not to seek an official validation of its targets by SBTi at this time.

The "FUCHS Net Zero 2040/50 Strategy" has been largely shaped by customer interests, which are driven by new regulatory requirements. In its latest form, the strategy was presented to a selected group of investors at the Capital Market Day on December 5, 2024. The presentation was published on the FUCHS website. FUCHS sales units present the strategy to customers as needed, and the procurement organization regularly shares it with selected suppliers.

### Climate hazards – floods and wildfires

In light of the identified physical risks related to climate hazards such as floods and wildfires, FUCHS conducted a climate risk analysis in 2024. To minimize the risk, we continuously develop local concepts for climate change adaptation. The implementation of these concepts is monitored by the national companies within the framework of the decentralized FUCHS organization. In developing climate change adaptation concepts, FUCHS focuses on FUCHS companies with increased climate risk potential. Where legally required, the adaptation concepts are coordinated with local authorities.

The responsibility for creating these adaptation concepts lies with regional or local production managers. Local regulatory and country-specific requirements are taken into account and supported by key certifications such as ISO 14001 "Environmental Management Systems".

### Higher costs and investments due to the transition to low-emission energy and lack of availability of low-emission energy

FUCHS has identified a transition risk related to increased costs and investments resulting from the shift to low-emission energy and the limited availability of such energy sources. To address this, FUCHS has committed to switching all global sites to green electricity by 2025, where technically feasible and where green electricity or comparable contractual instruments are available. This early transition, a core element of the climate protection strategy, ensures FUCHS cost-effective and long-term access to global green electricity markets.

The Chief Technology Officer (CTO) is responsible for overseeing the progress of this transition.

During the reporting year, additional FUCHS companies engaged with potential suppliers of green electricity or relevant contractual instruments, particularly in countries that have not yet completed the transition. Customers requesting a switch to green electricity are continuously updated on FUCHS' objectives in this regard.

### Changes in the legal and regulatory environment (e. g. sustainability reporting and due diligence obligations)

FUCHS has identified the transition risk that continuous adaptation and compliance with regulations may lead to increased workload, costs, or revenue losses. Failure to comply could result in fines or reputational damage. Therefore, FUCHS continuously monitors regulatory developments and takes action when necessary. The governance function and relevant business units also track the cost development of strategic instruments to provide early indications of potential cost increases or rising resource requirements. The assessment of transition risk is managed centrally for cross-border regulations and locally for national regulations. Overall responsibility lies with the Executive Board or individual board members, depending on their area of responsibility.

### Decline in the market share of combustion engines in certain regions

FUCHS has identified a transition risk related to the declining market share of internal combustion engines in specific regions. The shift in societal awareness regarding climate change and associated regulatory requirements may lead to bans on registering new passenger cars with combustion engines in certain regions, particularly in the European Union. In the long term, this could result in potential revenue losses for certain product categories, such as engine oils and, in some cases, transmission oils.

To address this risk, FUCHS focuses on regions where internal combustion engines will continue to be used for an extended period. At the same time, FUCHS is preparing to serve alternative technologies, for example, with non-fossil fuels. The FUCHS segment strategy aims to supply application segments that will continue to rely on combustion engines for the foreseeable future.

To monitor this, FUCHS utilizes detailed reports on regional, divisional, or segment-specific business developments, which are updated monthly. This transition risk primarily affects the downstream value chain of FUCHS, particularly our customers. FUCHS' approach to mitigating this risk is globally applicable but focuses specifically on regions that still offer growth opportunities for internal combustion engine applications.

The business and segmentation strategy is overseen by the Executive Board. To assess the risk, FUCHS has relied on external market studies as well as insights from key customers to align its sales strategy with expected market developments. FUCHS regularly presents its adapted product portfolio for future internal combustion engine applications to key customers.

### Mobility change with additional requirements for lubricants

FUCHS views the mobility transition and the associated additional requirements for lubricants as an opportunity to demonstrate its technological leadership. The trend toward electric motors as the dominant propulsion technology creates extensive opportunities for demand in new product categories. Thermal fluids for battery cooling and specialized fluids for electric drivetrains are particularly relevant.

The FUCHS strategy for the mobility transition, approved by the Executive Board and applied globally, primarily concerns the downstream value chain and directly impacts our customers. To better understand new customer requirements, FUCHS has allocated dedicated personnel resources. When developing specific products, FUCHS works closely with our customers on the technical specifications for these new applications and lubricants. We are in constant contact with customers and continuously present our offerings, including at conferences and trade fairs.

The "FUCHS Net Zero 2040/50 Strategy" addresses the identified actual negative impact of FUCHS on climate change. As part of this climate protection strategy, global targets for reducing emissions are formulated, which are broken down to company level and passed on to the relevant companies. The decision-making and implementation of measures to achieve the targets are the responsibility of the local units. FUCHS conducts risk analyses at the site level to assess adaptation to climate hazards. The associated concepts for adapting to climate change are based on two lines of action. Firstly, the concepts and measures of the relevant cities and municipalities at the affected locations. Secondly, the measures taken by our companies at the local sites, which are adapted to the respective hazard situation and the concepts and measures of the municipality. By updating the risk assessment, continuous monitoring of the concepts is ensured. The implementation of measures takes place locally and outside the central risk management system. A key measure of the "FUCHS Net Zero 2040/50 Strategy" is the reduction of energy consumption. Responsibility for energy management and consumption lies with the FUCHS companies. This requires defining and tracking individual targets based on local conditions and influencing factors. FUCHS has decided to adopt the ISO 50001 energy management standard as a tool to measure, monitor, and reduce energy consumption. To this end, FUCHS has developed a plan to certify its key production sites according to ISO 50001 by 2027.

As part of the "FUCHS Net Zero 2040/50 Strategy," FUCHS has committed to transitioning all its sites to green electricity by 2025, wherever feasible. Responsibility for selecting the implementation instruments lies with the FUCHS companies. These instruments may include:

1) direct power purchase agreements for green electricity with local energy suppliers ("bundled"),

2) Power Purchase Agreements (PPAs) directly with electricity producers, or,

3) where direct procurement is not possible, the purchase of Guarantees of Origin (CoO/GoO) or Renewable Energy Certificates (REC/I-REC) from the regional power grid ("unbundled").

Additionally, FUCHS continues to expand its on-site solar power installations to cover base-load electricity consumption, enhance supply stability, and ensure long-term energy cost efficiency.

To further transition from fossil fuels to renewable energy sources, FUCHS has committed to gradually converting its global vehicle fleet to zero-emission vehicles as soon as the technology and necessary infrastructure become available.

The existing concepts do not concern other areas.

## Actions and resources in relation to climate change policies

### Generation of greenhouse gas emissions, among other things, due to the use of fossil raw materials

FUCHS has defined measures within its "FUCHS Net Zero 2040/50 Strategy" to progressively reduce greenhouse gas emissions.

#### Reduction of Scope 1 and Scope 2 GHG emissions

To reduce Scope 1 and Scope 2 GHG emissions, FUCHS' Global Operations Network monitors and coordinates various projects across its subsidiaries to lower heat and electricity consumption in production processes. These projects include general process improvements as well as product-specific process optimizations, ensuring output quality remains unaffected. While quantifiable results are not yet available, as projects are still in progress, initial experiences and interim results are promising. Analyses regarding the electrification of heat generation processes that currently rely on fossil fuels are ongoing but not yet quantifiable. Activities to reduce emissions from electricity consumption are being driven forward continuously: Many subsidiaries have already switched to green electricity by 2024 (either via green electricity tariffs "bundled" or supplier-independent "unbundled"). The aim is for all subsidiaries to switch to green electricity by 2025, provided the necessary instruments are available. Some of the measures mentioned have already been implemented at individual sites and will be continued in the coming years.

According to current projections of the impact of these measures, FUCHS will achieve the near-term target of reducing Scope 1 and 2 GHG emissions by at least 42 % by 2030.

### Reduction of Scope 3 GHG emissions

FUCHS' global procurement network is intensifying its interaction with suppliers to promote emissions reduction and PCF reporting of raw materials. FUCHS is significantly dependent on the successful emission reduction and defossilization of the upstream supply chain, especially our raw material suppliers, to reduce Scope 3 GHG emissions. Currently, the availability of alternative, non-fossil raw materials is not yet sufficient to enable an economically viable substitution. FUCHS has already concluded supply agreements for renewable raw materials with certain key suppliers to gradually reduce the share of fossil-based raw materials. Negotiations with other suppliers are ongoing, with the effects of these measures expected to become effective in the coming years. Technologies for defossilizing certain raw material groups are still in development and will only become available in the coming decades. Furthermore, emission reductions in packaging have been advanced. Since May 2024, all FUCHS-owned small automotive core-design packaging used in Europe has reached a 100 % post-consumer recycled (PCR) content.

The measures already implemented and further planned to reduce Scope 3 GHG emissions are not yet sufficient to achieve the near-term target of a 25 % reduction by 2035 compared to 2023. Additional measures are necessary and depend on the availability of technological alternatives in the upstream supply chain.

The "FUCHS Net Zero 2040/50 Strategy" applies globally and includes measures to reduce Scope 1 and 2 GHG emissions, primarily focused on FUCHS' own operations at its production sites. The measures to reduce Scope 3 GHG emissions largely affect the upstream and downstream value chain. Key external stakeholders involved include suppliers of equipment, energy, raw materials, and packaging.

To reduce Scope 1 and 2 GHG emissions, FUCHS aims to transition all sites to green electricity by the end of 2025, provided the necessary instruments are available. Additional measures to reduce heat and electricity consumption in production processes, as well as the electrification of heat generation, are long-term initiatives, although initial effects are expected before reaching the near-term 2030 target. Measures to reduce Scope 3 GHG emissions are also long-term in nature and largely depend on the emission reduction efforts of FUCHS' suppliers. As a result, the timing and completion of these initiatives cannot yet be determined within the reporting year.

### Climate hazards – floods and wildfires

The FUCHS national companies are in continuous communication with the authorities in order to assess the physical risks posed by climate hazards and implement measures to minimize risks. These measures may include both internal and external precautions, such as storm water retention basins, fire protection ponds, and municipal drainage and flood control measures. Potential financial damages are further mitigated through a group-wide property and business interruption insurance policy.

As a decentralized organization, FUCHS' local subsidiaries are responsible for analyzing these risks and developing site-specific adaptation measures. The focus is on locations identified in the company's climate risk assessment.

FUCHS continuously takes measures to mitigate negative environmental impacts. These include fire protection measures in case of wildfires and safeguards against the release of raw materials and products as part of its flood risk management strategy.

### Higher costs and investments due to the transition to low-emission energy and lack of availability of low-emission energy

FUCHS has identified a transition risk with regard to higher costs and investments due to the switch to low-emission energy and the lack of availability of such energy sources.

The planned transition of all sites (where feasible) to green electricity by 2025 allows FUCHS to secure its electricity needs at predictable market costs early on. Green electricity, including self-generated power, along with the shift to lower-emission energy carriers, contributes to reducing emissions, combating climate change, and minimizing resource consumption. These measures also have the potential to attract new customers and retain existing ones, provided they value products with a low PCF.

In-house energy generation reduces FUCHS' reliance on external power suppliers and mitigates the risk of supply shortages or power outages. Additionally, it helps secure (self-generated) electricity costs for the future. To reduce energy consumption, FUCHS invests in alternative heat generation systems and thermal insulation wherever feasible and economically viable. In our investments in our own energy production, we mainly focus on PV roof systems to avoid additional land use.

These measures have a global scope and primarily affect our own operations. The transition to green electricity is underway and is expected to be completed by the end of 2025, provided the necessary instruments are available in all countries where FUCHS operates. This is part of the "FUCHS Net Zero 2040/50 Strategy," which also includes the transition from fossil energy sources to non-fossil alternatives by 2040.

#### Changes in the legal and regulatory environment (e.g. sustainability reporting and due diligence obligations)

FUCHS has identified a transitional risk associated with changes in the legal and regulatory environment. FUCHS addresses this risk by continuously monitoring the regulatory landscape through the governance function for overarching regulations affecting the entire company, as well as through subject-matter experts for specific regulations. Additionally, FUCHS is active in national and regional lubricant associations (such as UEIL and ATIEL for Europe, ALIA for Asia, API and ILMA for America, etc.) to closely follow the emergence of new regulations, assess their impact on the lubricant sector, and mitigate the resulting consequences.

The transitional risk has a global scope, with the greatest regulatory pressure and speed in the introduction of new requirements being observed in Europe. Potentially, the entire value chain is affected, but primarily our suppliers and customers.

The countermeasures are ongoing tasks that may, in some cases, affect the entire value chain, thereby also involving suppliers and customers.

#### Decline in the market share of combustion engines in certain regions

The transition risk concerning the expected decline in market share of combustion engines in certain regions of the world is addressed by the development of our organization in selected geographic regions, with specific personnel increases being made. For the segments where we still foresee long-term use of combustion engines, we allocate resources for new product developments. FUCHS is actively involved in the development, production, and distribution of lubricants for alternative technologies such as e-mobility, fuel cells, and alternative fuels, in order to compensate for potential volume declines in traditional drive systems.

The risk primarily concerns FUCHS' downstream value chain, particularly our customers. The measures FUCHS is taking are global in scope, but they are particularly focused on regions with growth opportunities in the combustion engine sector.

The measures are continuously being implemented. We are currently unable to estimate when this transition will be completed, as regions develop differently in terms of technology and consumer behavior. FUCHS follows market developments with its business model and the products it offers.

### Mobility change with additional requirements for lubricants

FUCHS sees the mobility transition with the associated new requirements for lubricants as an opportunity. This opportunity is being realized through the development of new products in close collaboration with new mobility OEMs. Another measure is the creation of a dedicated position for product development and sales activities in the field of new mobility.

FUCHS has entered into a joint venture in the market segment of functional fluids and electrolytes, as a base technology for e-mobility. Demand, particularly in Europe, is expected to increase significantly. We are intensifying our efforts to participate in the growing market by advancing product developments and partnerships in this area.

Our measures are globally oriented and primarily affect the downstream value chain of FUCHS, particularly our customers.

The measures are being continuously implemented. We are currently unable to estimate when this transition will be completed, as regions develop differently in terms of technology and consumer behavior. FUCHS follows the developments in the market with its business model and the products it offers.

FUCHS has no net financial debt and can finance the expenses related to the measures from its own cash flow. The costs for climate protection and climate adaptation measures are part of the annual budget planning and the medium-term financial planning.

### Measures to reduce greenhouse gas emissions from own direct emissions (Scope 1)

**Reduction of fossil fuel consumption by**

- Reduction of heat consumption,
- Transition from fossil to green energy sources and
- Transition to district heating/cooling networks, where available and possible

**Electrification of the vehicle fleet and processes by**

- Gradual transition of the vehicle fleets worldwide to electric drives and
- Electrification of heat generation (e. g., boilers)

### Measures to reduce indirect emissions from external energy consumption (Scope 2)

**Transition to renewable, low-emission external energy supply by**

- Transition to green electricity and green steam, where possible

### Measures to reduce indirect emissions in the upstream or downstream value chain (Scope 3)

**Use of renewable materials by**

- Transition from fossil to alternative, renewable materials for products and packaging (recycled/biobased) and
- Preference for raw materials with low PCF content

**Waste reduction by**

- Reduction of waste generation at FUCHS (finished product waste and flushing oils)

All measures were already implemented in the reporting year and have been incorporated into long-term planning, as not all measures can be implemented in the short term.

The achieved greenhouse gas emission reduction in the reporting year is indicated in the section → 151 Transition plan for climate change mitigation. The expected greenhouse gas emission reduction is indicated in the section → 160 Targets related to climate change mitigation and adaptation.

Beyond the information provided in the Chapter on the EU Taxonomy, no further disclosures are available regarding CapEx and OpEx.

### Targets related to climate change mitigation and adaptation

#### Generation of greenhouse gas emissions, among other things, due to the use of fossil raw materials

To manage the identified actual negative impact of FUCHS on climate protection, the "FUCHS Net Zero 2040/50 Strategy" was developed with the following goals to align FUCHS's emission development with the long-term goals of the Paris Climate Agreement of 2015. We recognize the guidelines of the Science Based Targets Initiative (SBTi) as the currently most widespread guideline for companies to determine Paris-compliant emission reduction targets. FUCHS, in collaboration with an external consulting firm, has developed climate targets, including a net-zero target, based on the SBTi. However, these have not yet been submitted to the SBTi for officialization and review.

- **Reduction of FUCHS' Scope 1 and 2 GHG emissions to near net-zero by 2040:**
  FUCHS is committed to reducing its Scope 1 and 2 GHG emissions by at least 42% in relative terms by the short-term target year 2030 and by at least 90% by 2040. The base year for this relative target is 2021. The ambition and timeframe for Scope 1 and 2 reduction targets align with the SBTi's guidelines for a 1.5 degrees Celsius pathway at the time the target is officially set.
- **Reduction of FUCHS' Scope 3 emissions to near net-zero by 2050:**
  FUCHS is committed to reducing its Scope 3 GHG emissions by at least 25% in relative terms by the short-term target year 2035 and by at least 90% by 2050. The base year for this relative target is 2023. The timeframe for the short-term Scope 3 reduction target is in accordance with the SBTi guideline with the earliest officialization of the targets in 2025, whereby the ambition of the Scope 3 target corresponds to a "well below 2 degrees Celsius pathway". The inclusion of additional Scope 3 emission categories is reviewed annually. The categories considered and excluded in the reporting year are shown in the section → 167 Gross Scopes 1, 2, 3 and Total GHG emissions.

For both targets, the unit of the absolute target is tons of $CO_2$-equivalents ($tCO_2e$). The scope of the targets is global and refers to the "cradle-to-grave" approach. The methodology follows the guidelines of the SBTi, in line with the 2015 Paris Climate Agreement to limit global warming to a maximum of 1.5 degrees Celsius. FUCHS has set the targets without involving other stakeholders. The corporate carbon footprint is assessed annually, considering the same emission categories as in the base year. Progress towards achieving the targets is reviewed each year. The effect of acquisitions on greenhouse gas emissions has been analyzed and is well below the threshold for a recalculation of the base year.

#### Climate hazards – floods and wildfires

The national companies concerned are in close contact with the relevant authorities with regard to the recognized physical risk of climate hazards such as floods and wildfires. There is no central tracking of targets and measures since no specific methodology or base year reference is available. The physical risk cannot be tracked quantitatively, as it is country-specific and therefore considered a core activity of the FUCHS national companies concerned.

#### Higher costs and investments due to the transition to low-emission energy and lack of availability of low-emission energy

FUCHS has set two budget targets to address the transitional risk of higher costs and investments due to the shift to low-emission energy and the lack of availability of such energy:

- Investments to reduce Scope 1 and 2 GHG emissions may account for up to 10% of the annual CapEx.
- Additional costs to reduce Scope 3 GHG emissions from purchased alternative raw materials may amount to a maximum of €3 million annually.

The scope of this target is global and relates to all FUCHS companies.

There is no base year for these targets, and the upper limit targets apply each year in addition to the previous year's expenditures. The duration of this goal setting is indefinite. This target is based on no specific methodology and was set without involving stakeholders. Compliance with the upper limits for Scope 1 and 2 will be monitored annually through the course book process. For monitoring the Scope 3 upper limit target, the Global Purchasing function is responsible.

### Changes in the legal and regulatory environment (e. g. sustainability reporting and due diligence obligations)

FUCHS has not defined specific target values for transitional risks related to changes in the legal and regulatory environment, as this risk cannot be tracked quantitatively. Responsibility for implementing substantive measures to mitigate this risk lies with the respective specialist departments for sector-specific regulations, while the Governance function oversees compliance with broader regulatory requirements.

There are no additional key figures or indicators to measure the implementation of risk mitigation quantitatively or qualitatively. The monitoring of transitional risk is continuous and is not measured against a base year.

### Decline in the market share of combustion engines in certain regions

FUCHS has not defined a specific target size for the transitional risk of expected declines in the market share of combustion engines in specific regions of the world. This risk cannot be tracked quantitatively as the respective regulatory environment changes across different regions, leading to different scenarios for the development of this risk.

General changes in sales figures such as volume, revenue, and profit in different regions and product groups, however, help FUCHS assess the effectiveness of policies and measures. The effectiveness of these measures is tracked within the normal sales processes by evaluating changes in volume, revenue, and profit.

FUCHS aims to assess progress regarding this transitional risk using both qualitative and quantitative indicators. This includes the strength of the project pipeline and sales figures at the customer segment level. These assessments are made in comparison to the previous year.

### Mobility change with additional requirements for lubricants

FUCHS has not defined specific target values for the mobility transition and the associated additional requirements for lubricants. These changes in mobility lead to new product developments for future applications, opening up unpredictable business opportunities. General changes in sales figures, such as volume, revenue, and profit in the new product groups, however, help FUCHS assess the effectiveness of policies and measures.

The effectiveness of these measures is tracked within the normal sales processes. FUCHS aims to assess progress using both qualitative and quantitative indicators, such as the strength of the project pipeline and sales figures at the customer segment level.

As defined in → 151 Transition plan for climate change mitigation. FUCHS has developed a scientifically-based Net-Zero emissions reduction plan to reduce company-wide "Cradle-to-grave" emissions to near zero by 2040 for Scope 1 and 2, and by 2050 for Scope 3 GHG emissions. As a short-term goal, FUCHS has chosen the year 2030 for Scope 1 and 2, and 2035 for Scope 3, identifying decarbonization levers and deriving corresponding actions. Individual target breakdowns for each subsidiary and calendar year up to 2040 and 2050 are provided to all FUCHS subsidiaries, which also include the reduction effect of the planned decarbonization levers.

The consistency of the emissions reduction targets with FUCHS' GHG inventory boundaries is ensured because both FUCHS' targets and its GHG inventory share the same organizational boundaries. Regarding operational boundaries, FUCHS covers all activities related to Scope 1 and Scope 2 GHG emissions, as well as all relevant Scope 3 categories according to the GHG Protocol. FUCHS uses, where available, a market-based emission accounting approach as the basis for its target setting.

When updating the original net zero strategy from 2022, FUCHS retained 2021 as the base year for the Scope 1 and 2 GHG emission reduction plan in 2024. The production volumes and processes are representative.

For the Scope 3 GHG emissions reduction plan, FUCHS has chosen 2023 as the base year, as the raw material mix and data availability for material emission categories are representative and reliable for this year. Additionally, updated emission factors, especially for fossil raw materials, were applied for 2023.

FUCHS' emissions have proven to be independent of short-term climatic cycles, so no normalization has been applied.

The targets were developed based on a scientifically-founded target-setting method, in alignment with the guidelines of the SBTi in collaboration with an external consultancy.

The ambition level and timeline for the Scope 1 and 2 reduction targets are consistent with the SBTi's 1.5 degrees Celsius guideline as of the official target-setting date.

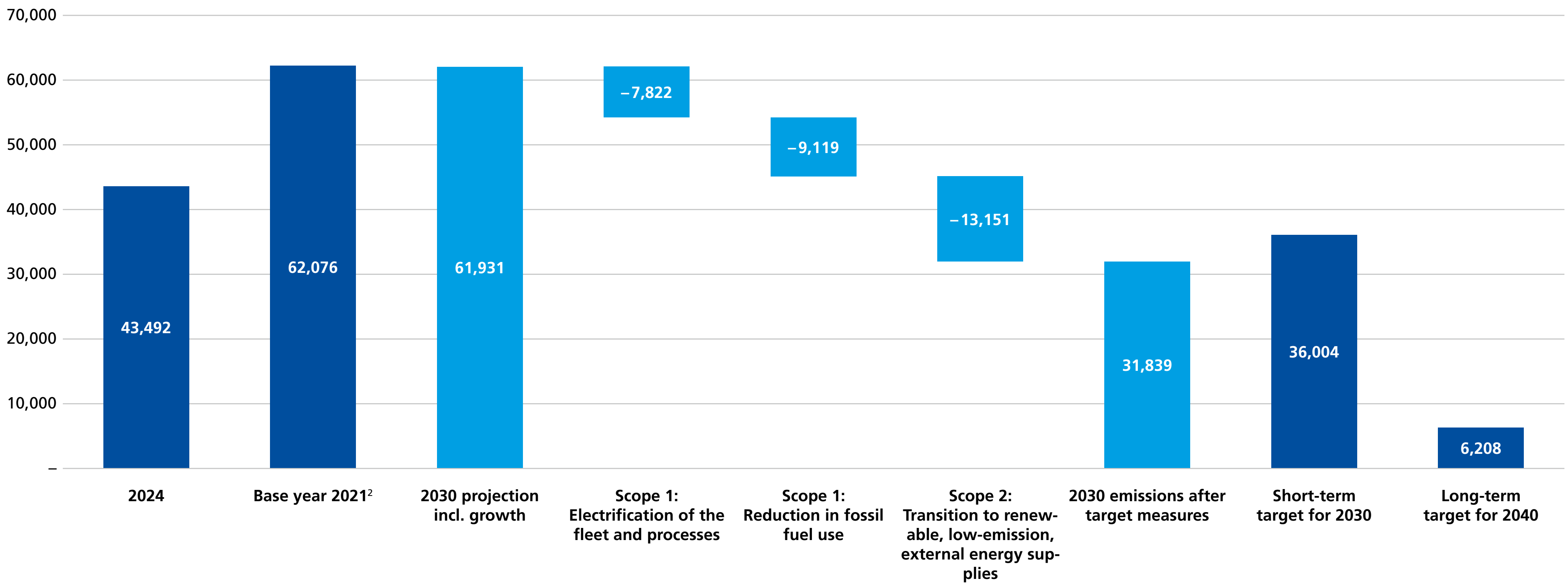
The timeframe for the short-term Scope 3 reduction target is in accordance with the SBTi guideline with the earliest officialization of the targets in 2025, whereby the ambition of the Scope 3 target corresponds to a "well below 2 degrees Celsius pathway".

FUCHS considered the future growth of the business by factoring in average annual growth rates up to 2050. Political scenarios were not considered.

The targets have not been externally audited. FUCHS is closely following the development of a sector specific SBTi standard for the chemical industry, which has not yet been released.

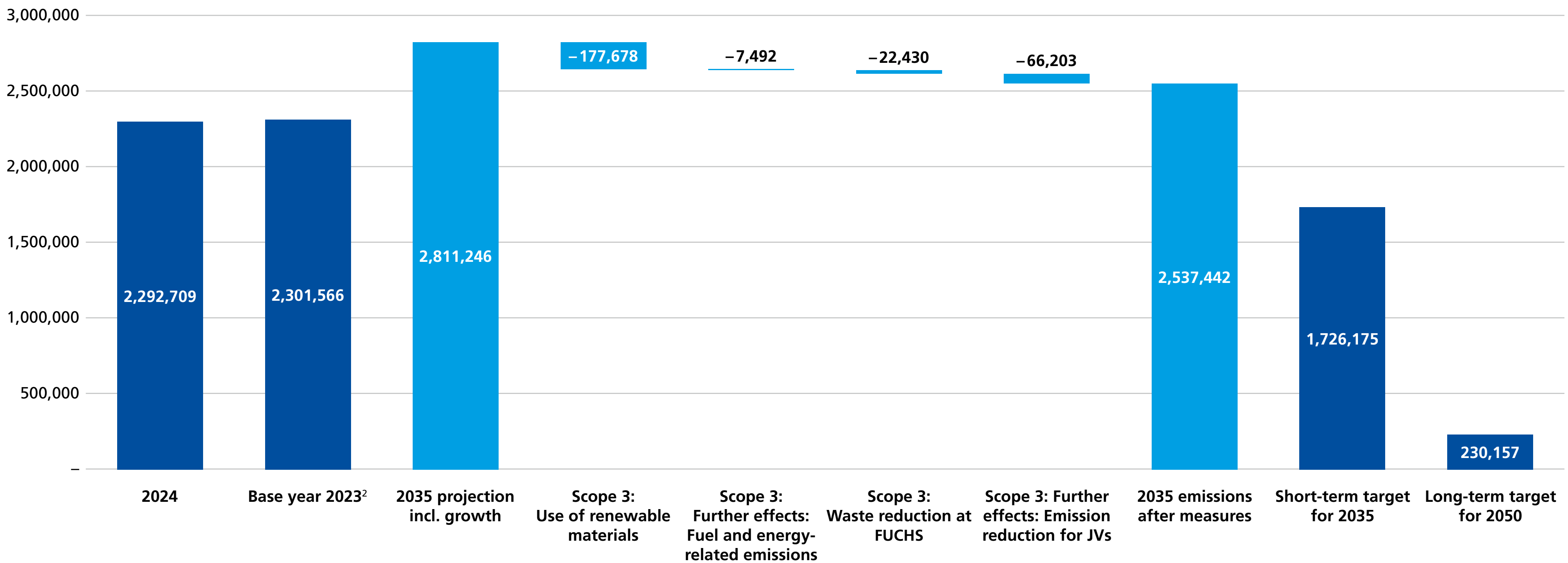
The connection between base values and target setting, including the expected contribution of measures per decarbonization lever, is illustrated in a waterfall chart. For the description of decarbonization levers and their corresponding actions, see section → **156** Actions and resources in relation to climate change policies.

**Scope 1 & 2 Targets related to climate change mitigation and adaptation (t $CO_2e$)[1]**




[1] This graph shows the effect of the currently quantified measures for each decarbonization lever. Some of the measures under the decarbonization levers in Chapter → 156 Actions and resources in relation to climate change policies have not yet been planned and quantified and are therefore not considered here.
[2] Not subject to the limited assurance audit by PwC.

**Scope 3 Targets related to climate change mitigation and adaptation (t $CO_2$e)[1]**




[1] This graph shows the effect of the currently quantified measures for each decarbonization lever. Some of the measures under the decarbonization levers in Chapter → 156 Actions and resources in relation to climate change policies have not yet been planned and quantified and are therefore not considered here. The graph also includes "other effects" to reduce emissions that are not attributable to activities according to decarbonization levers at FUCHS companies.

[2] Not subject to the limited assurance audit by PwC.

FUCHS has based its climate scenario for Scope 1 and 2 greenhouse gas emissions on limiting global warming to 1.5 degrees Celsius, taking into account its own assumptions about technology and market developments. For Scope 3 greenhouse gas emissions, the scenario is based on total emissions being compatible with a well below 2 degrees pathway. This will be adjusted as the availability and costs of solutions for defossilization in the upstream value chain improve.

The data on energy consumption for the categories fuels natural gas ('Fuel consumption from natural gas (MWh)') and LPG ('Fuel consumption from crude oil and crude oil products (MWh)') are given in gross calorific value, unlike the other energy data. The emissions for these energy sources were calculated accordingly using an emission factor for their gross calorific values.

## Energy consumption and mix

| | 2024 |
|---|---|
| (1) Fuel consumption from coal and coal products (MWh) | 0 |
| (2) Fuel consumption from crude oil and petroleum products (MWh) | 50,228 |
| (3) Fuel consumption from natural gas (MWh) | 115,893 |
| (4) Fuel consumption from other fossil sources (MWh) | 0 |
| (5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh) | 31,285 |
| **(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)** | 197,405 |
| **Share of fossil sources in total energy consumption (%)** | 72 % |
| **(7) Consumption from nuclear sources (MWh)** | 3,394 |
| **Share of consumption from nuclear sources in total energy consumption (%)** | 1 % |
| (8) Fuel consumption from renewable sources, including biomass (also compromising industrial and municipal waste of biological origin, biogas, renewable hydrogen etc.) (MWh) | 0 |
| (9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh) | 69,918 |
| (10) Consumption of self-generated non-fuel renewable energy (MWh) | 3,492 |
| **(11) Total renewable energy consumption (MWh) (calculatedf as the sum of lines 8 to 10)** | 73,410 |
| **Share of renewable sources in total energy consumption (%)** | 27 % |
| **Total energy consumption (MWh) (calculated as the sum of lines 6, 7, and 11)** | 274,210 |
| Generation of non-renewable energy (MWh) | 14,158 |
| Generation of energy from renewable sources (MWh) | 3,645 |
| Total energy consumption from activities in high climate impact sectors (MWh) | 274,210 |
| Net revenues from activities in high climate impact sectors (€ million) | 3,525 |
| Energy intensity (total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors) (MWh/€ million) | 77.8 |

In the course of 2024, the share of green electricity in the total electricity consumption of all FUCHS subsidiaries has risen to 76%. The green electricity share includes green electricity sourced by FUCHS from contractual instruments ("bundled," "unbundled"), as well as self-consumed electricity from its own green energy production. Green electricity shares according to the national electricity mix for conventional electricity sourcing were not included here. For determining the share of electricity generated from nuclear sources, the national electricity mix is used as an assumption.

FUCHS focuses on the development, manufacture, and distribution of lubricants. The ESRS standards define "high climate impact sectors" as those listed in NACE sections A to H and section L. The best match within the NACE coding system is found in category C.19.20.0 "Mineral oil processing," which includes activities such as "Manufacturing of lubricants and greases based on oil." Although FUCHS has significantly lower emissions compared to companies in the chemical or mineral oil sectors, all of FUCHS' activities fall under the definition of a "high climate impact sector" due to this classification. Therefore, the total energy consumption listed above corresponds to the total energy consumption from activities in climate-intensive sectors.

Therefore, the net sales revenue figure from the FUCHS SE consolidated financial statements can be used without deductions to calculate the energy intensity in the denominator. → **234** Consolidated financial statements of FUCHS SE, see (1) Income statement

## Gross Scopes 1, 2, 3 and Total GHG emissions

**Gross Scopes 1, 2, 3 and Total GHG emissions**

| | Retrospective | | | | Milestones and target years | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Base year[1] | 2023 | 2024 | % 2024/2023 | 2025 | 2030 | 2035 | 2040 | 2050 | Annual % target/base year |
| **Scope 1 greenhouse gas emissions** | | | | | | | | | | |
| Gross Scope 1 GHG emissions (t $CO_2$e) | 37,520 | | 34,087 | | 30,516 | 21,761 | 12,757 | 3,752 | | 4.7% |
| Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%) | | | | | | | | | | |
| **Scope 2 GHG emissions** | | | | | | | | | | |
| Gross location-based Scope 2 GHG emissions (t $CO_2$e) | | | 37,226 | | | | | | | |
| Gross market-based Scope 2 GHG emissions (t $CO_2$e) | 24,557[2] | | 9,405 | | 19,973 | 14,243 | 8,349 | 2,456 | | 4.7% |
| **Significant Scope 3 GHG emissions** | | | | | | | | | | |
| **Total Gross indirect (Scope 3) GHG emissions (t $CO_2$e)** | 2,301,566[2] | | 2,292,709 | | 2,205,668 | 1,965,921 | 1,726,175 | 1,227,502 | 230,157 | |
| 1 Purchased goods and services | | | 1,977,939 | | | | | | | |
| 2 Capital goods | | | 31,205 | | | | | | | |
| 3 Fuel- and energy-related activities (not included in Scope 1 or Scope 2) | | | 9,819 | | | | | | | |
| 4 Upstream transportation and distribution | | | 122,446 | | | | | | | |
| 5 Waste generated in operations | | | 2,106 | | | | | | | |
| 6 Business travel | | | 12,494 | | | | | | | |
| 7 Employee commuting | | | 11,465 | | | | | | | |

[1] Base year: Financial year 2021 for Scope 1 and 2 greenhouse gas emissions; financial year 2023 for Scope 3 greenhouse gas emissions

[2] Not subject to the limited assurance by PwC

**Gross Scopes 1, 2, 3 and Total GHG emissions**

| | Retrospective | | | | Milestones and target years | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Base year[1] | 2023 | 2024 | % 2024/2023 | 2025 | 2030 | 2035 | 2040 | 2050 | Annual % target/base year |
| 8 Upstream leased assets | | | not specified | | | | | | | |
| 9 Downstream transportation | | | not specified | | | | | | | |
| 10 Processing of sold products | | | not specified | | | | | | | |
| 11 Use of sold products | | | 31,408 | | | | | | | |
| 12 End-of-life treatment of sold products | | | 6,632 | | | | | | | |
| 13 Downstream leased assets | | | not specified | | | | | | | |
| 14 Franchises | | | not specified | | | | | | | |
| 15 Investments | | | 87,195 | | | | | | | |
| **Total GHG emissions** | | | | | | | | | | |
| **Total GHG emissions (location-based) (t $CO_2$e)** | | | 2,364,022 | | | | | | | |
| **Total GHG emissions (market-based) (t $CO_2$e)** | | | 2,336,201 | | | | | | | |

The calculation of $CO_2$ emissions is based on the GHG Protocol Corporate Accounting and Reporting Standard and includes all significant and relevant activities in the upstream and downstream value chain in which FUCHS is involved, also referred to as the "cradle-to-grave" scope.

FUCHS has commissioned an external consultancy firm to calculate the corporate carbon footprint. This firm's expertise lies in the selection and application of specific emission factors per activity. FUCHS only selects the emission factors for purchased raw materials (Scope 3.1) based on its specialized chemical expertise and provides this data to the consulting firm. For this purpose, FUCHS uses an external emissions factor database tailored to its requirements.

Data used to calculate Scope 1 GHG emissions related to gas, oil, and fuel consumption, as well as emissions from the vehicle fleet, air conditioning system leaks, and direct process emissions, are primarily based on actual consumption values.

Emissions from Scope 2, which include electricity, steam, and district heating consumption, are generally calculated using a location-based approach. This means that for emissions calculations, country-specific conversion factors reflecting the emission intensity of the respective national energy/electricity mix are applied. In cases where supplier-specific information is directly available, market-based factors are used to reflect the supplier's emissions for the specific energy source. For locations where precise consumption data is unavailable, estimates are incorporated into the calculation based on square footage and the number of employees at the site. This applies mainly to smaller sales locations, particularly when premises are leased and consumption data is either non-transparent or entirely unknown. FUCHS assumes that Scope 1 activity data, electricity consumption (Scope 2), water consumption (Scope 3.1), as well as waste and wastewater generation (Scope 3.5) are relative to area and number of employees.

FUCHS calculates the emissions generated within Scope 3 of the GHG Protocol for the upstream and downstream FUCHS value chain. The following Scope 3 categories have been included in FUCHS' corporate emissions calculations, as they are considered relevant and material:

- 3.1 Purchased goods and services:
  - All purchased materials, such as base oils, solvents, and performance packages, are accounted for using updated emission factors that consider the latest scientific reassessment of methane leakage during the extraction of fossil resources, as well as other sources, including primary supplier data where available. Due to a lack of data for subsidiaries in USA, Argentina, Brazil and Russia, emissions related to purchased raw materials have been extrapolated using a reference entity with a similar raw material mix and scaled based on quantities. This is done under the assumption that the processes and product portfolios of these two subsidiaries are reasonably comparable to those of the reference entity.
  - Purchased packaging for FUCHS products
  - Services purchased by FUCHS, based on an expenditure-based valuation method of emissions

- 3.2 Capital goods: Based on annual reporting on capital goods, such as the construction of capital assets, new machinery, and IT equipment, using an expenditure-based calculation approach

- 3.3 Fuel- and energy-related emissions (not included in Scope 1 and 2): Directly derived from the consumption data collected for Scope 1 and 2 calculations

- 3.4 (Upstream) transport and distribution: all types of goods transport, both incoming (using an internal logistics model due to lack of complete data, e.g., from suppliers) and outgoing (estimated based on the results of the 2023 outbound transport survey and extrapolated to the entire organization based on sales volume), paid for by FUCHS (including intra-group trade)

- 3.5 Waste: Based on waste volumes reported by FUCHS subsidiaries, excluding amounts that were recycled or reused (cut-off approach)
- 3.6 Business travel: The number of trips using various modes of transportation (and, if applicable, transport classes) is assessed based on assumed average travel distances OR the emissions reported by travel agencies for booked trips
- 3.7 Employee commuting: Estimates of average commuting distances and on-site attendance days are used when precise data is unavailable, taking into account individual remote work arrangements
- 3.11 Use of sold products: Emissions from the combustion of lubricants during use are calculated based on the average carbon content of product groups
- 3.12 End-of-life handling of sold products: All sold products, by weight, from all entities, including product packaging at the end of their life cycle (assumption: 100% incineration with energy recovery), minus the quantity of products already reported under Scope 3.11 that are process-related and combusted during application.
- 3.15 Investments: A summary of all Scope 1, 2, and 3 GHG emissions from associated companies and joint ventures over which FUCHS does not have operational control, weighted according to FUCHS' equity share.

The reporting boundaries of FUCHS' Scope 3 emissions inventory include the indirect emissions from the upstream and downstream value chain of all fully consolidated FUCHS entities for all considered emission categories, except for those in category 3.15. Under Scope 3.15, FUCHS reports the aggregated Scope 1, 2, and 3 GHG emissions of non-consolidated entities and joint ventures over which FUCHS has no operational control.

The emission categories not mentioned in the above Scope 3 category listing have been analyzed and deemed either immaterial or irrelevant and were therefore excluded from the emissions inventory:

- 3.8 Upstream leased assets:
  Category not relevant for FUCHS. Following the operational control approach, any asset leased by FUCHS is included in its Scope 1 and 2 emissions.
- 3.9 Downstream transportation:
  Category not relevant for FUCHS. Data on downstream transportation paid for by customers is not directly available to FUCHS. To assess the relevance according to the GHG Protocol, FUCHS determined the ratio of downstream transportation paid for by FUCHS or by the customer for some large FUCHS companies and extrapolated the resulting average to all FUCHS companies. This analysis indicates that the magnitude is significantly less than 2% of the total considered Scope 3 GHG emissions (categories included are listed above). Additionally, FUCHS notes that it has no influence over the emissions of logistics services not commissioned or paid for by FUCHS. As a result, the two main GHG Protocol criteria, "magnitude" and "influence," are not met.
- 3.10 Processing of sold products:
  Category not rated. FUCHS products are finished goods and are generally not further processed before use.
- 3.13 Downstream leased assets:
  Category not relevant for FUCHS. No relevant assets have been reported where FUCHS acts as the lessor.
- 3.14 Franchises:
  Category not relevant for FUCHS. FUCHS does not operate a franchise business.

The data underlying the emissions inventory was collected at the respective local FUCHS subsidiaries, associated companies, or joint ventures, reported internally, or gathered from other corporate reporting systems. The resulting emissions were calculated using software and the support of a service provider, leveraging standard emissions databases for Scope 1 and 2 (e.g., UK Government Greenhouse Gas Reporting Conversion Factors, AIB, IEA, etc.) and specialized life cycle data sources for Scope 3, specifically tailored to the chemical industry. For confidentiality reasons, FUCHS does not disclose the exact sources and datasets used.

FUCHS calculates its gross emissions annually. For the ratio of emissions by Scope 1, Scope 2 (market-based), Scope 2 (location-based), and Scope 3, see → 167 Gross Scopes 1, 2, 3 and Total GHG emissions.

Globally, FUCHS utilizes the following contractual instruments for electricity procurement with the goal of transitioning entirely to green electricity by 2025:

1) Unbundled green electricity: FUCHS subsidiaries that have not yet signed a supply contract with an energy provider. This accounts for 15.7% of total electricity consumption.
2) Bundled green electricity: FUCHS subsidiaries have signed contracts for 100% green electricity with local energy suppliers. This accounts for 59.4% of total electricity consumption.

For other energy types, FUCHS does not use contractual instruments.

FUCHS reports the following biogenic $CO_2$ emissions separately from general greenhouse gas emissions:

**Biogenic greenhouse gas emissions**

| | 2024 |
|---|---|
| Scope 1: Biogenic $CO_2$ emissions (t $CO_2e$) | 431.1 |
| Scope 2: Biogennic $CO_2$ emissions (t $CO_2e$) | 0.0 |
| Scope 3: Biogenic $CO_2$ emissions (t $CO_2e$) | 0.6 |

The emissions intensity of FUCHS per net sales revenue is calculated as follows:

**GHG intensity per net revenue**

| | 2024 |
|---|---|
| Total GHG emissions (location-based) per net revenue (t $CO_2e$/€ million) | 670.6 |
| Total GHG emissions (market-based) per net revenue (t $CO_2e$/€ million) | 662.8 |

For the emission intensity, all net sales revenues of the FUCHS companies are taken into account [referencing → 234 Consolidated financial statements of FUCHS SE, see (1)Income statement: €3,525 million; only FUCHS companies .

**GHG removals and GHG mitigation projects financed through carbon credits**

FUCHS does not engage in or support any third-party activities aimed at actively removing greenhouse gases from the atmosphere, either within its own operations or throughout its upstream and downstream value chain.

FUCHS voluntarily offsets its "gate-to-gate" emissions every year by investing in certified climate protection projects outside and independent of our value chain. These offsetting activities have no influence on the gross or net emissions shown in this report, but are intended to underline FUCHS' commitment and responsibility for the gate-to-gate emissions it directly causes.

FUCHS will therefore retire carbon credits in the amount of 79,377 t$CO_2e$ for the year 2024. FUCHS uses a stock of certificates that were already acquired in 2021 and which are successively retired in accordance with the resulting gate-to-gate emissions. FUCHS defines gate-to-gate emissions as the sum of Scope 1, Scope 2 (market-based) and selected Scope 3 greenhouse gas emissions (Scope 3.3, 3.5, 3.6 and 3.7).

FUCHS only selects recognized certificates from projects certified under the UN Gold Standard or a Verra standard for voluntary compensation of annual gate-to-gate emissions.

**$CO_2$ Certificates**

| | 2024 |
|---|---|
| Total "Gate-to-gate" emissions (t $CO_2$eq) | 79,377 |
| Share from reduction projects (%) | 79 |
| Share from removal projects (%) (biogenic sinks) | 21 |
| Recognised quality standard VCS (%) | 86 |
| Recognised quality standard GOLD STANDARD (%) | 14 |
| Share from projects within the EU (%) | 0 |
| Share of carbon credits that qualify as corresponding adjustments (%) | 0 |

FUCHS also plans to offset gate-to-gate emissions in subsequent years. The exact data is calculated after each reporting period and therefore cannot be predicted. However, FUCHS assumes that gate-to-gate emissions will continue to fall compared to the previous year and that compensation payments will therefore decrease.

FUCHS has set itself a net zero target: Total "cradle-to-grave" emissions are to be reduced by at least 90% by 2050 compared to the base years 2021 for Scope 1 and 2 and 2023 for Scope 3. FUCHS has not yet selected any specific instruments to neutralize the remaining emissions by 2050.

The technical possibilities for neutralizing the remaining greenhouse gas emissions are not yet foreseeable and the corresponding measures in the upstream value chain are not yet concrete. FUCHS is therefore unable to provide detailed information on planned neutralization measures for the target year at this time.

FUCHS regularly evaluates its strategies and will provide further details on the instruments and measures for emissions neutralization as soon as they are available.

In the reporting year, FUCHS did not make any public statements on emissions neutrality based on the offsetting of carbon credits.

## Resource use and circular economy

**Environment – Resource use and circular economy**

| | | | Position in the value chain | | | Time horizon | | |
|---|---|---|---|---|---|---|---|---|
| | IRO Description | IRO Measure/Countermeasure | Upstream | Own oprations | Down-stream | Short term | Medium term | Long term |
| Risk | Transition from fossil to biomass-based and recycled raw materials – availability and price | Renewable raw materials & reuse and recycling of existing materials | • | | | • | • | • |
| Actual positive impact | Extending the service life and increasing the efficiency of customers' systems and components with FUCHS products | Technical development of our lubricants | | | • | • | • | • |

### Policies related to the transition from fossil to biomass-based and recycled raw materials

FUCHS has not defined a separate concept for the circular economy. However, the "FUCHS Net Zero 2040/50 Strategy" addresses aspects that are particularly relevant to the circular economy and plays a regulatory role in this area within FUCHS. Specifically, the emissions reduction targets for Scope 3 regarding purchased materials (Scope 3.1) and the measures derived from them drive FUCHS' transition toward a circular economy. Further information on the "FUCHS Net Zero 2040/50 Strategy" can be found in Chapter → 151 Climate change.

To reduce emissions, FUCHS plans to transition from fossil to biomass-based and recycled raw materials.

FUCHS has identified a material risk regarding the transition from fossil-based to biomass-based and recycled raw materials and packaging materials in terms of availability and cost for the purchased materials used in our products.

The current purchasing strategy, "Reduce total cost of ownership while enabling Net Zero transformation", aims to increase the use of recycled and non-fossil raw materials and packaging. Key elements of this strategy include identifying suitable suppliers for alternative materials, establishing business relationships as early as possible, and thereby securing availability and costs for FUCHS. The purchasing strategy will be further adapted as part of the FUCHS100 strategy.

The purchasing strategy and our business model apply globally and particularly enable the utilization of circular economy opportunities in technologically advanced countries and regions. The stakeholders affected in the upstream value chain are predominantly suppliers who, together with FUCHS, must enable the transformation to lower Scope 3.1 GHG emissions and, in the downstream value chain, our customers who accept our products and use them in the sense of a circular economy.

This purchasing strategy has been presented to our global key suppliers, who have been encouraged to contribute to its execution. FUCHS maintains an ongoing dialog with its raw material suppliers, as the transition to circular material flows is of strategic importance for them as well, helping to reduce their Scope 3 GHG emissions and decrease dependence on fossil resources. This dialog takes place with all relevant suppliers without geographic restrictions.

FUCHS’ overall business model is overseen by the Executive Board. The “Reduce total cost of ownership while enabling Net Zero transformation” purchasing strategy is the responsibility of the Chief Technology Officer (CTO), a member of the Executive Board, who ensures its implementation and monitoring.

Defossilization at FUCHS means gradually reducing dependence on fossil (primary) raw materials. As part of the “FUCHS Net Zero 2040/50 Strategy”, defossilization and the use of recyclable materials (recycled, renewable, biogenic) is a key decarbonization lever to reduce Scope 3 GHG emissions and, in turn, support aspects of the circular economy.

Through the “Reduce total cost of ownership while enabling Net Zero transformation” purchasing strategy, FUCHS aims to transition to raw materials sourced from circular sources (secondary raw materials) by 2050. As an intermediate step towards 2050, FUCHS has set a short-term target for 2035 for the reduction of the resulting Scope 3 GHG emissions, which is also relevant for the switch to renewable raw materials and materials. A specific volume target for the use of circular economy raw materials has not been separately defined.

FUCHS views this transition as a long-term process that will unfold over the coming decades as more materials with an acceptable price-performance ratio become available in the market. We intend to actively shape the transition to a circular economy and see opportunities in these developments to support our customers in this process. From our perspective, the circular economy must be understood as a holistic concept with interconnected elements throughout the entire value chain.

The “FUCHS Net Zero 2040/50 Strategy” guides FUCHS through the defossilization process. In this transition, renewable raw materials from circular economy sources serve as replacements for previously used fossil-based materials, primarily falling into two distinct categories:

1) Recycled raw materials, mainly sourced from used oil recycling or other post-consumer recycling streams. This is already an area of focus for FUCHS, but the available quantities with sufficient quality and at market-competitive prices remain limited.

2) Biogenic/bio-based materials produced from plant-based materials, preferably from biomass waste streams, so as not to conflict with food production. These materials are also available today, but in very limited quantities and at prices that are not yet comparable to the fossil resources they aim to replace.

The “Reduce total cost of ownership while enabling Net Zero transformation” purchasing strategy does not include specific requirements for sustainable sourcing, as these are addressed separately in other policies, such as the FUCHS Code of Conduct (CoC), FUCHS Human Rights Principles, FUCHS General Purchasing Conditions (GPC) and FUCHS Supplier Code of Conduct (SCoC).

**Actions and resources related to the transition from fossil to biomass-based and recycled raw materials**

Regarding the identified risk in the transition from fossil-based to biomass-based and recycled raw materials in terms of availability and pricing, we plan to increase the use of renewable raw materials in our production process as part of our Net Zero Strategy. Wherever possible, fossil-based materials should be avoided or replaced by renewable alternatives. However, we remain dependent on customer-specific requirements. To ensure the availability of scarce biomass-based or recycled raw materials, we strive to secure the necessary quantities of these materials as early as possible. This approach is expected to contribute to a better environmental footprint and is considered a competitive advantage.

Currently, our customers are still highly price-sensitive and do not fully accept price increases for more sustainable raw materials. However, we anticipate that social awareness and regulatory requirements will evolve and become more stringent, leading to greater customer acceptance in the future.

FUCHS has established a global purchasing network, enabling us to source biomass or recycled materials from the market.

In detail, we are working on the following measures:

1) Redesign of product formulations that contain renewable raw materials
   Expected result: increased use of circular base oils (recycled or from biomass)

2) Further increase the proportion of recycled materials in packaging
   Expected result: FUCHS packaging is increasingly based on recycled material (PCR), where FUCHS can influence this.

3) Advanced Circular Technologies approach (ACT) for the targeted marketing of products with circular economy attributes
   Expected result: Increasing the share of circular economy products in the portfolio.

**Targets related to the transition from fossil to biomass-based and recycled raw materials**
FUCHS' targets regarding resource use and the circular economy are based on the "FUCHS Net Zero 2040/50" strategy, which includes the transition from fossil to biomass-based and recycled raw materials and is monitored through the reduction of $CO_2$ emissions.

As part of the "FUCHS Net Zero 2040/50" strategy, which is detailed in Chapter → 151 Climate change, FUCHS monitors the development of emissions from purchased materials and services (GHG Scope 3.1), with purchased raw materials having the greatest impact on FUCHS' GHG emissions. Since the measures to reduce these emissions primarily focus on replacing fossil raw materials with circular economy materials, FUCHS considers these quantitative targets an effective means of monitoring the success of circular economy measures.

Under these emission targets, FUCHS has committed to reducing its Scope 3 GHG emissions by at least 25% by 2035 and by at least 90% by 2050 compared to the 2023 baseline year. The introduction of specific targets related to availability and pricing is not foreseeable at this time.

**Policies related to extending the service life and increasing the efficiency of customers' systems and components with FUCHS products**
FUCHS has seen a real positive impact on its customers in terms of extending the service life and improving the efficiency of its customers' applications. FUCHS' business model, and thereby its lubricants, enhance efficiency across various applications, reduce wear and corrosion, and consequently extend the service life of customer equipment. As a result, our products contribute to energy savings and resource conservation.

As part of their usage specifications, FUCHS products are designed to support recycling. For individual product groups and applications, it is also possible for products to be be reused and reconditioned. However, this currently only represents a small proportion of our business.

FUCHS is committed to strengthening its technological leadership in strategically important areas and fostering innovation. This transition is driven by in-house research and development projects, with approximately 600 employees worldwide working on product development and performance improvements. Additionally, we collaborate closely with our customers and suppliers to develop suitable solutions for related challenges. For specific problem-solving initiatives, FUCHS also seeks partnerships and support from research institutions and external development centers. This approach enhances the optimization and performance of our products, helping to reduce wear in customer processes and achieve energy savings. The Chief Technology

Officer (CTO) is responsible for the company's own R&D activities on the Executive Board.

**Actions and resources related to extending the service life and increasing the efficiency of customers' systems and components with FUCHS products**

Recognizing the tangible positive impact on our customers through extended product service life and enhanced efficiency in their applications, FUCHS continues to invest in its own research and development activities, participates in development partnerships, and expands its product and customer portfolio through strategically meaningful acquisitions to support its strategic goal of technology leadership. The success of FUCHS is a testament to the value customers attribute to our products.

To achieve this, FUCHS is implementing the following measures:

1) Extending product life cycles by improving product properties.
   Expected result: Longer product service life and extended machine operating times.

2) Condition monitoring of process fluids to extend replacement intervals.
   Expected result: Prolonged use of process fluids through condition-based change intervals.

3) Expanding our Smart Services catalog.
   Expected result: Offering targeted services with sustainable benefits.

The key measures are part of the "FUCHS Net Zero 2040/50 Strategy," particularly regarding Scope 3 GHG emissions by 2050. Further information on the "FUCHS Net Zero 2040/50 Strategy" can be found in the Chapter → 151 Climate change.

**Targets related to extending the service life and increasing the efficiency of customers' systems and components with FUCHS products**

With regard to the recognized actual positive impact FUCHS has on its customers in terms of extending the service life and improving the efficiency of its customers' applications, we are developing concepts to make the transition of our portfolio towards alternative raw material sources and efficiency benefits more visible and measurable in the future. The introduction of targets related to these concepts is not foreseeable at this time.

FUCHS has not set specific targets for the circular economy, but the targets established within the "FUCHS Net Zero 2040/50" strategy also contribute to the circular economy.

FUCHS' business model, and therefore its lubricants, enhance efficiency in various applications, reduce wear and corrosion, and increase the service life of customer equipment. As a result, our products contribute to energy savings and resource conservation. As part of their usage specifications, FUCHS products are designed to support recycling. For individual product groups and applications, it is also possible for products to be reused and reconditioned.

As part of the "FUCHS Net Zero 2040/50" strategy, FUCHS has identified the use of recyclable materials (recycled, renewable, biogenic) as a key decarbonization lever and a means of reducing Scope 3 emissions. The current purchasing strategy "Reducing total cost of ownership while enabling net zero transformation" aims to take into account an increase in recyclates and non-fossil raw materials relevant to the transition to renewable raw materials. Both the procurement and product development teams at FUCHS focus on increasing the use of recyclable raw materials for existing products and developing new products.

By aiming to increase the use of recyclable and renewable materials, FUCHS aims to continuously reduce the use of primary materials of fossil origin. This is part of the "FUCHS Net Zero 2040/50" strategy and has been identified as a key decarbonization lever.

Currently, there are no specific targets for sustainable procurement and the use of renewable resources.

The majority of FUCHS subsidiaries with in-house production have policies aimed at reducing internal waste volumes and directing them toward recycling them. We also encourage our customers to prioritize recycling used lubricants whenever possible.

There are no additional aspects regarding these targets that require disclosure.

The transition from fossil to biomass-based and recycled raw materials results in a higher share of recycled and reusable materials. The actual positive effect of "Extending the service life and increasing the efficiency of customers' systems and components with FUCHS products" serves to avoid waste in the downstream value chain.

No ecological thresholds were considered in setting these targets.

The targets related to resource use and the circular economy were established voluntarily.

**Resource inflows**

FUCHS' supply chain extends across many different material groups that are procured as part of FUCHS' activities and within its upstream value chain. Raw materials and packaging are sourced from suppliers of different sizes across all global regions. Among the critical raw materials identified by the EU, graphite and copper are sourced directly, while all other materials are either not used or acquired in pre-processed derivative forms. The products within FUCHS' supply chain are primarily based on crude oil. The preliminary products may also contain chemicals, metals, plastics and/or other solids.

To avoid risks, FUCHS pursues the strategy of sourcing certain materials globally and others regionally or locally. As a result, alternative sourcing options are often available within the global FUCHS network. Furthermore, the manufacturing technology used by FUCHS enables product production at various locations. The key resource inflows include base oils, additives, packaging materials made of metal and plastic, water (in smaller quantities for production and sanitary purposes), as well as technical equipment and machinery for manufacturing.

Currently, most of the raw materials and packaging used by FUCHS are based on fossil resources. FUCHS' current procurement strategy can be summarized as "Reduction of total cost of ownership while enabling transformation to net zero".

To counteract climate change, it is essential to minimize the global carbon footprint as much as possible. Our goal is to replace fossil-based raw materials with biomass-based alternatives whenever possible and to increase the use of recycled and reusable materials. However, the availability of biomass and recycled materials is limited, which may result in a shortage of viable alternatives. In this context, there is a risk that resulting price increases may not be fully passed on to customers.

This limited availability applies not only to raw materials but also to the use of recycled packaging as an alternative to conventional packaging.

**Resource outflows**

FUCHS produces a comprehensive portfolio of lubricants across various product categories, including automotive, industrial oils, metalworking, greases, specialty applications, and FUCHS Smart Services. Our product solutions enhance the service life, efficiency, and quality in customer applications.

FUCHS' automotive products encompass a broad range of lubricants and services specifically developed for the automotive industry. These include engine oils, transmission fluids, hydraulic fluids, and specialty lubricants designed for various vehicle types and components.

Industrial oils refer to a category of lubricants formulated for diverse industrial applications. Specific products within this category include industrial gear oils, hydraulic oils, compressor oils, and machine/circulating oils.

The metalworking product category at FUCHS includes a wide range of lubricants and coolants designed for various machining processes such as milling, turning, drilling, grinding, and many other applications (e.g., forming lubricants, corrosion protection, cleaners). These products are tailored to the machining of various materials such as aluminum, steel, cast iron, stainless steel, and many others.

FUCHS greases are specialized lubricants that can be optimized for different applications by selecting the appropriate oils, thickeners, and additives. There are greases designed for high or extremely low temperatures, water-resistant, pressure-resistant, biodegradable, or highly adhesive variants.

FUCHS produces lubricants for specialty applications across various industries, including wind power, the food industry, rail transport, forging, steel, cement and mining, refractory, construction, and others. These lubricants are specifically developed and optimized for the requirements of each application.

FUCHS Smart Services provides comprehensive service solutions that are specifically tailored to customer needs and include both digital technologies and a wide range of services. These solutions aim to improve the efficiency and performance of customer processes and offer support throughout the entire lifecycle.

Non-conforming production batches are reprocessed after laboratory analysis or, where possible, incorporated into other batches or products to avoid waste. Process-related waste is, wherever possible, reused as raw material in alternative products, and if not feasible, it is fully captured and directed to standard disposal methods, such as flushing oils.

As part of their usage specifications, FUCHS products are designed to support recycling. For individual product groups and applications, it is also possible for products to be reused and reprocessed. However, this currently only represents a small proportion of our business. Other cycle-orientated principles, such as dismantling, are not relevant for our products.

FUCHS offers a minimum shelf life of up to 5 years for various product groups, provided the products are stored correctly – protected from direct sunlight, frost, and rain, and stored at temperatures between +5 degrees Celsius and up to +40 degrees Celsius. This aligns with industry standards, which also set a minimum shelf life of 3 to 5 years for similar products, as long as storage conditions are maintained. However, it is important to note that the actual shelf life can depend on the specific composition of the product, storage conditions, and packaging. FUCHS recommends checking the product's shelf life based on the individual product data sheets to obtain precise details.

**Minimum shelf life per product group**

| Product group | Average minimum storage life (in years)[1] |
|---|---|
| Automotive lubricants | approx. 3 |
| Industrial oils | 2 – 5 |
| Metalworking | 0.5 – 3 |
| Lubricating greases and pastes | approx. 3 |
| Lubricants for special applications | 1 – 3 |

[1] A general indication of minimum shelf life per product group is not generally possible due to the large number and diversity of the products contained therein and their chemical composition.

The durability of FUCHS products in use should be considered separately from the above information. This is primarily determined by the requirements of the specific application and the nature and intensity of customer usage, and cannot be generally predicted. Some customers take advantage of FUCHS offerings to monitor the actual condition of FUCHS products in use and only replace or re-add additives when threshold limits are exceeded, in order to maximize the product's service life. Regardless, many machine manufacturers stipulate how long lubricants may be used, regardless of actual durability.

During product development FUCHS focuses on extending product lifetimes through improved product properties. The reparability of a product in use is currently of secondary importance. In some selected product areas, we "repair" aging products through re-additivation during use (examples: cooling lubricants and gear oils). In re-additivation, chemical parameters of the products in use are typically measured, and if necessary, product components are added (re-additivation) to extend the product's service life and thus avoid a complete, premature replacement of the product.

The recyclable proportion of products is approx. 60 %. This fundamental recyclability was determined based on the expert assessment of our global product managers using the known recyclable shares in the product categories by weighting them with the product mix. The assessment is primarily based on the distinction between formulations (oil-based, water-based, or solvent-based) and their application.

The recyclable proportion of packaging is approx. 74 %. This fundamental recyclability was determined on the basis of an expert assessment by our global purchasing department using the known recyclable proportion of packaging by weighting it with the packaging mix. The recyclable share of packaging was determined on the basis of the most common and most relevant packaging types for the Group and is therefore an estimate. As the packaging mainly consists of the materials metal, plastic, glass and cardboard, the values of the common packaging can be transferred to the remaining packaging, which is smaller in volume.

## Social information

## Own workforce

**Social – Own Workforce**

| | | | Position in the value chain | | | Time horizon | | |
|---|---|---|---|---|---|---|---|---|
| | IRO Description | IRO Measure/Countermeasure | Upstream | Own operations | Downstream | Short term | Medium term | Long term |
| Actual positive impact | Employee promotion and development & health programs | Training and further education, development plans, health promotion | | • | | • | • | • |
| Potential negative impact | In exceptional cases, violations of internationally applicable labor rights by employees | Strengthening mechanisms for compliance and ethical oversight | | • | | • | • | • |
| Actual positive impact | Protection of labor rights and equal treatment of all employees | Promoting workplace diversity with equal opportunities for all employees | | • | | • | • | • |
| Actual negative impact | Work-related Accidents | Extensive safety measures | | • | | • | • | • |
| Risk | Demographic change – shortage of labor | Improvement of talent acquisition and retention strategies | | • | | • | • | • |

### Policies related to own workforce

### In exceptional cases, violations of internationally applicable labor rights by employees

- FUCHS Code of Conduct (CoC)
  To prevent violations of internationally recognized labor rights, FUCHS has formulated the FUCHS CoC, which applies to all employees worldwide. The CoC commits the company to compliance with local, national, and international laws and regulations. It includes corporate social responsibility, the protection of human rights, mutual respect, and leadership and management responsibility.

The CoC aims to promote legal, social, environmental, and ethical aspects within the framework of FUCHS' corporate social responsibility. As a set of rules, the CoC ensures compliance with applicable laws and internal guidelines, thus focusing on social sustainability. The responsibility for the CoC lies with the Executive Board of FUCHS. Implementation is carried out by various specialist departments and the compliance organization under the leadership of the Chief Compliance Officer (CCO). Local Compliance Officers (LCOs) are responsible in each group company.

With the CoC, FUCHS supports the international conventions for the protection of human rights and the environment, including the UN Declaration of Human Rights, the ILO Declaration of Principles and the UN Global Compact.

The CoC is publicly available on the FUCHS website and has been assigned to all employees worldwide with access to FUCHS CONNECT via the e-learning tool. New employees must acknowledge and agree to the CoC upon starting their employment. This is done either electronically via FUCHS CONNECT or by signing a document for their personnel file.

- FUCHS Human Rights Principles
Like the CoC, the FUCHS Human Rights Principles apply to all employees worldwide. They are based on international standards such as the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the German Supply Chain Due Diligence Act (LkSG). The FUCHS Human Rights Principles are aligned with the UN Universal Declaration of Human Rights and the ILO Conventions and contain clear guidelines against human trafficking, forced labor, child labor, and discrimination while promoting equal opportunities and freedom of association. They aim for fair working conditions, respect for human rights, and the promotion of health and safety in the workplace. The overall responsibility for the FUCHS Human Rights Principles lies with the Executive Board of FUCHS. Within the Executive Board, the CEO and CTO are responsible for these principles. A Human Rights Officer has been appointed, and monitoring responsibility has been delegated to them.

The FUCHS Human Rights Principles include specific commitments to respecting human rights within the own workforce. These commitments foster a work environment that supports dignity, equality, and personal well-being. FUCHS is committed to social responsibility, the prohibition of child labor, the prohibition of forced labor and slavery, equal opportunity and non-discrimination, freedom of association and the right to collective bargaining, fair wages, working hours and social benefits, workplace safety and occupational health protection, as well as environmental responsibility and accountability towards suppliers.

Compliance is reviewed annually by the Human Rights Officer using IntegrityNext. This is a portal that supports companies in ensuring sustainability in their supply chain by monitoring environmental, social and governance standards. Additionally, the whistleblower portal is used to monitor human rights compliance. Furthermore, the mandatory global training on the Supply Chain Due Diligence Act (LkSG) for all employees is regularly monitored.

FUCHS promotes open and constructive communication with employees through continuous dialogue and engagement with employees and their representatives to ensure their rights and concerns are considered. The compliance organization, particularly the LCOs, serves as a point of contact for questions regarding human and labor rights. Regular meetings with local management, town hall meetings, as well as involvement through the SE Works Council and employee representatives on the Supervisory Board ensure direct participation. Employee engagement is also supported through the Cultural Scouts.

FUCHS has implemented mechanisms to provide remedies for human rights violations, including an Internet-based whistleblower portal. This allows employees to report violations anonymously and engage in dialogue with the responsible parties. Confirmed violations are addressed through necessary corrective actions. The goal is to identify legal violations and misconduct at an early stage and prevent potential harm.

The FUCHS Human Rights Principles and the CoC set clear guidelines for eliminating discrimination and promoting equal opportunity, diversity, and inclusion. FUCHS fosters a diverse and inclusive work environment, which is ensured from the hiring process through a standardized and structured approach.

The FUCHS Human Rights Principles protect employees from discrimination based on race, ethnic origin, skin color, gender, sexual orientation, gender identity, disability, age, religion, political opinion, national origin, or social background.

FUCHS complies with local regulations on inclusion and the protection of all employees and has group-wide concepts such as the FUCHS Human Rights Principles and the CoC. As part of the materiality assessment, no particularly vulnerable groups were identified among the company's own workforce.

The Human Rights Officer annually identifies potential discrimination risks as part of the human rights risk analysis. Countermeasures include the FUCHS Human Rights Principles and the CoC, supplemented by mandatory LkSG training and optional anti-discrimination training available via FUCHS CONNECT. Affected individuals can use the whistleblower portal, and potential violations are handled in accordance with the procedural rules and the Investigation Standards. Further information on the complaints procedure can be found in Chapter → 185 Processes to remediate negative impacts and channels for own workforce to raise concerns.

### Protection of labor rights and equal treatment of all employees

The CoC has a tangible positive impact on our employees by promoting the protection of labor rights and equal treatment of all employees.

For further details on these concepts, refer to the explanations on the CoC in section → 181 In exceptional cases, violations of internationally applicable labor rights by employees.

### Employee promotion and development & health programs

- **Performance Management Process:** The Performance Management Process is a central component of personnel management at FUCHS. It includes goal setting, performance review, and development for all employees, regardless of role or location. This process aims to ensure a consistent and fair approach to performance evaluation while fostering both individual and organizational performance through clear expectations, regular feedback, and continuous development.

- **Learning and development strategy:** FUCHS' Learning and development strategy aims to foster growth through lifelong learning, enhancing both employee competencies and overall company performance. This strategy supports FUCHS2025 and beyond, focusing on three key pillars:
  - Business-relevant content to address knowledge and skill gaps.
  - Optimized structures and processes to identify and meet current and future development needs.
  - A collaborative learning culture in which all employees actively participate and play a vital role in the development process.

- **Training Budget Guideline:** The "Training Budget Guideline" defines a transparent training budget of 1–3% of salary costs to support employees' continuous professional development.

- **Health promotion:** FUCHS provides comprehensive health and safety support for employees on business trips through International SOS. This includes travel preparation and assistance during the trip via a global network of support centers. These centers assist with arranging medical appointments, obtaining medication, replacing lost documents, and handling emergencies.

  During international business trips, all employees are covered by the FUCHS group insurance contract. This insurance applies to individuals who travel abroad temporarily for work-related reasons or who are transferred by FUCHS to foreign locations. The primary goal is to best prepare employees for travel and to provide comprehensive support and compensation during their absence.

These concepts apply to all FUCHS companies worldwide and fall under the responsibility of the Executive Vice President Human Resources. Implementation is carried out by local HR managers. Group HR maintains regular communication with local HR managers, and these concepts are accessible to all employees via the global intranet.

### Demographic change – shortage of labor

Our employer branding concept defines our external message and highlights what sets us apart as an employer and distinguishes us from competitors. It encompasses all measures taken to position FUCHS as an attractive employer. As part of the employer branding campaign, various tools were developed, including key visuals, job advertisements, banners, roll-up displays, social media materials, and text templates.

FUCHS' global employer branding campaign aims to position the company as an attractive employer and attract highly qualified employees. This concept is binding for all FUCHS companies worldwide and falls under the responsibility of the Executive Vice President Human Resources. Implementation is carried out by local HR managers in the respective country organizations. Currently, there is no monitoring concept for the compliance and use of the Employer Branding toolbox. Internally, the concept was communicated to the entire HR network and all responsible recruiters and is accessible to all employees via the global intranet.

For demographic change, the same concepts described in section → 183 Employee promotion and development & health programs including the Performance Management Process, the Learning and Development Strategy, the Training Budget Guideline, and health promotion initiatives.

### Work-related accidents

FUCHS' concept to workplace accidents is outlined in the "FUCHS Principles on Health, Safety, Environment, Energy, Quality, and Sustainability Management." These principles provide the framework for occupational health and safety, environmental protection, and quality, energy, and sustainability management. FUCHS is committed to ensuring a safe working environment by implementing safety protocols and conducting regular accident prevention training.

The concept aims to set guidelines for environmental, health, and safety (EHS) management, as well as energy, sustainability, and quality management within the FUCHS organization. The health and safety of employees take top priority, environmental impacts are minimized, and quality standards are maintained.

Implementation is carried out by the group entities in compliance with locally applicable laws and regulations. This concept applies to all organizational units of FUCHS SE and FUCHS subsidiaries in which FUCHS is the majority shareholder. For joint ventures and associated companies, the application of this concept is recommended.

Overall responsibility for the concept lies with the Executive Board, with the operational responsibility assigned to the Chief Technology Officer (CTO) as per the business distribution plan. Internal and external audits, as well as safety inspections, help monitor compliance and drive continuous improvements in occupational health and safety measures. The concept is publicly available on the FUCHS homepage.

**Processes for engaging with own workforce and workers' representatives about impacts**

FUCHS actively promotes employee participation in decision-making processes to ensure that employees' perspectives are considered in strategic decisions. Various mechanisms have been implemented to support this, including annual employee surveys, the establishment and involvement of employee representation groups, and the encouragement of open dialogue between management and employees. Examples of employee engagement and communication formats include joint breaks and lunches with the CEO in the U.S. and China, breakfast meetings with the Executive Board in Germany, and the global expansion of town hall meetings. FUCHS SE has a co-determined Supervisory Board that meets at least once a quarter. Employee representatives are thus regularly involved at the highest company level.

Measures to integrate employee perspectives include both local and global employee surveys. Local surveys take place in various subsidiaries and cover a range of topics. Some surveys are also conducted by third-party providers to ensure unbiased results. These provide insights into leadership, strategy, work processes, resources, compensation and culture. Additionally, an annual global employee survey is conducted to assess how likely employees are to recommend FUCHS as an employer. To gather comprehensive employee feedback, multiple methods are used, such as online portals and the intranet.

Regular meetings, such as team meetings and works councils, provide valuable opportunities for employee exchange and engagement. Local management teams inform employees about changes and improvements through in-person or virtual meetings. Performance evaluations and feedback discussions allow for ongoing dialogue between supervisors and employees. These meetings take place at least once a year and more frequently if necessary.

Overall, FUCHS fosters a culture of open feedback. The aim is to strengthen employee well-being through active participation.

Overall responsibility lies with the highest level of the company, the Executive Board. Within the Board, the CEO is responsible for employee-related matters. The operational responsibility for ensuring the integration of employee perspectives within local entities lies either with the respective HR managers or local management. Local HR teams in subsidiaries handle operational tasks. Additionally, regional and global HR roles have been implemented to ensure that results from local employee surveys and feedback processes are incorporated into strategic decision-making.

Currently, there is no valid framework agreement with an international trade union federation. However, as a Societas Europaea (SE), FUCHS ensures the harmonization of certain standards through employee representatives at the European level. Furthermore, the FUCHS Human Rights Principles serve as a globally applicable guideline that ensures the protection of human rights within the company.

Beginning in 2025, FUCHS plans to introduce a global employee survey to collect feedback from employees. This survey will provide a standardized, worldwide measurement of employee satisfaction and cultural transformation. The survey structure will cover a broader range of topics and allow for a more comprehensive and in-depth analysis of results. The process will involve analyzing results and developing meaningful action plans in collaboration with employees.

**Processes to remediate negative impacts and channels for own workforce to raise concerns**

It is possible that FUCHS may, in individual cases, either violate labor rights or cause accidents at work despite the concepts described above. If such a situation arises, FUCHS' general approach is to take immediate and appropriate corrective measures to prevent, resolve, or minimize the impact of the legal violation or workplace accident. The specific measures to be taken will depend on the legal status of the issue or the nature of the workplace accident. In the case of workplace accidents, a root cause analysis will be conducted to ensure appropriate measures are taken to prevent recurrence. The effectiveness of these measures will be monitored through an evaluation of accident statistics. For violations of labor rights, applicable labor laws and guidelines will be enforced to remedy the impact. The consistent application of labor laws and policies ensures effective remediation of any infringements on employees' protected rights.

FUCHS provides employees with the following reporting channels:

- Whistleblower Portal (see Chapter → 205 Business Conduct policies and corporate culture)
- Dedicated email addresses for the Compliance Office and the Human Rights Officer
- Personal consultation with members of the Group Compliance Office/the Regional Compliance Officers/Local Compliance Officers or the Human Rights Officer;
- Local occupational health and safety representatives

These reporting channels are operated by FUCHS itself. The company does not participate in third-party reporting mechanisms.

Complaints submitted through the designated reporting channels are processed in accordance with the FUCHS Complaint Procedure Guidelines and the FUCHS Investigation Standard. Receipt of the complaint is acknowledged, and a response is provided within three months. The procedure is designed to prevent, eliminate, or minimize negative impacts. The completion of the process and the measures taken are documented.

The reporting channels are communicated internally through the CoC. Employees with an email address receive the CoC electronically via FUCHS CONNECT, while employees without an email address receive it as an attachment to their employment contract. Information about the reporting channels is also available on the intranet, the internet, and on bulletin boards and is additionally communicated to employees through training sessions and town hall meetings. FUCHS reviews the effectiveness of the complaints procedure at least once a year and on an ad-hoc basis. FUCHS tracks the total number of complaints or cases and further differentiates them by affected topics. However, the awareness of and trust in the reporting channels are currently not systematically measured.

FUCHS adheres to the prohibition of retaliation as stipulated in the EU Whistleblower Protection Directive and the corresponding national implementation laws. Details can be found in Chapter → 205 Business Conduct policies and corporate culture.

**Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions**

In exceptional cases, violations of internationally applicable labor rights by employees

FUCHS has taken a number of measures to prevent potential violations. With the Human Rights Policy, we explicitly support compliance with international conventions protecting civil liberties as well as political, economic, and social rights. The focus is on employee training, including online training via the FUCHS CONNECT portal on topics such as the CoC, discrimination, and the Supply Chain Due Diligence Act (LkSG). Additionally, a page on human rights has been created in the global intranet, where the Human Rights Principles, including those covering labor rights, can be accessed.

Additionally, targeted communication initiatives are carried out, such as the release of a short video on "Whistle-Blowing" on World Whistleblowing Day. The implementation of robust monitoring and reporting systems helps to detect and address potential violations promptly. Regular audits and reviews ensure compliance with ethical standards and identify areas for improvement. Furthermore, fostering a culture of integrity and accountability, where ethical behavior is recognized and rewarded, reinforces the importance of adhering to the Code of Conduct.

All measures have been rolled out globally via the intranet and are applied worldwide. In addition, in-person training sessions and town hall meetings are conducted at selected locations to raise awareness of key labor rights. Given the importance of this issue, there are no limitations on the scope of application. These measures are ongoing and event-driven, without a fixed timeframe.

To mitigate the risk of CoC violations, FUCHS strengthens its monitoring mechanisms through regular training programs to ensure that all employees are familiar with the CoC and understand its significance. These training sessions enhance employee awareness of ethical behavior and legal requirements. Additionally, diversity and equal treatment training is provided for both employees and managers to prevent discrimination and foster an inclusive work environment.

FUCHS has established channels to encourage employees to voice concerns regarding potential labor rights violations. The position of a Human Rights Officer has been created to reinforce the company's commitment to ethical practices. Regular audits and reviews promote compliance with ethical standards and help identify areas for improvement.

The effectiveness of our measures is monitored and evaluated through various methods, including documented acknowledgments of the CoC, tracking and analyzing whistleblowing cases, and participation in compliance and anti-discrimination training.

Employee communication and information are key elements in mitigating negative impacts on the workforce. The FUCHS Investigation Standard differentiates between individual and structural measures when addressing identified violations. Individual measures include labor law actions, while structural measures involve root cause analysis to prevent future violations. Awareness-raising measures such as training are potential measures in the event of violations. Risks are identified as part of Human Rights Due Diligence to proactively prevent negative impacts. The measures taken are reviewed by the local HR department and the Human Rights Officer for appropriateness and effectiveness.

The Human Rights Officer conducts annual risk analyses to assess potential risks to labor and human rights. Currently, no increased risk to labor rights has been identified. This also includes the consequences of the transition to a more environmentally friendly, climate-neutral economy. However, should any violations occur, they can be reported through the established reporting channels.

To protect labor and human rights, the position of the Human Rights Officer has been established. A partnership with IntegrityNext enables the systematic assessment of sustainability and human rights aspects within the supply chain and the organization itself. Our compliance management system – comprising the Chief Compliance Officer (CCO), the Group Compliance Office, a global compliance network, and the Whistleblower Portal ensures adherence to globally applicable legal regulations and standards.

### Protection of labor rights and equal treatment of all employees

For the protection of labor rights, including equal treatment of all employees, the same measures apply as described in Section → 186 In exceptional cases, violations of internationally applicable labor rights by employees.

### Employee promotion and development & health programs

- **Performance Management Process:** The Performance Management Process at FUCHS is a key element of personnel management and performance development. This process provides a standardized approach to goal setting, performance evaluation, and professional development for all employees worldwide. It includes measures between employees and supervisors to recognize, appreciate, and enhance performance. The main instruments are the year-end performance review and regular one-on-one meetings, where performance and development goals are set and evaluated. Performance targets focus on how results should be achieved for the company, while development targets aim to enhance the employees' skills, competencies, and knowledge. One-on-one meetings are conducted as needed and on an event-driven basis.

- **Career and development plans:** FUCHS offers long-term career and development plans to provide employees with clear perspectives and advancement opportunities within the organization. Managers act as career coaches, supporting employees in their professional development. Succession planning is a structured and strategic approach in which business-critical positions and potential successors are identified and reviewed. The succession planning process ensures business continuity, addresses unforeseen events, and fosters internal career growth. It is conducted annually and includes local, regional, and global succession planning discussions. The goal is to ensure a sustainable, future-oriented personnel strategy that supports both the individual career targets of employees and the long-term objectives of the company.

- **Training and development:** To expand employees' expertise and skills, FUCHS continuously invests in training and development programs. More than 100 e-learning courses are available free of charge to all FUCHS employees at any time via FUCHS CONNECT. These courses cover a wide range of categories and are available in multiple languages. The e-learning courses align with global competencies and leadership behaviors and can be directly linked to the development goals discussed and agreed upon during the performance management process. FUCHS promotes flat hierarchies and short decision-making paths to give employees more responsibility and opportunities for participation.

- **Health and safety programs:** To strengthen employee retention, FUCHS offers attractive social benefits, including health and safety programs. These globally available benefits help strengthen long-term employee retention and increase job satisfaction. FUCHS provides comprehensive support for employee health and safety during business trips. This support includes pre-trip preparation with up-to-date information and recommendations, as well as support during the trip through a global network of assistance centers. During international business trips, all employees are covered by the FUCHS group insurance contract. The main objective of this service is to prepare employees for their trips in the best possible way and to provide them with comprehensive support during their absence.

The effectiveness of our measures and initiatives is monitored and evaluated using various methods, including the Employee Net Promoter Score (eNPS), performance reviews and feedback discussions, the number of training hours per employee, training assessments, and the analysis of turnover rates.

The positions of Manager Learning and Development and Manager Culture, Talent and Succession oversee the promotion and further development of employees within FUCHS. This is systematically supported by our global HR system, FUCHS CONNECT.

### Demographic change – shortage of labor

- **Employer brandng campaign:** To mitigate the risk of demographic change and the resulting labor shortage, FUCHS takes various strategic actions. A key aspect is strengthening the employer brand. By positioning itself as an attractive employer, FUCHS can attract a qualified workforce . This is achieved, among other things, through a global employer branding campaign that provides standardized tools to ensure that FUCHS is represented uniformly worldwide. These tools are used continuously and as needed, both in the hiring process and at events such as job fairs.

- **Corporate Culture:** A further important component is the ongoing development of the global corporate culture. The focus is on fostering an open feedback culture and communication free from hierarchical barriers. This approach allows employees to express their opinions and ideas freely, leading to higher job satisfaction and stronger engagement. This cultural development contributes to employees feeling comfortable and enjoying their work, reducing negative aspects such as high turnover, low motivation, or health problems. By promoting a culture where employees can fully utilize their skills and talents, FUCHS creates a positive work environment that impacts not only satisfaction but also the health and well-being of the workforce.

Additionally, the measures outlined in Section → 187 Employee promotion and development & health programs, apply, including the performance management process, career and development plans (including succession planning), training and development, and health and safety programs.

The effectiveness of these measures is measured by the voluntary turnover rate.

The effectiveness of our measures and initiatives is monitored and evaluated using various methods, including the Employee Net Promoter Score (eNPS), performance reviews and feedback discussions, the number of training hours per employee, training assessments, and the analysis of turnover rates.

### Work-related accidents

A structured occupational health and safety management system is implemented and certified according to ISO 45001 at all FUCHS production sites. This systematic approach includes the planning, implementation, monitoring, and continuous improvement of measures to identify, assess, and minimize potential workplace risks. Changes in laws and regulations are continuously monitored to ensure that all safety measures comply with the latest standards. The main objective is to prevent workplace accidents and minimize health risks to create a safe working environment.

Regular safety inspections, internal and external audits, and safety training ensure continuous monitoring and improvement of the system. All employees receive at least one annual safety briefing on workplace risks, protective measures, and emergency procedures. These briefings must be incorporated into training plans and documented to ensure that all employees are informed about and can apply the latest safety protocols.

At each production site, at least four safety inspections are conducted annually to identify and document acute deficiencies and issues. For all defects, corrective measures are defined with responsibilities and deadlines. The timely implementation of these measures is documented and reviewed as part of the safety inspections. In the case of severe deficiencies, a root cause analysis is conducted, and the risk assessment is adjusted accordingly.

In the event of a workplace accident, negative impacts on employees are covered by statutory or private health insurance systems to restore their health. In many countries, continued wage payment in case of illness is also provided to reduce financial burdens on employees.

The effectiveness of our measures is monitored and assessed through the documentation and measurement of the number of workplace accidents and their severity based on lost workdays.

The root cause analysis serves to identify additional relevant risks, adjust the risk assessment, and implement further protective measures. Training, audits, and safety inspections support the improvement processes.

The global coordination and oversight of occupational safety and protection measures is handled by the Head of Global EH&S.

**Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

### In exceptional cases, violations of internationally applicable labor rights by employees

No target value was defined for this potential negative impact. The number of reports on violations of labor or human rights does not allow a reliable conclusion about the actual situation. A high number of reports may indicate either frequent violations or the effectiveness of reporting mechanisms.

### Protection of labor rights and equal treatment of all employees

To promote equal treatment of our employees, we have set a goal to make internal job postings globally available and accessible. This is intended to increase diversity in our positions, locations, and projects while offering employees the opportunity to work abroad. Through this, we aim to retain employees long-term and support their professional development. The target “Diversity of Staff in Locations and Projects” actively supports the “Protection of Labor Rights and Equal Treatment of All Employees” as well as addressing the risk of “Demographic Change – Labor Shortages.” By making internal job postings globally available, we promote equal opportunities for all employees, regardless of their location. This strengthens the protection of labor rights and contributes to a fair and inclusive work environment.

Increased transparency of job opportunities across the entire organization not only helps fill vacant positions but also facilitates cross-border placements. This enhances team diversity and fosters employee mobility. The opportunity to work abroad enables us to accommodate the different needs and expectations of an evolving workforce, helping us retain employees in the long term. This contributes to the stability and long-term viability of our company. At least 50% of our internal job postings should be globally accessible to all employees worldwide. In 2024, 71.9% of internal job postings were globally available. This goal applies to all FUCHS companies worldwide. The assessment is conducted annually without reference to a specific base year. These targets are set until 2025, and their achievement is reviewed annually.

The methodology for defining the targets is based on an internal analysis. The target value of 50% is ambitious, as some internal positions require specific profiles, such as language and country-specific knowledge, which cannot always be filled globally. So far, no changes have been made to the targets or the underlying measurement methods. Global HR analyzes the data on internationally posted job openings stored in FUCHS CONNECT. Performance against the disclosed targets is measured annually by Group HR. In cases of non-fulfillment, specific corrective actions are implemented.

### Employee promotion and development & health programs

To ensure that our employees stay up to date in their field, we continuously promote their professional development. This represents a significant investment in their personal and professional development – while also increasing the value they provide to our customers and to FUCHS. This target supports the ongoing education of our employees. Well-trained and educated employees work more efficiently and contribute significantly to the company's overall productivity. Additionally, training opportunities can significantly enhance employee satisfaction and motivation.

The **training rate** is an essential element to measure employee development. Our goal is to increase training hours per employee by 5% annually until 2025. The training hours per employee amounted to 9.4 hours in 2024. Considering a 5% increase, the target value for 2025 is 9.9 hours per employee. This goal applies to all employees worldwide, with the reference year for the 5% increase being the respective preceding financial year. The goal is to achieve an annual improvement compared to the previous year. The targets apply until 2025, and progress on the KPI is reviewed annually.

We view a 5% annual increase as an ambitious target, which will have a significant mid-term impact on the development of our employees. So far, no changes have been made to the targets or the underlying measurement methods. Performance against the disclosed goals is evaluated annually. The calculation for the annual result of training hours is based on data from FUCHS CONNECT, which will be supplemented by additional information from local systems by the national subsidiaries in the future. To verify the data, Global HR conducts plausibility checks against previous periods.

### Demographic change – shortage of labor

- **Employee Net Promoter Score (eNPS):** FUCHS measures employee satisfaction and loyalty annually using the eNPS. The goal is to continuously improve employee satisfaction across the entire group. The employee survey scale ranges from 0 to 10. Ratings from 0 to 6 indicate low satisfaction and are classified as detractors. Ratings of 9 and 10, on the other hand, reflect high satisfaction and are classified as promoters, as these employees are likely to recommend FUCHS as an employer. Ratings of 7 and 8 (passives) are not included in the eNPS calculation. The eNPS is calculated by subtracting the percentage of detractors (ratings from 0 to 6) from the percentage of promoters (ratings of 9 and 10), resulting in values ranging from – 100 to + 100. A positive eNPS score indicates overall positive employee satisfaction.

  FUCHS aims to improve the eNPS score by 10 % by 2025 compared to the 2021 score (18), setting a target of 20. In 2024, the eNPS was 30. The target is to be an attractive employer and create a positive work environment.

  This applies to all employees worldwide and is reviewed annually. The results of the annual surveys are recorded and analyzed electronically. An analysis is carried out by Group HR taking into account the previous year's figures. So far, no changes have been made to the targets or the underlying measurement methods.

- **Voluntary Turnover Rate:** Given the increasing competition for qualified professionals, it is crucial to limit the Voluntary Turnover Rate within the company. This rate is calculated based on employee-initiated resignations relative to the total number of employees at the end of the reporting period. A high turnover rate necessitates increased recruitment of qualified personnel, leading to additional costs and efforts. Furthermore, a shortage of qualified employees can cause operational inefficiencies and disruptions, impacting production levels and the fulfillment of customer requirements. Therefore, our goal is to maintain the turnover rate at an acceptable level to ensure the continuity and efficiency of our operations. This goal is directly linked to FUCHS' corporate strategy, particularly regarding employee satisfaction improvement. It supports operational efficiency and stability by minimizing inefficiencies and disruptions caused by high employee turnover.

  FUCHS aims to maintain the voluntary turnover rate below 8 %. In 2024, the voluntary turnover rate was 5 %, aligning with the target of remaining below 8 %. The target is based on benchmarks and studies indicating that a turnover rate below 8 % is sustainable. These benchmarks help us stay competitive and signal high employee satisfaction. By setting this target, we aim to position ourselves at the top and retain the best talent.

  So far, no changes have been made to the targets or the underlying measurement methods. This target applies worldwide to all employees, excluding our in 2024 newly acquired companies LUBCON and Strub, and is reviewed annually. Global HR analyzes the data on employee-initiated resignations recorded in FUCHS CONNECT. Performance against the disclosed targets is measured annually by Group HR.

### Work-related accidents

FUCHS has set the goal of maintaining zero fatalities resulting from work-related injuries or illnesses in the future. The number of recordable workplace accidents with at least one lost workday, the recordable accident rate per million hours worked, and the number of lost workdays should not increase in the medium term compared to 2024. In the long term, FUCHS aims to reduce these figures. Additionally, all production sites should be certified according to ISO 45001 in the long term to further establish and continuously improve safety standards. This target is directly linked to the "FUCHS HSEQ&S Principles," ensuring that employee health and safety remain a top priority while maintaining quality standards. The goal applies globally to all FUCHS employees.

As the number of recordable accidents and the accident rate rise, the likelihood of severe workplace accidents increases. FUCHS has therefore set the goal of maintaining the number of recordable accidents and the accident rate at the same level at most and reducing them in the long term to prevent fatalities. Occupational safety measures and targets are always coordinated with employee representatives, taking applicable co-determination obligations into account. This target was reformulated due to new reporting obligations and the resulting improved data availability. The effectiveness of the measures is monitored using key figures for recordable workplace accidents with and without fatalities, the accident rate, and lost workdays.

### Procedure for setting targets

The targets listed above were globally established by participants of the "Strategic Alignment Day" (SAD). These regular meetings serve to define and continuously review the strategy and the targets derived from it. The SAD committee also tracks corporate performance, identifies insights, and evaluates opportunities for improvement. The SAD includes the executive board, the HR department, and globally relevant strategy functions. However, operational employee representatives are not part of the SAD meetings.

### Characteristics of the undertaking's employees

Representation of Employee Numbers by Gender

| Gender | Number of employees (number of people) |
|---|---:|
| Male | 5,078 |
| Female | 1,781 |
| Diverse | 0 |
| Not specified | 0 |
| Total number of employees[1] | 6,859 |

[1] The number of employees here includes working students in addition to the number of employees in the financial reporting.

All employees worldwide can select their gender identity in their personal profile within the global HR management software using the self-service function. There are four options available: "Male," "Female," "Diverse," and "Not Declared."

**Number of employees by country[1]**

| Country | Number of employees (number of people) |
|---|---:|
| Germany | 1,986 |
| USA | 725 |

[1] Presentation of the number of employees in countries in which the company has at least 50 employees who account for at least 10% of the company's total number of employees.

Employees by type of contract, broken down by gender:

| 2024 | Female | Male | Diverse | Not specified | In total |
|---|---|---|---|---|---|
| Number of employees (number of people) | 1,781 | 5,078 | 0 | 0 | 6,859 |
| Number of employees with permanent employment contracts (number of people) | 1,620 | 4,630 | 0 | 0 | 6,250 |
| Number of employees with temporary contracts (number of people) | 161 | 448 | 0 | 0 | 609 |
| Number of non-guaranteed hours employees (number of people) | 0 | 0 | 0 | 0 | 0 |
| Number of full-time employees (number of people) | 1,539 | 4,910 | 0 | 0 | 6,449 |
| Number of part-time employees (number of people) | 242 | 168 | 0 | 0 | 410 |

Employees by type of contract, broken down by region:

| 2024 | Americas | Europe, Middle-East & Africa | Asia-Pacific | In total |
|---|---|---|---|---|
| Number of employees (number of people) | 1,175 | 4,556 | 1,128 | 6,859 |
| Number of employees with permanent employment contracts (number of people) | 1,170 | 4,168 | 912 | 6,250 |
| Number of employees with temporary contracts (number of people) | 5 | 388 | 216 | 609 |
| Number of non-guaranteed hours employees (number of people) | 0 | 0 | 0 | 0 |
| Number of full-time employees (number of people) | 1,158 | 4,166 | 1,125 | 6,449 |
| Number of part-time employees (number of people) | 17 | 390 | 3 | 410 |

**Employee turnover**

| | |
|---|---|
| Total number of employees who left the company during the reporting period | 746 |
| Rate of employee turnover in the reporting period | 10,9 % |

The report includes all individuals employed by a company in which FUCHS SE holds a majority stake, regardless of whether their employment is on a fixed-term or permanent basis. This also includes inactive employment relationships due to extended leave, sabbaticals, or training agreements. Furthermore, the report includes students completing an internship, working as student employees, or engaged in part-time employment while preparing a diploma, master's, bachelor's, or doctoral thesis. The number of employees is reported as a headcount. The employee count is determined as of the last day of the reporting period.

The number of employees is also reported in the annual report in Chapter → 33 Corporate profile. However, unlike the figures presented here, working students are not included in the annual report.

### Characteristics of non-employees in the undertaking's own workforce

Our own workforce includes a total of 925 external workers (non-employees). Of the total workforce, 94 individuals are self-employed, and 831 are temporary agency workers.

The number of externally employed individuals was gathered through a country-specific survey and aggregated. A standardized definition of what constitutes an external worker was used as the basis for reporting. The number of external workers has been tracked internally within FUCHS for several years. The number of external employees is reported as a headcount. At the end of the reporting year in accordance with the reporting date principle.

In addition to its permanent employees, FUCHS also employs a number of external workers who serve in various functions and roles. These may include temporary workers, agency workers, contractors, freelancers, or seasonal employees. These individuals do not have a direct employment relationship with FUCHS but are contracted through third parties to work for the company. They are typically employed by a third party, which manages their employment conditions and handles all applicable taxes and social security contributions. The requirements is, they are integrated into FUCHS' business processes. Service contracts, such as those for cafeteria employees or security personnel, are not considered external workers, as these individuals are not directly involved in core business processes.

### Collective bargaining coverage and social dialogue

| | |
|---|---|
| Collective bargaining coverage of our employees | 56% |

**Reporting on collective bargaining coverage and social dialogue:**

| | Collective bargaining coverage | | Social dialogue |
|---|---|---|---|
| Coverage rate | Employees – EEA (for countries with >50 employees representing >10% of the total workforce) | Employees – Non-EEA countries (estimation for regions with >50 employees representing >10% of the total workforce) | Workplace representation (EEA only) (for countries with >50 employees representing >10% of the total workforce) |
| 0–19% | | | |
| 20–39% | | Americas, EMEA (excl. EEA) | |
| 40–59% | | Asia-Pacific | |
| 60–79% | Germany | | Germany |
| 80–100% | | | |

Our company has agreements in place that allow employees to be represented by the works council of FUCHS SE. This body serves as an important information and consultation entity, ensuring that the interests of our employees are considered at the European level. Through these agreements, we promote a transparent and inclusive work environment that supports the protection of labor rights and equal treatment for all employees.

## Diversity metrics

Within our organization, we define the top management levels as individuals at Level 1 and Level 2 within our management hierarchy. The detailed structure is as follows:

- Level 0: Executive Board
- Level 1: Managing Directors/Group Management Committee (GMC)
- Level 2: Senior Management, Vice President
- Level 3: Department heads
- Level 4: Team leader, Manager

By defining top management as individuals at Level 1 and Level 2, we focus on the key decision-makers who significantly influence the organization's strategic direction and success. This definition helps us clearly identify the leaders responsible for overall company performance and governance.

**Gender distribution by number and percentage at the top management level:**

| Top management level | Male | Female | In total |
|---|---|---|---|
| Number of employees | 189 | 51 | 240 |
| Percentage share | 78.8 | 21.2 | 100 |

**Distribution of employees by age group**

| Age group | Male | Female | In total | In percent |
|---|---|---|---|---|
| Under 30 | 536 | 252 | 788 | 11.5 |
| 30–50 years | 2,880 | 1,034 | 3,914 | 57.1 |
| More than 50 years | 1,662 | 495 | 2,157 | 31.4 |
| **In total** | **5,078** | **1,781** | **6,859** | |

## Adequate wages

All our employees are paid appropriately according to the relevant reference values of their respective countries. This was determined through a survey of local companies.

## Social protection

All employees are covered by public programs against income loss due to

- Sickness,
- Unemployment from the moment they are working for the company
- Employment injuries and acquired disability
- or retirement

in accordance with national legal regulations or benefits provided by FUCHS.

In India, only women are insured against income loss due to parental leave. This restriction does not exist in any other countries.

**Persons with disabilities**
According to our records, the FUCHS Group currently employs 160 people with disabilities. The proportion of employees with disabilities in our company is 2.3%.

In most countries, employees are not required to disclose their disabilities. Therefore, the reported data are subject to some uncertainty. The disclosure of disabilities is generally voluntary for employees.

The number of employees with disabilities was determined through a country survey and aggregated based on the respective national definitions of disability. We have evaluated the cases known to us and recorded in our HR systems.

**Training and skills development metrics**
A performance review was conducted in the reporting year. This corresponds to the agreed number of inspections per year. This results in a 100% compliance rate between conducted and agreed performance reviews.

**Performance and career assessments**

| Gender | Total number of employees | Number of employees who have participated in regular performance and career development reviews | Percentage of employees who have participated in regular performance and career development reviews |
|---|---|---|---|
| Female | 1,781 | 1,043 | 58.6 |
| Male | 5,078 | 2,128 | 41.9 |
| **In total** | **6,859** | **3,171** | **46.2** |

The number of performance evaluations conducted is based on our global HR system, FUCHS CONNECT. This means that only the performance reviews recorded by employees with PC access in FUCHS CONNECT are included. Performance review discussions that were documented and conducted outside of FUCHS CONNECT, as is the case with our industrial employees, are therefore not included.

The training hours, broken down by gender, can be found in the table. These data were reported by the national subsidiaries and are based on our global HR system, FUCHS CONNECT. The data will be enriched in the future with information that is currently not included in FUCHS CONNECT.

**Training hours**

| Gender | Total number of employees | Number of training hours | Average number of training hours per employee |
|---|---|---|---|
| Female | 1,781 | 19,016 | 10.7 |
| Male | 5,078 | 45,468 | 9.0 |
| **In total** | **6,859** | **64,484** | **9.4** |

## Health and safety metrics

**Health and safety metrics**

| | 2024 |
|---|---|
| Percentage of own employees covered by a company health and safety management system | 92.4 % |
| Number of fatalities due to work-related injuries and work-related ill health | 0 |
| Number of recordable accidents at work with at least one day's absence from work | 67 |
| Rate of recordable work-related accidents with at least one day's absence from work, based on 1,000,000 hours worked | 5.7 |
| Number of cases of recordable work-related ill health | 5 |
| Number of days lost due to work-related injuries and fatalities resulting from work-related accidents, work-related ill health and fatalities from ill health(days) | 2,046 |

All figures refer exclusively to FUCHS' own employees. The number of working hours and paid leave (e.g., paid holiday, paid sick leave) used to calculate the rate of recordable workplace accidents was estimated. This estimate is based on the number of Full-Time Employees (FTEs), multiplied by contractual working hours and workdays. The result was adjusted by subtracting the total number of days with paid absences.

### Remuneration metrics (pay gap and total remuneration)

The Gender Pay Gap is expressed as a percentage and provides insight into gender-based salary differences within the company. This figure was 13.7 % in the reporting year.

In the reporting year, the ratio of the annual total compensation of the highest-paid individual to the median total compensation of all employees was 62.5. This means that the highest-paid individual earned 62.5 times the median employee salary. An acceptable ratio of the annual total compensation of the highest-paid individual to the median annual total compensation of all employees varies by industry, company size, and geographic location.

Due to its decentralized organizational structure, FUCHS SE does not have direct access to the compensation data of its subsidiaries. Each subsidiary is independently responsible for calculating its own compensation metrics. Certain compensation components for the employees of our largest single company, FUCHS LUBRICANTS GERMANY GMBH, were extrapolated on the basis of salary data, as a change of external payroll provider made it considerably more difficult to consolidate the data consistently. These metrics are then consolidated by the global HR department to determine compensation indicators for FUCHS.

For the calculation of the Gender Pay Gap, the individual Gender Pay Gaps of the subsidiaries are reported and consolidated into a weighted average based on the number of employees.

Due to data protection regulations, the direct calculation of the Annual Total Remuneration Ratio is not possible, as not all salaries are centrally available. However, salaries for certain management functions are centrally recorded. This allows for the identification of the highest-paid individual. To calculate the Annual Total Remuneration Ratio for the FUCHS Group, the median wages of all subsidiaries are first recorded. The overall group median is then determined by calculating the weighted median, with weighting based on the number of employees. The salary of the highest paid person was set in relation to the Group median to determine the Annual Total Remuneration Ratio.

By weighting medians according to employee numbers, larger subsidiaries that have a greater impact on the company as a whole are given appropriate consideration. From our perspective, this method provides a well-founded estimate.

A scenario analysis has tested that the results of the applied methodology do not significantly deviate from the calculated values.

**Incidents, complaints and severe human rights impacts**

A total of seven complaints related to discrimination, including harassment, were reported during the financial year.

All seven complaints were submitted through the established FUCHS reporting channels. No cases related to FUCHS were submitted to the OECD National Contact Points for Multinational Enterprises in 2024.

During the reporting period, there were no fines, sanctions, or compensation payments related to the aforementioned seven complaints.

FUCHS aligns its definitions of "discrimination" and "harassment" with the terminology set out in the European Sustainability Reporting Standards (ESRS). It is explicitly stated that "harassment" also includes sexual harassment. FUCHS does not make any statement regarding the validity or outcome of the reported complaints.

No serious human rights incidents were recorded during the reporting period that would constitute violations of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises.

There were no fines, sanctions, or compensation payments related to serious human rights incidents during the reporting period.

## Workers in the value chain

**Social – Workers in the value chain**

| | | | Position in the value chain | | | Time horizon | | |
|---|---|---|---|---|---|---|---|---|
| | IRO Description | IRO Measure/Countermeasure | Upstream | Own operations | Downstream | Short term | Medium term | Long term |
| Risk | In exceptional cases human rights violations in the supply chain | Expansion of the Supplier Code of Conduct, new internal processes, and guidelines | • | | | • | • | • |

**Policies related to value chain workers**
FUCHS places great importance on human rights and labor rights. This applies to both our own employees and the workforce within the value chain.

As part of the materiality assessment, FUCHS identified a potential risk that, in exceptional cases, human rights violations could occur in the supply chain. To address this risk, various concepts and guidelines have been developed to ensure respect for human rights within the upstream supply chain and within the FUCHS organization when interacting with business partners.

The following guidelines are publicly available on the FUCHS website:

**"FUCHS Human Rights Principles":** The FUCHS Human Rights Principles offer a framework for handling human rights that applies to all employees and all FUCHS locations. It references globally recognized standards:

- United Nations Universal Declaration of Human Rights (UDHR)
- ILO Declaration on Fundamental Principles and Rights at Work
- United Nations Global Compact (Initiative for Sustainable and Responsible Corporate Governance)
- OECD Guidelines for Multinational Enterprises

A detailed description of the contents is provided in the section → 181 Policies related to own workforce.

**"FUCHS Code of Conduct" (CoC):** In this document, FUCHS explicitly prohibits all forms of slave labor, human trafficking, illegal child labor, illegal prison labor and physical abuse of the worforce. The contents of the CoC are described in detail in section → 181 Policies related to own workforce.

**"FUCHS Supplier Code of Conduct" (SCoC):** With this code of conduct, FUCHS fulfills its due diligence obligations to uphold human rights in the supply chain. It also covers topics such as social responsibility, child labor, forced labor and choice of employment, equal opportunities, freedom of association, wages and working hours, health and safety in the workplace, pollution, land rights, the use of security forces, community engagement, and animal welfare. The SCoC contains the same human rights standards for its suppliers as the FUCHS Human Rights Principles do for FUCHS's own organization.

**"FUCHS General Purchasing Conditions " (GPC):** These contractual terms outline fundamental elements such as payment and delivery conditions. In addition, suppliers are expected to acknowledge the SCoC.

**"FUCHS Principles on Health, Safety, Environment, Energy, Quality and Sustainability Management":** These principles regulate the issue of health, safety, the environment and human rights in the workplace and is described in more detail in the section → 181 Policies related to own workforce.

The aim of the above-mentioned regulations is to avoid human rights violations in the supply chain. They were adopted by the Executive Board , which holds overall responsibility for them. Monitoring is carried out by the Human Rights Officer.

Through these principles, FUCHS has developed a concept for compliance with human rights, with a focus on the upstream supply chain, and not limited to specific groups of workers.

In drafting the individual principles for compliance with labor and human rights, the FUCHS Values and the interests of employees in the supply chain were taken into account.

Additionally, there are internal, globally applicable process regulations that govern and ensure the implementation of measures to minimize risks and safeguard human rights within the procurement organization. No violations from the supply chain were reported through our anonymous whistleblower portal in the past fiscal year 2024.

**Respect for human rights in the supply chain:** FUCHS assumes corporate and social responsibility, encompassing legal, social, environmental, and ethical aspects. The business is conducted in a fair, responsible, and transparent manner. This ensures that our activities worldwide are based on respect for laws, order, and ethical and social standards.

FUCHS respects and observes the international standards such as the United Nations Universal Declaration of Human Rights (UDHR), the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises and the principles of the United Nations Global Compact (UNGC).

To ensure respect for human rights, including the labor rights of workers in the supply chain, a process has been established whereby self-disclosures on the following relevant human rights topics are obtained annually from suppliers of production materials and selected suppliers of non-production materials:

- Child labor
- Discrimination
- Forced labor and abuse
- Working conditions and compensation
- Freedom of assembly and collective bargaining
- Impact on local communities
- Diversity and inclusion
- Health and safety in the workplace

The self-disclosures are requested and managed via IntegrityNext, a cloud-based software platform for exchanging sustainability-related information.

In the case of increased risk or lack of self-disclosure, the results are discussed between FUCHS's purchasers and the suppliers' representatives to improve working conditions in the supply chain. The questionnaire for supplier self-disclosures was developed by IntegrityNext, with particular attention to the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the of the Supply Chain Due Diligence Act (LkSG). This ensures that in exchanges with our suppliers and in strategic discussions, the topics relevant to suppliers' employees are always addressed. Additionally, the reporting channels described below and in the Chapter → 181 Policies related to own workforce serve as a direct complaint mechanism for all persons involved in the supply chain.

By integrating electronic self-disclosures into the procurement processes, FUCHS can analyze issues and negative impacts on workers in the supply chain and, if necessary, develop corrective actions together with the relevant suppliers. These actions aim to improve working conditions and, if necessary, human rights for the workforce in the supply chain.

Corrective actions include on-site visits and audits, as well as open dialog with procurement representatives, in which the issues and the progress of improvement measures are discussed.

**Processes for engaging with value chain workers about impacts**

Employee interaction in the supply chain occurs indirectly through the IntegrityNext system in the form of self-disclosures and through contact between FUCHS procurement and supplier representatives.

FUCHS is also an active member of the automotive industry's sector dialogue and can therefore indirectly obtain internal information about working conditions in the industry, including those of FUCHS's suppliers. This German format is particularly relevant for Europe and, in terms of the topic, also globally.

In addition, it is possible to report concerns or violations directly to FUCHS via the public e-mail address or the whistleblower portal open to all (see → 205 Business Conduct policies and corporate culture).

In the multi-stakeholder initiative of the automotive industry sector dialog in Germany, not only automotive manufacturers and suppliers are represented, but also representatives from major labor interest associations, NGOs, and other initiatives, all on an equal footing.

The meetings of the sector dialog, in which FUCHS regularly participates, generally take place every two weeks, or more frequently if needed.

Beyond the aforementioned guidelines, there is currently no globally applicable framework agreement that involves employees in the supply chain.

At present, the effectiveness of the collaboration is not being formally assessed.

Currently, supply chain processes are not differentiated in terms of specific vulnerable groups, as no such groups have been identified among the workforce. All processes and measures are designed to be broadly effective while ensuring adequate consideration of potentially vulnerable groups. This approach also extends to external reporting channels.

**Processes to remediate negative impacts and channels for value chain workers to raise concerns**

If negative impacts on workers in the supply chain occur, they are generally violations of one or more of the standards and requirements described in the FUCHS supplier guidelines. Additionally, local or international laws may have been violated. Regardless of the source or channel through which FUCHS becomes aware of such issues, the globally valid process guideline "CF-PD_GP_2.25_Corrective Action Plan for violations against the ESG standards in the Supply Chain" must be followed. This guideline, which applies to all employees in procurement in the event of a violation, describes the necessary steps for remediation. This includes, for example, on-site visits and audits, as well as an open dialogue with procurement representatives, in which the deficiencies and the progress of improvement measures are reported.

Since no reports from the upstream supply chain were received in 2024, effectiveness measurement is not currently possible.

In principle, all workers in the supply chain have various channels available to directly address their needs or concerns to FUCHS.

They can either contact FUCHS' procurement organization or directly reach out to the human rights officer, whose e-mail address is publicly accessible on the global FUCHS website and open to all workers in the supply chain, including upstream stakeholders.

In addition, there is the option to report concerns anonymously via the whistleblower portal available on the FUCHS website.

In addition to this, FUCHS expects its contractual partners and suppliers to operate their own effective complaints system. This is stipulated in the SCoC, which, according to the general purchasing conditions, applies worldwide to supplier contracts in the upstream supply chain. The transition of suppliers to the new purchasing conditions and the SCoC, which began in December 2023, is not yet fully completed but is being continued and expanded.

For all concerns reported through the whistleblower portal or the above-mentioned email address, an internal procedure applies, which is described in detail in the Chapter → 205 Business Conduct policies and corporate culture.

All activities in the reporting channels are documented and evaluated. This evaluation determines which area and, if applicable, which supplier complaints are related to. These evaluations allow conclusions to be drawn regarding the trust and awareness of the reporting channels. However, we cannot definitively assess whether all workers in the upstream value chain are aware of the publicly accessible reporting channels of FUCHS. FUCHS is not currently planning to survey employees in the upstream value chain.

Cases reported in the electronic system are handled anonymously upon the whistleblower's request. If a whistleblower reveals their identity, clearly defined protection rules apply.

For suppliers, section 4.5 of the SCoC specifies that whistleblowers will not face any disadvantages or retaliation.

**Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action**

Supplier management at FUCHS is focused on sustainability and cooperative collaboration between the contracting parties. According to the materiality assessment conducted, there is still a risk of human rights violations in the upstream supply chain in exceptional cases. To minimize this risk, sustainability matters are considered in the selection of suppliers. To strengthen sustainability matters and human rights within the supply chain, internal processes for supplier management and the SCoC are further developed as needed.

Measures affecting workers in the supply chain can be categorized into contractual measures, supplier risk management measures, documentary measures, and concrete measures (on site).

1) Contractual measures have been implemented, such as the adjustment of the general terms and conditions for suppliers and the development of a specific SCoC, which is anchored in the contractual terms. This includes embedding sustainability matters into the general terms and conditions, which have been gradually implemented since December 2023. This includes the right to audit sustainability matters, including by third parties, as well as the recognition of the FUCHS SCoC, which includes environmental and human rights requirements for suppliers. In the event of identified deficiencies or negative impacts on workers in the supply chain, we expect their remediation. Should the grievances persist or in the event of a lack of cooperation, FUCHS reserves the right to unilaterally terminate the contractual relationship.

2) Furthermore, a supplier risk management system has been established, which manages and evaluates supplier self-disclosures via IntegrityNext. The measures of the supplier risk management system include ongoing annual updates of these self-disclosures, as well as monitoring the effectiveness of the measures. The supplier sustainability assessment is an integral part of the supplier risk management system and is complemented by an annual report on supplier risk management in accordance with the German Supply Chain Due Diligence Act (LkSG). Additionally, an external whistleblower portal is included to report and address deficiencies.

In accordance with the LkSG, a human rights officer has been appointed, who is also responsible for workers in the supply chain and ensures that all relevant aspects are considered.

3) The documentary measures include, in addition to the internal management of the SCoC or a similar agreement with suppliers, the provision of a software-supported procedure for employees in purchasing. This procedure allows the sustainability results of the electronic self-disclosure portal to be viewed, managed, and made measurable. In the case of specific deviations, documented action plans for the planned measures are created. There are globally applicable processes for supplier management that take sustainability matters, including human rights, into account.

4) Concrete measures on-site include the possibility, when necessary, to conduct supplier audits to review systems, certificates, and sustainability matters. If deviations from FUCHS requirements are found, an individual action plan is developed together with the supplier to implement the necessary improvements.

In accordance with the materiality approach, the measures outlined above impose no restrictions based on geographic location, supplier size or profitability, or specific vulnerable groups.

As FUCHS is currently not aware of any specific cases of human rights violations within the upstream supply chain, no corrective actions have been necessary.

The global implementation of a Supplier Relationship Management (SRM) system, starting in 2025, aims to help identify supplier risk data and profiles and optimize their management. This will also take into account human rights-related risks identified through IntegrityNext.

Additionally, we plan to extend on-site supplier audits to cover social topics.

All the measures described above are valid indefinitely and are intended to avoid, minimize, or remedy potential negative impacts on workers in the supply chain.

Since FUCHS has only recently developed its risk management concept for human rights violations among suppliers, and no cases of such violations within the supply chain have been identified to date, it is not yet possible to assess the effectiveness of the measures. Should FUCHS become aware of human rights violations within the supply chain, a corresponding report will be made, and an effectiveness and efficiency review will also be conducted.

Based on the annual risk analysis according to the LkSG, an assessment will be made to determine which corrective action is most suitable to reduce or eliminate the identified risks. The risks will be categorized based on the self-disclosures obtained. These categories are described for the area of human rights in the Chapter → 199 Policies related to value chain workers.

Based on the risk analysis, measures are designed to support affected workers employed by suppliers. The action plans for the suppliers will be based on the fundamental measures described above. First, the supplier's affirmation of the SCoC will be checked, obtained if necessary, and electronically documented. In addition, it is required that the areas marked as inadequate in the self-disclosure be improved through implemented measures. Depending on the number and severity of the issues, an on-site audit at the supplier's location may be conducted, resulting in action plans to improve identified non-conformities. In the future, online training for suppliers will also be planned to address and handle identified deficiencies in specific areas.

If a supplier demonstrates insufficient cooperation or fails to achieve the desired improvements, the business relationship may be terminated.

The previously described measures will be specifically tailored to the relevant areas of the analysis to ensure precise action. As part of the planned effectiveness review, as described above, it will be checked whether the actions taken have achieved the anticipated improvements. If the actions do not yield sufficient results, it will be investigated why the desired improvement was not achieved. This will allow both the implementation at the supplier and the effectiveness of the measures themselves to be reviewed.

For the upstream supply chain, the classification of preventive and corrective measures, as described above, is also carried out in four categories: Contractual Measures, Supplier Risk Management Measures, Documentary Measures and Specific Measures (if applicable, on-site).

Using the IntegrityNext tool, we continuously monitor our suppliers' evaluations to track the effectiveness of our actions. Both positive and negative changes in evaluations are recorded. In addition, we offer internal training on human rights in the supply chain, and participation is documented.

Since no chances were identified in the materiality assessment, no actions are currently planned.

The FUCHS code of values, as well as the CoC and SCoC, are intended to help prevent significant negative impacts on workers in the supply chain. FUCHS takes a collaborative approach with its stakeholders in the upstream value chain. Through this approach and , alongside FUCHS' universally applicable General Purchasing Conditions (GPC), which also include provisions on payment and delivery terms, business partners are empowered to ensure fair wages and working conditions for their workers according to international standards.

FUCHS provides different means and resources at various levels of responsibility to manage impacts on workers in the supply chain.

For example, data, values, and statistics are made available through the electronic supplier self-assessment portal, which is shared with the relevant management levels. In accordance with the LkSG, the Human Rights Officer reports directly to the board at least once a year.

In addition, various internal data sources are available that allow employees and their supervisors in procurement to view and manage the status of their suppliers in relation to human rights risks, as well as past and future activities.

By using globally implemented ERP systems in procurement, it is ensured that supplier contracts are electronically recorded and evaluated. This allows for the assignment and tracking of data from the self-assessments, action plans, or confirmed SCoCs.

**Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

Currently, FUCHS has not yet established specific goals and metrics for managing risks related to workers in the supply chain. Data on the concepts and measures developed in 2023 were introduced starting in 2024 and have been gradually rolled out since then. This data forms the basis for further planning, which is to be translated into concrete goals in 2025. To monitor the effectiveness of our measures, we are currently using the evaluation of our suppliers based on IntegrityNext."

# Governance information



## Business Conduct

**Governance – Business Conduct**

| | | | Position in the value chain | | | Time horizon | | |
|---|---|---|---|---|---|---|---|---|
| | IRO Description | IRO Measure/Countermeasure | Upstream | Own oprations | Down-stream | Short term | Medium term | Long term |
| Actual positive impact | Promoting a good corporate culture based on ethical standards | Continuous improvement and further development of corporate culture | | • | | • | • | • |
| Risk | Bribery and corruption | Compliance Management System | | • | | • | • | • |

### Business conduct policies and corporate culture

FUCHS is committed to clear principles and values and takes on entrepreneurial, ethical, ecological, societal, and social responsibilities that extend beyond our own business sector. Our commitment to social responsibility and environmental protection is deeply rooted in our corporate culture. We see the promotion of corporate culture based on ethical standards as having a truly positive impact on our employees. The corporate culture is a key element of our corporate strategy, which is systematically further developed in every strategic cycle. A central focus of the FUCHS 2025 strategy was on developing and strengthening our corporate culture, which in recent years has been largely shaped by elements such as an open feedback culture, hierarchy-free communication, and a “growth mindset.” These principles have now become an integral part of our daily work life and have a positive impact, thanks to clear communication and actions taken.

In addition to the aforementioned principles, our corporate culture is based on the following five FUCHS values:

- Trust
- Creating value
- Respect
- Reliability, and
- Integrity

The FUCHS values serve as a guide for entrepreneurial actions at FUCHS and shape the daily behavior of employees both internally and externally, especially towards business partners. The FUCHS values were developed through a bottom-up process with extensive employee surveys and workshops to ensure that these beliefs and expectations reflect the workforce's views.

With the start of the FUCHS 2025 strategy process in 2018, "Culture" became one of the three core elements alongside "Strategy" and "Structure". Based on the FUCHS values, an initial survey, followed by further workshops and working groups, determined what constitutes the FUCHS culture and how collaboration should be shaped.

The FUCHS 2025 strategy was supported by the service team. The core task of the service team was to keep track of the numerous FUCHS 2025 activities and coordinate and monitor them. The service team met regularly to review progress and develop appropriate communication and cultural development measures.

FUCHS is aware that there will not be a perfectly uniform culture across all global organizations. Nevertheless, one goal of developing corporate culture is to establish a unified vision of "Culture" based on the established principles (e.g., hierarchy-free communication, open feedback culture, and FUCHS values) and to gain clarity on both global and local development targets. Everyone at FUCHS is expected to act accordingly so that we can achieve our vision of "Being First Choice": FUCHS is committed to becoming a more agile company that operates according to its values.

FUCHS communicates and promotes its corporate culture through a variety of measures.

- **FUCHS Code of Conduct (CoC):** The CoC outlines key values, elements of corporate culture, and expected behaviors and is published both on the intranet and on the website. A global online training program provides employees with comprehensive information about the FUCHS 2025 strategy, including the FUCHS values.

- **Train the Trainer:** Managers throughout the company play a key role in promoting the corporate culture in daily operations. To ensure a common understanding of expectations for leaders and leadership behavior, a "Train the Trainer" concept called "The essence of leadership in changing times" was introduced worldwide.

- **Cultural Scouts:** In addition, FUCHS uses the concept of Cultural Scouts to spread the FUCHS values. Cultural Scouts are employees who advocate for cultural topics, including non-hierarchical communication and an open feedback culture. Their role is to strengthen trust, agility, and engagement, while also promoting better cross-functional and cross-regional collaboration.

- **Performance Management:** The FUCHS values are directly discussed and evaluated as part of the annual Performance Management process. They are also taken into account by requiring a performance goal that is linked to FUCHS 2025.

The service team tracks actions and performance indicators relevant to the development of the corporate culture. Feedback from Cultural Scouts is regularly gathered. In addition, the employee Net Promoter Score (eNPS) has been established as the key metric. FUCHS plans to introduce a global employee survey in 2025 to gather more detailed feedback from employees on corporate culture as well. This survey will enable a globally standardized measurement of employee satisfaction and cultural change.

The global employee survey complements the eNPS metric, which has been measured since 2021. The new structure of the survey will cover more topics and allow for more comprehensive and in-depth analysis of the results. The planned process involves analyzing the results and, in collaboration with employees, creating meaningful action plans. Additionally, some subsidiaries already conduct local employee surveys.

FUCHS is committed to a culture of hierarchy-free communication. This principle, combined with the open feedback culture, promotes open and transparent exchange among all employees, regardless of their position within FUCHS. This enables employees to raise concerns with their supervisors at any time if the FUCHS values are not being sufficiently observed.

Despite this positive corporate culture, there is a risk of violations of the CoC and the Anti-Corruption Directive by employees acting intentionally or with gross negligence. To strengthen awareness in this area, FUCHS has established a compliance management system (CMS), which specifically addresses the area of corruption prevention. The content of the CMS is based on the seven elements of the IDW auditing standard: Principles of proper auditing of compliance management systems (IDW PS 980 new version (09.2022). The general goal of the CMS is to prevent violations of applicable anti-corruption laws and relevant internal regulations (CoC/Anti-Corruption Directive) or to mitigate the consequences of such violations.

Regarding the risk of “bribery and corruption,” FUCHS considers the CMS to be an effective concept for addressing the risk. In particular, the following elements of the CMS should be highlighted, which are explained in more detail below:

- Compliance culture
- Compliance risk analysis
- Compliance program in the form of policies and the whistleblowing system
- Compliance communication in the form of compliance training offered by FUCHS
- Compliance monitoring and improvement

For the promotion of a good corporate culture based on ethical standards, please refer to the above statements regarding the FUCHS culture.

The FUCHS CMS applies to the company’s own business operations and is generally applicable globally. Mandatory local laws that are stricter than FUCHS guidelines take precedence. Key elements of the FUCHS CMS are reflected in the upstream value chain through the FUCHS Supplier Code of Conduct (SCoC). The downstream supply chain to the customer is only affected by the FUCHS CMS insofar as risks arise for FUCHS through the use of intermediaries, such as distributors and sales agents.

In accordance with corporate governance requirements, the ultimate responsibility for the FUCHS CMS lies with the Executive Board of FUCHS SE and the Managing Directors of the FUCHS subsidiaries. Exercising organizational discretion, the Executive Board has appointed a Chief Compliance Officer (CCO) and delegated the establishment, operation, and further development of the FUCHS CMS to them. Within the Executive Board, the remaining supervisory responsibility for the FUCHS CMS, following this delegation, lies with the Chief Financial Officer (CFO). The Supervisory Board of FUCHS SE oversees and advises the Executive Board in managing the company, including on compliance matters.

With regard to the identified material impacts, risks, and opportunities, the UN Global Compact should be mentioned, to which FUCHS explicitly commits in its CoC. The 10th principle of the UN Global Compact refers to the fight against corruption. Furthermore, both the CoC and the Anti-Corruption Directive are in line with the United Nations Convention against Corruption. As outlined, the FUCHS CMS regarding the anti-corruption section also follows the IDW PS 980 new version (09.2022).

Stakeholders include FUCHS executives and employees, as well as the FUCHS group itself. These stakeholders have an interest in preventing violations of applicable anti-corruption laws and, consequently, the personal liability of stakeholders or liability of the FUCHS Group. If a violation occurs despite the measures implemented at FUCHS, the stakeholders have an interest in mitigating the consequences. These interests are addressed by FUCHS through the introduction of a CMS that is based on recognized standards such as the IDW PS 980.

Key elements of the FUCHS CMS are the CoC and the SCoC, which are available externally on the FUCHS website and internally via the intranet. In the intranet, employees can find additional information on internal company policies and the FUCHS CMS. Interested external stakeholders can learn about the FUCHS CMS through the annual report published on the FUCHS website.

FUCHS has a whistleblowing system through which whistleblowers and/or stakeholders can confidentially, and if desired, anonymously report concerns regarding potential misconduct to the Group Compliance Office (GCO). Misconduct includes both legal violations and violations of internal regulations such as the CoC. The whistleblowing system is available to both internal and external whistleblowers/stakeholders. Whistleblowers and/or stakeholders can inform themselves about the principles governing the processing of their reports and the further course of the procedure after submission of the report through a publicly accessible procedure manual. In addition to the procedure manual, an Investigation Standard has been issued as an internal document, which defines responsibilities, inspection steps for internal investigations, and reporting duties. Besides the whistleblowing system, whistleblowers and/or stakeholders can also contact members of the GCO via a functional email address or personally approach the GCO, Regional Compliance Officers (RCO), or Local Compliance Officers (LCO). In accordance with the provisions of Directive (EU) 2019/1937 of the European Parliament and the Council of October 23, 2019, on the protection of persons who report breaches of Union law, OJ L 305 of November 26, 2019, p. 17–56 ("EU Whistleblower Protection Directive"), FUCHS has established local reporting channels for some EU FUCHS companies that complement the group channel. Reports made via the local reporting channels will be processed according to the procedure manual and the Investigation Standard.

FUCHS has a CoC and an Anti-Corruption Directive. The latter is aligned with the United Nations Convention Against Corruption.

FUCHS provides its employees and external stakeholders with three reporting channels:

- Electronic whistleblowing system
- Functional email address
- Personal consultation with members of the GCO, RCO or LCO

Reports can also be submitted anonymously. These reporting channels are communicated internally at FUCHS, through the CoC and E-learning. Additionally, information about the reporting channels set up at FUCHS is available on the intranet and the website. The publicly accessible procedure manual provides further information on the principles and process after a report is received. In addition, FUCHS has taken World Whistleblower Day (June 23, 2024) as an opportunity to publish a specially produced short video on the intranet. This video emphasizes the value of whistleblowers for companies like FUCHS in a modern and entertaining way. It also reminds all employees of the reporting channels provided by FUCHS. The employees of the GCO, who are responsible for receiving and following up on reports at FUCHS, keep themselves up to date through regular training. The RCO and LCO receive regular training from GCO employees, for example on the introduction of the Investigation Standard.

FUCHS complies with the prohibition of retaliation as set out in the EU Whistleblower Directive and in the German Whistleblower Protection Act and other European implementing legislation. FUCHS considers strict adherence to confidentiality and the need-to-know principle (information, especially when it involves personal data, will only be shared with those individuals involved in the handling of a report to the extent necessary for them to fulfill their specific tasks) as the most important measure to prevent retaliation.

The procedure manual for the complaints process defines the principles according to which an internal investigation should be conducted. This includes, in particular, the independence of the investigators and the objectivity of the investigations. The complaints procedure is open to all concerns regarding a potential violation of the law or a breach of internal regulations. This includes cases of corruption and bribery. In addition to the complaints procedure, FUCHS has issued an Investigation Standard that reiterates these principles and further elaborates on the investigation process. Regarding the urgency of investigations, FUCHS follows the time requirements of the EU Whistleblower Directive and national implementation laws (acknowledgment of receipt within seven days at the latest; feedback within three months at the latest).

FUCHS has issued a dedicated training standard that regulates the assignment of compliance training and documents the principles according to which training is assigned, as well as the duties of workers and supervisors with regard to compliance training (compliance and monitoring responsibilities).

Globally, all commercial employees are assigned the "Fundamentals of Compliance" training as e-learning, which must be repeated every three years. A commercial employee is defined by FUCHS as a person who primarily performs intellectual tasks in an office, laboratory, or similar environment. These tasks generally include administrative, managerial, sales, or research and development-related duties and often require higher education or specialized knowledge. FUCHS uses the fact that commercial employees have FUCHS CONNECT access as a parameter for identification. In addition to an introduction to the topic of compliance, an overview of the possible consequences in case of non-compliance with legal requirements, and explanations regarding whistleblower protection, employees are familiarized with classic corruption scenarios, particularly in connection with gifts and hospitality.

FUCHS has defined target groups that are exposed to an increased risk of corruption. A key consideration was that with increasing individual decision-making power, the perceived risk of corruption also rises. This target group includes individuals with leadership responsibilities, as well as those in sales and purchasing. These individuals are assigned the "Protection against Corruption" training as e-learning, in addition to the "Fundamentals of Compliance" training. This training is reassigned every two years. The training delves deeper into aspects of the "Fundamentals of Compliance" training. In particular, corruption risks in connection with contact with public officials and the use of third parties are addressed.

FUCHS CONNECT has an automated reminder system that sends reminders to the respective user and their supervisor if training is overdue. In addition, the Group Compliance Office regularly reviews the training statistics. For FUCHS subsidiaries that do not meet the target completion rate of 85 %, the Regional Vice Presidents (Managing Directors), and LCOs are contacted and requested to ensure completion rates are met.

In addition to the e-learning programs, face-to-face training sessions are held as per the training standard, under local responsibility.

FUCHS considers individuals with leadership responsibilities, as well as those in sales and purchasing, to be the most vulnerable.

**Prevention and detection of corruption and bribery**

The FUCHS CMS includes essential measures to prevent corruption and bribery. These include:

1) the Compliance Risk Assessment, which is currently being revised and will be continued in a newly conceptualized form in the 2025 financial year,

2) the relevant directives, particularly the CoC and the Anti-Corruption Directive, and

3) FUCHS CONNECT online training.

The procedural elements for detection include the reporting channels implemented at FUCHS, through which whistleblowers can report suspected misconduct. Compliance-related suspicions are addressed through an internal investigation. The responsibility for compliance-related suspicions involving corruption lies with the compliance function; depending on the severity of the allegation, either with Group Compliance or the Regional (RCO) or Local Compliance Officers (LCO). Compliance issues are also reviewed by Internal Audit as part of non-suspicious compliance audits.

The procedural elements for combating corruption are defined in the Investigation Standard. The Investigation Standard, as an internal FUCHS document, outlines the process of an internal investigation. If a compliance-related suspicion is confirmed, individual disciplinary measures are taken. Disciplinary actions are determined by the disciplinary supervisor in collaboration with HR, based on the recommendation of the responsible investigator. Criteria include the type, duration and severity of the violation, economic risk and reputational risk as well as local labor law and cultural aspects. Possible measures include warnings, terminations, training, and feedback discussions. HR verifies labor law requirements and documents the sanctions. At the same time, FUCHS reviews how the CMS can be further optimized through structural measures.

The person conducting the investigation is defined in the Investigation Standard. In principle, the compliance function holds the factual responsibility for investigating corruption-related cases. Within the compliance function, the hierarchical responsibility (Group Compliance, RCO, LCO) is determined based on parameters such as the severity of the allegation, subject matter expertise, integrity, and effectiveness of the investigation. Group Compliance is always responsible for corruption-related suspicions involving public officials and, furthermore, when any of the aforementioned parameters indicate that an investigation should be conducted at the group level. This includes, conflicts of interest at the regional or local level, which arise either from allegations directed against a RCO or LCO personally or suggest involvement through personal relationships or subordination. Investigators are obliged to disclose conflicts of interest or situations that could be interpreted as a conflict of interest by objective third parties. This arises from the principle of objectivity laid down in the rules of procedure. At Group level, there is also the Group Compliance Committee, which is made up of the members of the Group Compliance Office, the Vice President Governance and the Executive Vice President Human Resources. Group Compliance involves the Group Compliance Committee in investigations in the cases specified in the rules of procedure of the Group Compliance Committee.

The Investigation Standard also governs the special cases in which investigations are conducted against members of the Group Compliance Committee or against a member of the Executive Board. When investigations are conducted against members of the Group Compliance Committee, the investigation is typically led by the CFO of FUCHS SE. However, if the accusation involves a person who reports directly to the CFO, the investigation will be led by the board member designated as the deputy CFO according to the current distribution of duties of the Board of FUCHS SE. Investigations involving an Executive Board member will be led by the Chairman of the Supervisory Board.

The reporting lines for regular and ad-hoc reporting are defined in the new FUCHS Investigation Standard. The FUCHS Investigation Standard was issued on July 18, 2024.

Depending on the significance of the incident, the responsible Executive Board members may need to be immediately informed of relevant allegations. As the investigation progresses, this also applies to the investigation results. In this context, parameters include whether the allegation concerns a direct subordinate of the board member and whether the involvement of the board member would promote the success of the investigation. The information is shared in accordance with the principle of data minimization, i.e., information is only shared to the extent necessary for the evaluation. Confidentiality requirements of the EU Whistleblower Protection Directive and national implementation laws will be observed.

The Supervisory Board or the Audit Committee responsible for compliance matters will be informed in anonymized form about ongoing and completed cases during their regular meetings.

FUCHS uses various communication channels: Typically, publications are made internally on the intranet or other communication platforms. Additionally, email notifications or bulletin boards are used. Furthermore, town hall meetings and training sessions are employed. External third parties may be involved through contractual agreements if necessary.

With regard to the type, scope and depth of the training programs to combat corruption and bribery, please refer to the explanations in the section → 205 Business conduct policies and corporate culture.

For further details, see the following tables:

**Online-training programs (FUCHS CONNECT); As of: December 31, 2024**

| | Training "Fundamentals of Compliance" | "Protection against Corruption" |
|---|---|---|
| **Target group description** | All employees with access to FUCHS CONNECT | Sales, purchasing, people with management responsibility |
| **Allocations as of December 31, 2024** | 5,668 | 1,976 |
| **Passed by December 31, 2024** | 5,224 | 1,935 |
| **Training rate** | 92% | 98% |
| **Topics covered** | General anti-corruption training, gifts and hospitality | Advanced training "Fundamentals of Compliance" |
| **Duration** | 1 hour | 1 hour |
| **Frequency** | Every three years | Every two years |

Executive Board members are assigned the following online trainings: "Fundamentals of Compliance" and "Protection against Corruption". This corresponds to the allocation concept outlined above. Supervisory Board members are informed about current topics during meetings.

### Incidents of corruption or bribery

The training rate serves as an indicator of how well the essential content of the FUCHS CMS has been understood by employees. The two key online compliance trainings, "Fundamentals of Compliance Training" and "Anti-Corruption Protection", include a final test. Only after passing the final test will the training be marked as "passed." FUCHS has set an internal target rate of 85% for the two compliance trainings, "Fundamentals of Compliance Training" and "Anti-Corruption Protection." This value is relative, meaning it represents the ratio of completed training to assigned training as a year-end snapshot percentage. The rate applies to the 2024 reporting period and the following year. No intermediate or milestone targets are set or measured. For this, an overview of the training rates will be generated from FUCHS CONNECT on the reference date. The Group Compliance Office monitors the target achievement by obtaining an overview of the training quotas 4–6 weeks before the target date. The Managing Directors and Local Compliance Officers (LCO) of local FUCHS companies where the training rate has not been met are contacted and urged to ensure compliance with the target rate.

The two relevant trainings regarding anti-corruption and anti-bribery ("Fundamentals of Compliance Training" and "Anti-Corruption Protection") are globally assigned to the company's commercial employees. The up- and downstream value chain is not included.

The target rate for the two corruption-related trainings ("Fundamentals of Compliance Training" and "Anti-Corruption Protection") has been set as a KPI by the Group Compliance Office, and no other stakeholders have been involved. The target training rate was set under the assumption that there is natural workforce turnover at FUCHS and that the training is assigned for a specific period, not just a single point in time, to ensure sufficient time for employees to engage with the training content. Thus, a target training rate of 85 % is considered realistic and appropriate. Experience from previous financial years confirms this assumption.

For the measure "Compliance Risk Assessment," FUCHS has not defined measurable targets. Currently, no defined KPIs exist since the process will be continued in a new format.

FUCHS uses the following key figures:

- Training rates for the online trainings "Fundamentals of Compliance"/"Anti-Corruption Protection";
- Number of convictions for violations of bribery and corruption regulations.

The term "training rate" is defined as a comparison between the training actually completed as of December 31 and the assigned trainings.

In accordance with the European Financial Reporting Advisory Group (EFRAG) Q&A, the term "conviction" is defined as a conviction by a court of first instance.

The actual training quotas are shown in the table in the section → 209 Prevention and detection of corruption and bribery. The training rates are automatically recorded when the online training is successfully completed. A significant assumption is that the relevant target groups (commercial employees or people with management responsibility and from sales and purchasing) can be identified through FUCHS CONNECT access and job title.

The number of convictions is determined methodically through a survey of the individual national companies.

There were no convictions for breaches of bribery and corruption regulations in the reporting period.

Due to the requirements of the EU Whistleblower Protection Directive and the national implementing legislation, such as the German Whistleblower Protection Act (HinSchG), the adoption of the new Investigation Standard is considered to be the most important measure in the 2024 financial year. This new standard, which complements the procedure established at the end of 2023, defines responsibilities for internal investigations, processes, and reporting duties. The documentation of some already established practices aims to increase transparency, particularly for whistleblowers, and to further strengthen the FUCHS CMS and the overall governance structure.

In the 2025 financial year, the implementation of the revised concept for the Compliance Risk Assessment will likely be one of the central measures. FUCHS expects this to further improve the FUCHS CMS, particularly through optimized, risk-based resource allocation and a more targeted approach to the compliance program. This is expected to enhance the prevention of corruption risks.

The scope of the new Investigation Standard is essentially global; however, mandatory local regulations take precedence over the standard. Since FUCHS provides reporting channels to both employees and external stakeholders and conducts all internal investigations according to the guidelines of the Investigation Standard, the entire value chain is potentially covered. FUCHS considers its own workforce, business partners, and their workforce to be the primary affected stakeholders.

The scope of the revised Compliance Risk Assessment concept will also be global. Potentially, the entire value chain will be affected. The goal of the Compliance Risk Assessment is to validate and, if necessary, expand further preventive measures.

FUCHS plans to introduce the new Compliance Risk Assessment concept in 2025. All subsidiaries will participate in an initial scoping phase. In the further course of the Compliance Risk Assessment, a risk-based approach will be followed, meaning the focus will be on subsidiaries with a higher risk profile according to scoping. FUCHS expects that within five years, all subsidiaries will have undergone a complete Compliance Risk Assessment. However, FUCHS does not view the Compliance Risk Assessment as a one-time project, but rather as an ongoing process for the continuous improvement of its CMS.

# Assurance Report of the Independent German Public Auditor on a Limited Assurance Engagement in Relation to the Group Non-Financial Statement Included in the Group Management Report

**To FUCHS SE, Mannheim**

**Assurance Conclusion**

We have conducted a limited assurance engagement on the group non-financial statement of FUCHS SE, Mannheim, (hereinafter the "Company") included in section "2.11. Non-financial Group declaration" of the group management report, which is combined with the Company's management report, to comply with §§ [Articles] 315b to 315c HGB [Handelsgesetzbuch: German Commercial Code] including the disclosures contained in this group non-financial statement to fulfil the requirements of Article 8 of Regulation (EU) 2020/852 (hereinafter the "Non-Financial Group Reporting") for the financial year from 1 January to 31 December 2024.

The comparative information marked as unassured in the Non-Financial Group Reporting are not subject to our assurance engagement. Not subject to our assurance engagement were further the external sources of documentation or expert opinions mentioned in the Non-Financial Group Reporting, which are marked as unassured.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying Non-Financial Group Reporting for the financial year from 1 January to 31 December 2024 is not prepared, in all material respects, in accordance with § 315c in conjunction with §§ 289c to 289e HGB and the requirements of Article 8 of Regulation (EU) 2020/852 as well as with the supplementary criteria presented by the executive directors of the Company.

We do not express an assurance conclusion on the comparative information marked as unassured in the Non-Financial Group Reporting. We further do not express an assurance conclusion on the external sources of documentation or expert opinions mentioned in the Non-Financial Group Reporting, which are marked as unassured.

**Basis for the Assurance Conclusion**

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in the "German Public Auditor's Responsibilities for the Assurance Engagement on the Non-Financial Group Reporting" section.

We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has complied with the quality management system requirements of the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)) issued by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

**Responsibility of the Executive Directors and the Supervisory Board for the Non-Financial Group Reporting**
The executive directors are responsible for the preparation of the Non-Financial Group Reporting in accordance with the relevant German legal and European regulations as well as with the supplementary criteria presented by the executive directors of the Company. They are also responsible for the design, implementation and maintenance of such internal controls that they have considered necessary to enable the preparation of a Non-Financial Group Reporting in accordance with these regulations that is free from material misstatement, whether due to fraud (i. e., manipulation of the Non-Financial Group Reporting) or error.

This responsibility of the executive directors includes selecting and applying appropriate reporting policies for preparing the Non-Financial Group Reporting, as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The supervisory board is responsible for overseeing the process for the preparation of the Non-Financial Group Reporting.

**Inherent Limitations in the Preparation of the Non-Financial Group Reporting**
The relevant German statutory legal and European regulations contain wording and terms that are still subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. As such wording and terms may be interpreted differently by regulators or courts, the legal conformity of measurements or evaluations of sustainability matters based on these interpretations is uncertain.

These inherent limitations also affect the assurance engagement on the Non-Financial Group Reporting.

**German Public Auditor's Responsibilities for the Assurance Engagement on the Non-Financial Group Reporting**
Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Non-Financial Group Reporting has not been prepared, in all material respects, in accordance with the relevant German legal and European regulations as well as with the supplementary criteria presented by the executive directors of the Company, and to issue an assurance report that includes our assurance conclusion on the Non-Financial Group Reporting.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also:

- obtain an understanding of the process to prepare the Non-Financial Group Reporting.
- identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misleading representations, or the override of internal controls.
- consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

**Summary of the Procedures Performed by the German Public Auditor**

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgement.

In conducting our limited assurance engagement, we have, amongst other things:

- evaluated the suitability of the criteria as a whole presented by the executive directors in the Non-Financial Group Reporting.
- inquired of the executive directors and relevant employees involved in the preparation of the Non-Financial Group Reporting about the preparation process, and about the internal controls relating to this process.
- evaluated the reporting policies used by the executive directors to prepare the Non-Financial Group Reporting.
- evaluated the reasonableness of the estimates and the related disclosures provided by the executive directors.
- performed analytical procedures and made inquiries in relation to selected information in the Non-Financial Group Reporting.
- considered the presentation of the information in the Non-Financial Group Reporting.
- considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Non-Financial Group Reporting.

**Restriction of Use**

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is solely towards the Company. We do not accept any responsibility, duty of care or liability towards third parties.

Mannheim, March 19, 2025

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

| | |
|---|---|
| sgd. Christina Erkmen<br>Wirtschaftsprüferin<br>[German public auditor] | sgd. Matthias Böhm<br>Wirtschaftsprüfer<br>[German public auditor] |

# 2.12 Corporate Governance

FUCHS sees corporate governance as a central prerequisite for achieving its company targets and increasing enterprise value. In particular, sound and responsible management and monitoring geared towards sustainable value added processes include:

- close and trusting cooperation between the Executive Board and the Supervisory Board,
- consideration of shareholders' interests,
- open corporate communication,
- transparency in accounting,
- responsible handling of risks and opportunities and
- sustainable business activities.

Effective and transparent corporate governance plays an important part at FUCHS in how it sees itself, and is a standard that covers all departments and divisions within the company. It is an essential foundation for business success at FUCHS. Investors, financial markets, business partners, employees and the general public put their trust in FUCHS with respect to its corporate conduct. FUCHS is keen to confirm this trust in the long-term, and also to develop corporate governance continuously within the Group.

## Declaration of Corporate Governance

The Executive Board and the Supervisory Board submit the Declaration of Corporate Governance for FUCHS SE and also for the Group in accordance with Sections 315d and 289f of the German Commercial Code (HGB). The statements apply both to FUCHS SE and to the Group, unless stated otherwise below.

### A. Declaration of the Executive Board and the Supervisory Board of FUCHS SE concerning the recommendations by the "Government Commission on the German Corporate Governance Code" pursuant to Section 161 of the German Stock Corporation Act (AktG)

On December 17, 2024, the Executive Board and the Supervisory Board of FUCHS SE agreed to issue the following Declaration of Compliance:

Since issuing its last declaration of compliance on December 7, 2023, FUCHS SE has complied with all recommendations set forth in the German Corporate Governance Code dated April 28, 2022, i.e. its version published in the official section of the Federal Gazette (Bundesanzeiger) on June 27, 2022, by the German Ministry of Justice. FUCHS SE intends to continue to comply with all the recommendations, without exception, in the future.

Mannheim, December 17, 2024

| | |
|---|---|
| Dr. Christoph Loos | Stefan Fuchs |
| Chairman of the Supervisory Board | Chairman of the Executive Board |

The declaration of compliance is available on the company's website at:
→ www.fuchs.com/group/declaration-of-compliance

## B. Compensation report

The main features of the compensation system and the individual compensation of members of the Executive Board and the members of the Supervisory Board are described in the compensation report.

→ www.fuchs.com/group/the-company/compensation-systems/

## C. Corporate governance practices

FUCHS SE and the Group adhere to the following key corporate governance practices:

## Governance systems

The German Corporate Governance Code ("DCGK") provides for information on the internal control and risk management system that goes beyond the statutory requirements for the management report and is therefore exempt from the auditor's examination of the content of the management report ("information not part of the management report").

### Internal control system (ICS) and risk management system (RMS)

In addition to the risk management system (RMS), the FUCHS Group has an internal control system (ICS) that aims to ensure regular, accurate and effective accounting and financial reporting as well as compliance with the key legal provisions and internal regulations relevant to the company. Sustainability aspects and their specific regulatory development will also be included. The system is incorporated into the underlying business processes in all relevant legal units and Global Functions and is developed on an ongoing basis.

While overall responsibility for the ICS and the RMS rests with the Executive Board, local management has responsibility for the implementation, adequacy, and effectiveness of internal controls. The Global Functions develop corresponding specifications in the respective functional areas. The Audit Committee of the Supervisory Board is regularly briefed on the risks, the risk management system, and the internal control system and is the highest executive committee to oversee the governance systems.

Compliance with requirements is checked through different reporting systems of the respective functional areas. In addition, the audit of the adequacy and effectiveness of the internal control system is part of Internal Audit's audit plan, which acts on behalf of the Executive Board. The audit takes a risk-based audit approach. Using samples, the Internal Audit assesses the existence and effectiveness of internal controls and reports the results to the Executive Board in a timely manner through audit reports. At the end of the financial year, the adequacy and effectiveness review activities are summarized and the results of all identified internal controls and processes with significant potential for improvement are reported to the Supervisory Board.

Nonetheless, there are inherent limitations, which is why a statement regarding the adequacy and effectiveness of the internal control system cannot, by its very nature, be made with definitive certainty. Even if the ICS is carefully designed and monitored, it cannot be ruled out that weaknesses or gaps will not be identified in individual cases. During the past financial year, the Executive Board saw no evidence to suggest that the internal control system was not adequate or effective in any material respect.[1]

There is no evidence that the risk management system established by the Executive Board and practiced worldwide is not adequate and effective when it comes to key matters regarding the opportunity and risk profile of the FUCHS Group. The opportunity and risk management system is constantly being developed, taking into account new opportunities and risks.[1]

→ 72 Significant features of the internal control and risk management system with regard to the Group accounting process

[1] The information in this paragraph is "information not part of the management report", as explained in the introductory notes to this report.

## Compliance management system (CMS)

The CMS is the third pillar of the governance system, alongside the ICS and the RMS, and is aligned with the organizational structure and risk position of the FUCHS Group.

The company understands compliance to mean observing rights, laws and the company's Articles of Association, adherence to internal rules and making voluntary personal commitments. Unlawful conduct harbors the risk of financial harm, weakening the company's own market position, and damaging its image. Without exception, the management and employees are required to observe laws, directives, and social standards applicable to them within the scope of their duties.

In order to avoid the aforementioned risks and damage, FUCHS has set up a CMS. The FUCHS Code of Conduct and the compliance guidelines, particularly those that relate to complying with rules on competition, preventing money laundering, corruption and venality, and dealing with insider information, are essential foundations of the CMS. The Code of Conduct and the compliance guidelines form a binding framework for FUCHS to ensure lawful and social-ethical conduct. They are supplemented by a variety of informational and training measures, guidelines such as various Dos & Don'ts for competition law-sensitive situations, a compliance risk management system, an electronic whistleblower portal for reporting unlawful conduct, the consistent investigation and appropriate sanctioning of compliance violations in accordance with applicable legal requirements and internal corporate standards – particularly the procedural rules for the complaints procedure and the internal FUCHS Investigation Standard – as well as regular compliance reporting to the Executive Board and Supervisory Board, and compliance audits conducted by Internal Audit. The individuals with authorized access to insider information are listed in the mandatory insider list in accordance with Art. 18 of the EU's Market Abuse Regulation (MAR) and informed of their legal obligations and possible sanctions.

The CMS is continuously being developed. In 2023, a GAP analysis was conducted by an audit firm using the IDW auditing standard "Principles of Proper Auditing of Compliance Management Systems (IDW PS 980)". This has given FUCHS a solid basis of compliance measures and structures in all seven elements of the IDW PS 980. In 2024, the actionable recommendations from the GAP analysis for improving the CMS were addressed and implemented step by step based on priority. A key aspect is the FUCHS Investigation Standard, which complements the procedural rules for the complaints procedure issued at the end of 2023.

The CMS is implemented by a Group-wide compliance organization, overall responsibility for which lies with the Chief Financial Officer (CFO). The Chief Compliance Officer (CCO) appointed by the Executive Board manages the CMS globally with the Group Compliance Committee (GCC), as well as regionally (RCOs) and locally (LCOs) appointed Compliance Officers, and supports and advises employees. The CCO is also responsible for the further development of the CMS on all compliance-relevant issues. Alongside the CCO, overall responsibility for personnel and governance also lies with the GCC and the Senior Compliance Officer. The GCC works out the strategic focus of the compliance organization on the basis of its own rules of procedure, supports the CCO and comprehensively bundles the expertise within the company. In addition, the GCC ensures the sharing of information between the central Group and specialist departments that mainly deal with compliance topics, monitors the processing and investigation of events relevant to compliance, and arranges for appropriate sanctions in the event of compliance violations. The RCOs are using the compliance strategy at regional level and deal with all compliance incidents within their respective responsibility with the help of an electronic case handling program integrated into the whistleblower portal. The electronic whistleblower platform gives all employees as well as all business partners and other external parties the chance to initiate a dialog with the compliance organization offices, while remaining anonymous if so desired. As a result, weaknesses can be identified and the CMS can be further developed from the findings gained. All employees are explicitly required to immediately report compliance-relevant conduct and incidents to the relevant responsible offices.

### Corporate Governance Policies

The Articles of Association of FUCHS SE, the Code of Conduct, the Declaration of Corporate Governance, and other corporate governance documents – such as the FUCHS Sustainability Guidelines and the procedural rules for the complaints procedure – are available on the company's website. The compliance policies, including the Anti-Corruption Directive, the Competition Law Policy, and the internal FUCHS Investigation Standard, along with supporting informational materials, are accessible to employees via the global intranet. In accordance with Recommendation F.5 of the Code, the company makes non-current declarations of corporate governance and declarations of compliance with the recommendations of the Code available on its website for at least five years.
→ www.fuchs.com/group/declaration-of-compliance

### Commitment to sustainable, success-driven and value-oriented corporate governance

The terms trust, creating value, respect, reliability and integrity form the core values of our Code of Conduct and accordingly shape the company's mission statement for good corporate governance. This mission statement expresses a common attitude on the part of the management levels and provides a clear guideline for acting responsibly. The core values apply to the FUCHS Group as a benchmark for internal objectives and form the basis for individual actions.

Good corporate governance also includes the adoption of sustainable business principles. FUCHS has summarized its basic principles for sustainable activities in a comprehensive Sustainability Guideline. Further details on sustainability can be found in the non-financial declaration.
→ 80 Non-financial Group declaration

### Opportunity and risk management

Sound corporate governance also includes the responsible handling of opportunities and risks. The Executive Board has set up an internal control and risk management system that is appropriate and effective in terms of the scope of business and risk exposure of the company. The Executive Board and the Supervisory Board regularly discuss existing opportunities and risks, changes therein and the measures to be taken. The internal control system, the risk management system and the internal audit system are developed on an ongoing basis and adapted to a changing framework. → 61 Opportunity and risk report

## D. Disclosures on the working practices of the Executive Board and the Supervisory Board and the composition and working practices of their committees

### 1. Management and control structure

As a European corporation (Societas Europaea – "SE"), FUCHS SE, with its registered office in Mannheim, is subject in particular to the provisions of the SE Regulation, the German SE Implementation Act, the SE Employee Participation Act, the SE Employee Participation Agreement concluded with the employees, and the German Stock Corporation Act (AktG). In accordance with the requirements of German stock corporation law, FUCHS has a two-tier board system with the separation of personnel between the Executive Board as a management body and the Supervisory Board as a monitoring and advisory body, each of which has its own independent responsibilities. Sound corporate governance requires the ongoing development of this two-tier board system, with all divisions being included.

### 2. Corporate management by the Executive Board

#### Working practices of the Executive Board

The Executive Board manages the company independently. As a management body, it has a commitment to the company's interests and to increasing the companies' enterprise value in the long term. In so doing, the members of the Executive Board are jointly responsible for all management activities. Notwithstanding the overall responsibility of the Executive Board, the individual members of the Executive Board also manage the divisions assigned to them under their own responsibility within the scope of Executive Board resolutions.

In particular, the Executive Board makes decisions on corporate strategy, business policy, and annual and multi-year planning. The Executive Board ensures that the risks associated with business operations are handled responsibly by way of a suitable and effective opportunity and risk management system. The Executive Board has put in place an internal control and risk management system that is appropriate and effective in terms of the scope of business and risk exposure of the company. By means of an appropriate CMS geared toward the company's risk situation, the Executive Board ensures compliance with legal provisions, official regulations, and internal policies, and works toward their observance within the company (compliance).

The Executive Board pays attention to diversity and adequate representation of women when filling management positions in the company.

Decisions of the Executive Board shall as a matter of principle be taken at regular meetings. Executive Board meetings are to be held once a month. The Executive Board is quorate if all members are invited and at least three members take part in the vote on the resolution. Decisions are generally taken by a majority of the votes cast; in the event of a tie, the vote of the Chairman of the Executive Board is decisive. In making their decisions, the Executive Board members must not pursue any personal interests or business opportunities available to the company for their own personal gain. In accordance with Recommendation E.2 of the Code, the rules of the procedure of the Executive Board regulate its obligation to disclose possible conflicts of interest to the Chairman of the Supervisory Board and to the Chairman of the Executive Board. There were no conflicts of interest in the reporting year.

The Supervisory Board has adopted rules of procedure and an allocation of responsibilities for the work of the Executive Board. These govern the work and the allocation of responsibilities of the Executive Board members. The rules of procedure contain regulations on the Executive Board's obligations to keep the Supervisory Board informed. In addition, the Supervisory Board has stipulated the need for the approval of the Supervisory Board for certain fundamentally important business processes, such as setting the investment budget or larger acquisitions. The Supervisory Board last resolved to amend the rules of procedure for the Executive Board at its meeting on 17 December, 2024. The current version of the rules of procedure for the Executive Board is available on the website:
→ www.fuchs.com/group/the-company/corporate-management/executive-board/

**Composition of the Executive Board**

The Executive Board of FUCHS SE is composed of five members at the time of issuance of the Declaration of Corporate Governance:

- Mr. Stefan Fuchs, Member of the Executive Board since 1999, Chairman of the Executive Board since January 1, 2004
- Mr. Dr. Timo Reister, a member of the Executive Board since January 1, 2016, and Vice-Chairman of the Executive Board since January 1, 2024
- Ms. Isabelle Adelt, Member of the Executive Board since November 1, 2022
- Dr. Ralph Rheinboldt, Member of the Executive Board since January 1, 2009
- Dr. Sebastian Heiner, Member of the Executive Board since January 1, 2023

Further details and the allocation of duties within the Executive Board (organization of responsibilities, regions and divisions) are shown in detail in the section on organization. → 18 Organization

The Supervisory Board is responsible for appointing the Executive Board in accordance with Article 39 of the SE Regulation. Together with the Executive Board, the Supervisory Board ensures long-term succession planning and receives reports on the respective status of planning and implementation of the criteria specified therein. The Supervisory Board has assigned responsibility for preparing decisions to the Personnel Committee. The number of Executive Board members is based on the requirements resulting from the business and the division of work in the Executive Board. In accordance with recommendation B.3 of the Code, initial appointments of members of the Executive Board are for no more than three years.

FUCHS SE, as a globally active, innovation-driven company in the lubricant industry, ensures a systematic approach to management development and long-term succession planning within the Executive Board by focusing on

- the early identification of suitable candidates of different disciplines, taking varied professional and personal experience into account,
- who have proven strategic and operating creative drive and who are proven role models as leaders in implementing the FUCHS mission statement.

Taking account of the terms of the existing Executive Board mandates and the necessary skills for the respective positions to be (re-)filled, potential candidates within the Group are identified and presented to the Supervisory Board at an early stage. Where necessary, potential external candidates are identified via suitable service providers and taken into account in succession planning.

The crucial factor for appointment to the Executive Board at FUCHS SE is ultimately the assessment of the person's professional and personal qualifications. The current composition of the Executive Board ensures comprehensive compliance with the duties required of the executive board of a listed company.

**Diversity**

FUCHS ensures that the Executive Board as a whole has the following profile in line with a diversity concept:

- years of experience in scientific, technical and commercial areas,
- appropriate international experience due to background and/or professional activity,
- at least one female member of the Executive Board (target until December 9, 2026: one female member on a five-member Executive Board), and
- balanced age structure

In accordance with Recommendation B.5 of the Code, the Supervisory Board has set an age limit of 65 years for Executive Board members.

The diversity concept for the Executive Board is implemented by ensuring that the Supervisory Board and the Personnel Committee adequately take account of the aspects specified in the diversity concept when seeking and selecting suitable candidates for an Executive Board position.

## 3. Monitoring and advising the corporate management by the Supervisory Board

**Working practices of the Supervisory Board**

The Supervisory Board appoints and dismisses the members of the Executive Board and both advises and oversees the Executive Board in its management of the company. The Executive Board informs the Supervisory Board regularly, promptly, and comprehensively about all relevant issues for the company, particularly the strategy, planning, the business development, the risk situation, risk management, and compliance. The Chairman of the Supervisory Board is immediately informed by the Chairman of the Executive Board of any major events that are significant for the assessment of the company's situation and development and for the management of the company. In addition, the Chairman of the Supervisory Board maintains regular contact with the Chairman of the Executive Board and advises him on all important issues for the company. The continuous dialog between the Executive Board and the Supervisory Board, which is based on mutual trust, forms an important foundation for FUCHS' success.

The Supervisory Board is quorate if a duly convened meeting is attended by at least four members, including the Chair or the Deputy Chair. Attendance also includes attendance via teleconference or video conference, although this should not be the norm. The Supervisory Board reaches its decisions through resolutions, which are passed by a simple majority of those members of the Supervisory Board participating in the vote. In the event of a tied vote, the Chairman has the casting vote. Minutes of the Supervisory Board's resolutions and meetings are prepared and then approved by resolution at the next meeting. Decisions may also be taken by order of the Chairman of the Supervisory Board by means of a written statement, a statement made by telephone, or using other common means of communication such as e-mail. In making their decisions, the Supervisory Board members must not pursue any personal interests or business opportunities available to the company for their own personal gain. In accordance with Recommendation E.1 of the Code, the rules of procedure of the Supervisory Board require that any member of the Supervisory Board must immediately disclose any conflict of interest to the Chairman of the Supervisory Board. There were no conflicts of interest in the reporting year.

If necessary, separate preliminary meetings of the shareholder representatives and the employee representatives take place. In accordance with Recommendation D.6, the Supervisory Board also regularly meets without the Executive Board.

The Supervisory Board approved an adjustment to its rules of procedure during its meeting on December 17, 2024. The current version of the rules of procedure for the Supervisory Board is available on the website:
→ 🌐 www.www.fuchs.com/sup_board

The Supervisory Board regularly assesses how effectively its work and that of its committees are being carried out. The Chairman of the Supervisory Board holds individual discussions with all members of the Board every year. The results of the survey are then discussed at a meeting of the Supervisory Board. If necessary, measures for improvement are defined. The last self-assessment was conducted at the Supervisory Board meeting on December 17, 2024. The Supervisory Board did not identify any significant need for improvement. The next routine self-assessment is scheduled for the end of 2025.

### Composition of the Supervisory Board

The Supervisory Board of FUCHS SE consists of six members. Of these, the shareholders elect four members in the Annual General Meeting. The European Works Council (SE Works Council) and the representatives of the company's European employees elect two members as employee representatives. The current members of the Supervisory Board and their attendance at meetings are listed below:

Mr. Jens Lehfeldt and Ms. Cornelia Stahlschmidt are the employee representatives on the Supervisory Board.

Ms. Ingeborg Neumann is a financial expert, with expertise in the field of accounting and auditing as defined in Section 100(5) of the German Stock Corporation Act (AktG) and recommendation D.3 sentences 1 and 2 of the Code. As Chairwoman of the Audit Committee, she thus also meets the requirements of Recommendation D.3 on p. 3 of the Code. Ms. Neumann was an auditor for many years at an international audit firm and is a long-term member of the Audit Committee of FUCHS SE and SGL Carbon SE, as well as a managing partner of Peppermint Holding GmbH, based in Berlin.

Dr. Markus Steilemann, as a financial expert, has expertise in the field of accounting as defined in Section 100(5) of the German Stock Corporation Act (AktG) and recommendation D.3 sentences 1 and 2 of the Code. Dr. Markus Steilemann, a long-time member of the Executive Board and, since 2018, Chairman of the Board of Directors of Covestro AG, is particularly familiar with accounting issues.

**Overview of Supervisory Board members' attendance at each meeting in the financial year 2024**

| Responsibilities | Members | Attendance/meetings |
|---|---|---|
| Supervisory Board | Dr. Christoph Loos (Chairman) | 5/5 |
| | Dr. Susanne Fuchs (Deputy Chairwoman) | 5/5 |
| | Jens Lehfeldt | 5/5 |
| | Ingeborg Neumann (Financial Expert) | 5/5 |
| | Cornelia Stahlschmidt | 5/5 |
| | Dr. Markus Steilemann (Financial Expert) | 5/5 |

Further details, such as the members' CVs, their current position or main occupation, membership of statutory supervisory boards and comparable supervisory bodies, and the date of their first appointment are available online at → www.fuchs.com/sup_board

Details on the Board's work in the reporting year are presented in the report of the Supervisory Board.
→ 20 Report of the Supervisory Board

### Skills profile

The Supervisory Board is composed of people, who ensure compliance with the duties of a listed company, in particular providing qualified advice to the Executive Board and performing the Supervisory Board's monitoring duties. On the basis of their expertise and practical experience, integrity, motivation, independence and personality, the members of the Supervisory Board are capable of performing their duties in an international group operating in the lubricants industry and preserving the reputation of the FUCHS Group in public. In 2022, the Supervisory Board examined the skills profile for the Board as a whole and revised the objectives for its composition. It regularly focuses on the issue of long-term succession planning for the shareholder representatives, most recently at its meeting on July 09, 2024.

In accordance with the criteria decided by the Supervisory Board, the Supervisory Board as a whole must match the following profile:

- international business experience and/or leadership experience with associations and networks,
- knowledge and experience in the chemical sector or related value chains,
- accounting expertise (specific knowledge and experience in the application of accounting policies, internal control procedures and risk management systems, and also sustainability reporting),
- expertise in the field of auditing (specific knowledge and experience in auditing, auditing of sustainability reporting),
- knowledge and experience in the sustainability issues relevant to the company,
- knowledge and experience in the field of human resources and corporate culture,
- knowledge and experience in the field of innovation, and
- knowledge and experience in governance and compliance.

All criteria of the competency profile are met by the Supervisory Board in its entirety, as indicated in the following matrix of qualifications:

→ # Qualification matrix

**Qualification matrix**

| | Dr. Christoph Loos (Chairman) | Dr. Susanne Fuchs (Deputy Chairwoman) | Jens Lehfeldt | Ingeborg Neumann | Cornelia Stahlschmidt | Dr. Markus Steilemann |
|---|---|---|---|---|---|---|
| International business experience and/or leadership experience with associations and networks | • | • | • | • | | • |
| Chemical sector or associated value chains | • | • | • | • | • | • |
| Accounting (special knowledge and experience in the application of accounting principles and internal control and risk management systems, sustainability reporting) | • | | | • | | • |
| Auditing (special knowledge and experience in auditing, auditing of sustainability reporting) | | | | • | | |
| Governance and compliance | • | • | • | • | • | • |
| Human resources and corporate culture | • | • | • | • | • | • |
| Sustainability | • | • | | • | | • |
| Innovation | • | • | | • | | • |
| Independence in relation to the company and the Executive Board | • | | Employee representative | • | Employee representative | • |
| Independence from the controlling shareholder | • | | Employee representative | • | Employee representative | • |
| Internationality | • | • | | • | | • |
| Gender | m | f | m | f | f | m |
| Age | 56 | 60 | 44 | 67 | 66 | 54 |
| Year of initial appointment to the Supervisory Board | 2020 | 2017 | 2019 | 2015 | 2020 | 2022 |

In accordance with Recommendation D.11 of the Code, FUCHS SE provides the Supervisory Board members with adequate support for their induction and for training and continuous professional development measures. Details can be found in the report of the Supervisory Board.

**Diversity**

With the objective of maximum benefit for the company, the Supervisory Board strives for sufficient diversity among the shareholder representatives. Diversity is understood not merely in terms of gender or compliance with gender-specific targets, but also in regard to personality, internationality (international experience based on origin, career or activity) and professional background (education and professional experience). Furthermore, members of the Supervisory Board should not be over 75 years old at the time they are elected. This age limit was not exceeded by any of the Supervisory Board members.

Corporate co-determination at FUCHS SE in accordance with the agreement on the involvement of employees contributes to diversity in terms of professional experience and cultural background. Employee representatives for the Supervisory Board are appointed and elected through the autonomous decision of the employees in accordance with the provisions of laws on SE employee participation and the SE employee participation agreement concluded with the employees.

The diversity concept for the Supervisory Board is implemented by ensuring that the Nomination Committee adequately takes account of the aspects specified in the diversity concept when seeking and selecting suitable shareholder representatives. All the criteria of the diversity concept are met at FUCHS.

**Independence**

In the Supervisory Board's opinion, three of the four shareholder representatives listed in the section "Composition of the Supervisory Board," and thus an appropriate proportion of the shareholder representatives, are independent within the meaning of Recommendation C.6 of the Code. These include Dr. Christoph Loos, Ms. Ingeborg Neumann and Dr. Markus Steilemann.

The term in office of the Supervisory Board is five years. The current term in office began when the Supervisory Board members were elected at the Annual General Meeting on May 5, 2020. No member of the Supervisory Board has been on the Board for more than twelve years.

**Committees of the Supervisory Board**

The Supervisory Board of FUCHS SE has created an Audit Committee in accordance with Section 107(3) p. 2 and (4) p. 1 of the German Stock Corporation Act (AktG). It has also set up a Personnel Committee and a Nomination Committee in accordance with Recommendation D.4 of the Code. In accordance with Recommendation D.2 of the Code, the qualified committees prepare and complement the work of the Board as a whole. The committees contribute to the Supervisory Board working efficiently. The Personnel Committee and the Audit Committee usually meet several times a year, while the Nomination Committee convenes for meetings when necessary based on its allocation of duties. The respective chairs of the committees regularly report to the Supervisory Board on the work of the committees.

In accordance with Section 107(3) p. 2 of the German Stock Corporation Act (AktG), the key tasks of the **Audit Committee** include auditing the accounts, monitoring the accounting process, examining the effectiveness of the internal control, risk management and internal audit system, and the audit of the financial statements by the auditor and with Compliance. The Chairwoman of the Audit Committee and the auditor also regularly exchange views on the progress of the audit outside meetings, and the chairman of the Audit Committee reports on this to the Audit Committee. In addition, the Audit Committee and Executive Board also discuss the interim reports and financial reports to be published on the capital markets in advance. The members of the Audit Committee and their attendance at meetings are listed below:

**Overview of Audit Committee members' attendance at each meeting in the financial year 2024**

| Responsibilities | Members | Attendance/meetings |
|---|---|---|
| Audit Committee | Ingeborg Neumann (Chair, Financial Expert) | 5/5 |
| | Dr. Susanne Fuchs | 5/5 |
| | Dr. Markus Steilemann (Financial Expert)[1] | 4/5 |

[1] In case of absence, a written vote was submitted.

The **Personnel Committee** focuses on personnel matters concerning the Executive Board. The members of the Personnel Committee and their attendance at meetings are listed below:

**Overview of Personnel Committee members' attendance at each meeting in the financial year 2024**

| Responsibilities | Members | Attendance / meetings |
|---|---|---|
| Personnel Committee | Dr. Christoph Loos (Chairman) | 3/3 |
| | Dr. Susanne Fuchs | 3/3 |
| | Ingeborg Neumann | 3/3 |
| | Dr. Markus Steilemann | 3/3 |

The **Nomination Committee** advises on and nominates suitable candidates to the Supervisory Board for its proposals to the Annual General Meeting for the election of Supervisory Board members. In accordance with Recommendation D.4 of the Code, the Nomination Committee shall consist exclusively of shareholder representatives. The members of the Personnel Committee and their attendance at meetings are listed below:

**Overview of Nomination Committee members' attendance at each meeting in the financial year 2024**

| Responsibilities | Members | Attendance / meetings |
|---|---|---|
| Nomination Committee | Dr. Christoph Loos (Chairman) | 1/1 |
| | Dr. Susanne Fuchs | 1/1 |
| | Ingeborg Neumann | 1/1 |
| | Dr. Markus Steilemann | 1/1 |

## E. Gender-specific targets

In accordance with the provisions of the Second Executive Positions Act, the Supervisory Board has set the following targets for the period ending December 9, 2026, as minimum targets for the targeted proportion and number of female members on the Supervisory Board and Executive Board:

- Female members on the Supervisory Board: 33.3 %. This corresponds to the total target number of two women on the Supervisory Board from a total of six members.
- Female members on the Executive Board: 20.0 %. This corresponds to the total target number of one woman on the Executive Board from a total of five members.

The aforementioned targets will be met for the Executive Board at the end of the financial year 2024. Regarding the Supervisory Board, the abovementioned target will be exceeded at the end of the financial year 2024.

The Executive Board has defined the two management levels of FUCHS SE below the Executive Board as follows:

- The first management level comprises the Group Management Committee members employed by FUCHS SE and division heads with a direct line of reporting to a member of the Executive Board.
- The second management level consists of those employed at FUCHS SE

  (i) as division heads and department heads with a direct line of reporting to a member of the Group Management Committee or (other) division head and
  (ii) as department heads with a direct line of reporting to a member of the Executive Board.

The Executive Board has established the following targets for the period ending November 1, 2026, as minimum targets for the proportion of female managers at the two management levels of FUCHS SE below the Executive Board:

- Female managers at the first management level of FUCHS SE: 20.0 %. This corresponds to a projected size of the first management level of 20 people in relation to the end of the term of a target number of four female managers.
- Female managers at FUCHS SE's second management level: 32.0 %. This corresponds to a projected size of the second management level of 25 people in relation to the end of the term of a target number of eight female managers.

The target for the proportion of women at the first management level below the Executive Board will be 27.8 % at the end of 2024 (5 female managers out of 18 persons), thus significantly exceeding the target level. The target for the proportion of women at the second management level below the Executive Board will be 18.2 % at the end of 2024 (6 female managers out of 33 positions), thus still significantly below the target level.

The reason for falling below the target in the second management level, as well as the lower proportion of women in both management levels compared to the previous year, is primarily due to the creation of new leadership positions that were not anticipated at the time the targets were set. This particularly applies to the S/4HANA transformation project. Ultimately, this also reflects the principle that newly created leadership positions are filled solely based on the qualifications of the respective employees, regardless of gender. The qualifications of employees will continue to be the sole criterion for the selection of managers in the future. FUCHS SE will however intensify its efforts to provide women with the necessary skills as part of a enterprise-wide succession approach.

## F. Corporate reporting and audit

### High transparency through comprehensive information

FUCHS SE keeps capital market participants updated on the economic situation of the Group and key events through regular, prompt, uniform, and comprehensive information. This reporting takes the form of the annual report, half-year financial reports and interim reports. Furthermore, FUCHS SE also provides information through press releases and ad hoc disclosures. In accordance with Recommendation F.1 of the Code, the shareholders are immediately provided online with all significant new facts that are communicated to financial analysts and similar addressees. All information can be viewed online at → www.fuchs.com/group. The website also features a financial calendar showing all major events and publications.

Share transactions by Executive Board members, Supervisory Board members, and other managers, including certain closely related parties (managers' transactions) that are required to be reported in accordance with Art. 19 of Regulation (EU) No. 596/2014 of April 16, 2014 on market abuse (Market Abuse Regulation) are also published on the website. → www.fuchs.com/group/investor-relations/statutory-publications/managers-transactions-directors-dealings/

### Accounting and audit

The consolidated financial statements and half-year financial report of FUCHS SE are prepared in accordance with the International Financial Reporting Standards (IFRS). The statutory annual financial statements, which are relevant for the distribution of dividends, are prepared by FUCHS SE in accordance with the provisions of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG). After being prepared by the Executive Board, the auditor elected by the Annual General Meeting audits the annual and consolidated financial statements together with the combined management report. The Supervisory Board approves the annual and consolidated financial statements after reviewing them itself. The annual financial statements are hereby adopted.

The Supervisory Board has agreed with the auditor to immediately inform the Chair of the Audit Committee of any possible grounds for exclusion or bias that arise during the audit and affect the auditor, unless these are remedied immediately. In accordance with Recommendation D.8 of the Code, the auditor shall also inform the Audit Committee immediately of all findings or conclusions significant to the duties of the Supervisory Board that emerge in performing the audit. The auditor must also inform the Supervisory Board in accordance with Recommendation D.9 of the Code and record it in the audit report if he detects any facts while performing the audit that suggest any part of the Declaration of Compliance submitted by the Executive Board and Supervisory Board in accordance with Section 161 German Stock Corporation Act (AktG) is inaccurate. In accordance with Section 107(3) p. 2 of the German Stock Corporation Act (AktG), the Audit Committee regularly assesses the quality of the audit. In accordance with Recommendation D.10 on page 1 of the Code, the Audit Committee also discusses the audit risk assessment, the audit strategy and planning, and the results of the audit with the auditor.

### Information on the auditor

Following the proposal of the Supervisory Board, the Annual General Meeting of FUCHS SE on May 8, 2024, elected PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Mannheim branch, as the auditor of the annual and consolidated financial statements for the financial year 2024 and as the auditor for any audit reviews of interim reports for the financial year 2024 and the first quarter of 2025. The responsible auditor is Ms. Christina Erkmen. PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft was first appointed as the auditor of the annual and consolidated financial statements for the financial year 2018.

## G. Shareholders and Annual General Meeting

### Share classes and movements in these classes

FUCHS SE has issued both ordinary and preference shares. The holders of ordinary shares represented at the Annual General Meeting pass resolutions on all matters assigned to the Annual General Meeting by law, such as the appropriation of earnings, amendments to the Articles of Association, the election of members of the Supervisory Board, approval of the actions of the Executive Board and the Supervisory Board, and the election of the auditor. Each ordinary share grants the holder one vote. Around 58 % of the ordinary shares are held by Schutzgemeinschaft Familie Fuchs. The preference shares only grant voting rights in the cases prescribed by law. However, preference shares grant the holders a preference right on the distribution of unappropriated profits and entitle them to an increased (preference) dividend.

Takeover law disclosures can be found in the corresponding section of the management report:
→ 229 Takeover law disclosures

### Rights of shareholders at the Annual General Meeting

The holders of ordinary and preference shares exercise their co-determination and control rights at the Annual General Meeting held at least once a year. In compliance with the legal conditions and those of the Articles of Association, all shareholders are entitled to participate in the Annual General Meeting. Shareholders who do not attend the Annual General Meeting in person can have their voting right exercised by proxies, such as a bank or a shareholders' association. In addition, the company offers them the option of having their voting right exercised by a voting representative appointed by the company.

The reports, documents and information, including the Annual Report, required by the German Stock Corporation Act (AktG) to be submitted for annual general meetings are available online, where the agenda of the Annual General Meeting and any counter-motions or nominations by shareholders to be made public can also be found. In addition, the speech by the Chairman of the Executive Board at the Annual General Meeting can be watched online.

### Related parties

The consolidated financial statements explain relationships with shareholders who qualify as related parties for the purposes of the applicable accounting standards.
→ 298 Relationships with related parties

Publications on transactions with related parties in accordance with Section 111c German Stock Corporation Act (AktG) can be found on the website:
→ www.fuchs.com/rel_party_trans

## Takeover law disclosures

The takeover law disclosures required pursuant to Sections 289 a and 315 a of the German Commercial Code (HGB) are presented below.

### Composition of issued capital

As of December 31, 2024, the issued capital of the company amounted to €131 million. The share capital is divided into 65.5 million no-par-value registered ordinary shares and 65.5 million no-par-value registered preference shares. Each share class therefore accounts for 50% of the company's share capital. Each share is assigned a nominal value of € 1 as of the end of the reporting period. The ordinary shares grant the rights provided for by the German Stock Corporation Act (AktG). The preference shares grant the same rights relating to company issues, with the exception of voting rights. The rights and duties of the shareholders are based on the regulations of the German Stock Corporation Act (AktG), and in particular on Article 9 of the SE Regulation in conjunction with Sections 12, 53a et seq., 118 et seq. and 186 of the AktG.

In accordance with the company's Articles of Association, the unappropriated profit is used in the following order:

a. For payment of any remaining profit shares on the non-voting preference shares from previous years.
b. For payment of a preference profit share of €0.03 per non-voting preference share of no par value.
c. For payment of an initial profit share of €0.02 per ordinary share of no par value.
d. For equal payment of further profit shares on the ordinary shares and the non-voting preference shares, unless the Annual General Meeting decides on another use.

### Restrictions relating to voting rights or the transfer of shares

RUDOLF FUCHS GMBH & CO. KG, Mannheim, together with members of the Fuchs family, forms Schutzgemeinschaft Fuchs. Within Schutzgemeinschaft Fuchs, there are restrictions on the exercise of voting rights and the transfer of shares. The voting rights of all members of Schutzgemeinschaft Fuchs are exercised uniformly by the management of the Schutzgemeinschaft. In the event of paid and free transfers of shares by members of the Fuchs family or by RUDOLF FUCHS GMBH & CO. KG to third parties, the shares must first be offered internally within Schutzgemeinschaft Fuchs.

In addition, RUDOLF FUCHS has GMBH & CO. KG and several members of Schutzgemeinschaft Fuchs have also concluded a voting trust and escrow agreement. This states that shares may only be transferred to signatories of this voting trust and escrow agreement.

Shares which are offered for sale to entitled employees in Germany at preferential conditions within the context of the employee share program have a one-year lock-up period. Preference shares acquired by members of the Executive Board and the Supervisory Board as part of their compensation rules have a vesting period of four years which also continues to apply if the member leaves the respective executive body.

The Executive Board is not aware of any other restrictions on voting rights or the transfer of shares that go beyond the statutory provisions such as Sections 136 and 71b of the German Stock Corporation Act (AktG).

### Capital holdings exceeding 10% of voting rights

The following are direct or indirect investments in companies where capital holding voting rights exceed 10%:

Schutzgemeinschaft Fuchs holds the majority of the capital stock with voting rights. RUDOLF FUCHS GMBH & CO. KG holds 53% of the voting rights. The individuals who are members of the CO. Fuchs family hold a further 5%. Schutzgemeinschaft Fuchs therefore holds 58% of the total voting shares.

### Shares with special rights bestowing control

There are no shares with special rights bestowing control.

### Nature of voting right control if employees hold interests in capital and do not exercise their control rights directly

As is the case with other shareholders, employees who hold interests in the company's capital can exercise their control rights directly in accordance with the legal provisions and terms of the company's Articles of Association.

### Statutory regulations and provisions of the Articles of Association for the appointment and dismissal of Executive Board members and the amendment of the Articles of Association

With regard to the appointment and dismissal of Executive Board members, the company's Articles of Association, in their current form, comply with the legal requirements of Article 39 of the SE Regulation, Section 16 of the German SE Implementation Act, and Sections 84 and 85 of the German Stock Corporation Act (AktG). The Supervisory Board thereby determines the number of Executive Board members (at least three), appoints the Executive Board members and may appoint a chairman and a vice-chairman. The members of the Executive Board shall be appointed for a maximum term of five years. In line with Recommendation B.3, initial appointments should be made for a maximum of three years. Re-appointments are permitted. If good cause for dismissal exists, the Supervisory Board may remove a member of the Executive Board at any time. The Supervisory Board shall decide on appointments and dismissals at its own discretion.

Pursuant to Art. 59(1) of the SE Regulation, amendments to the company's Articles of Association require a resolution of the Annual General Meeting passed with a majority of not less than two-thirds of the votes cast, unless the provisions applicable to German stock corporations provide for or permit a larger majority. For amendments to the Articles of Association, Section 179(2) of the German Stock Corporation Act (AktG) stipulates that a majority of at least three-quarters of the share capital be represented in the decision-making process. The Supervisory Board shall, in accordance with Section 12(1) of the Articles of Association, have the right to make amendments to the statutes which concern only the wording.

### Authorization of the Executive Board to issue and buy back shares

The Articles of Association contain no authorization to perform a capital increase from authorized capital.

The Annual General Meeting on May 5, 2020 authorized the Executive Board, with the approval of the Supervisory Board, to acquire own ordinary or preference shares by May 4, 2025 for all legally admissible purposes up to a value of 10% of the share capital in place at the date of the resolution. The authorization to acquire and then use own shares that have been acquired can be exercised once or on multiple occasions in full or in part. These authorizations can be exercised to acquire and use both ordinary shares and preference shares, or to acquire and use only ordinary shares or only preference shares.

On June 21, 2022, the FUCHS SE Executive Board - with the approval of the Supervisory Board - made use of the authorization provided by the Annual General Meeting of May 5, 2020, to launch a share buyback program for ordinary shares and preference shares. Under this share buyback program, FUCHS SE intends to acquire up to 6 million shares, including up to 3 million ordinary shares and up to 3 million preference shares of the company, from June 27, 2022, to March 29, 2024, at the latest, at a total purchase price of up to EUR 200 million. On December 7, 2023, the Executive Board, with the approval of the Supervisory Board, decided to expand and extend the share buyback program. Under the extended share buyback program, it is now expected that in the period from June 27, 2022, until at the latest September 30, 2024, up to 8 million shares, of which up to 4 million ordinary shares and up to 4 million preference shares of the company, will be acquired at a total purchase price of up to €280 million. By December 31, 2024, FUCHS SE had repurchased 4 million ordinary shares and 4 million preference shares. The shares were cancelled by resolution of the Management Board on September 10, 2024 with the approval of the Supervisory Board on October 16, 2024, and the share capital was reduced from €139 million by €8 million to €131 million, now divided into 65.5 million ordinary shares and 65.5 million preference shares. The corresponding amendment to the Articles of Association was entered into the commercial register on November 15, 2024.

### Significant company agreements subject to a change of control following a takeover bid

The company has agreements with one bank that enable the termination or repayment of a line of credit / loan granted with a total value of €92 million in the event of a change of control, insofar as it is not possible to reach an agreement on the continuation of credit facilities.

### Company agreements for compensation of Executive Board members or employees in the event of a takeover bid

There are no agreements for compensation with the members of the Executive Board or employees in the event of a takeover bid.

## Dependent company report / report on relationships with affiliated companies

The Fuchs family holds the majority of the capital stock with voting rights. RUDOLF FUCHS GMBH & CO. KG, via which most of the Fuchs family's ordinary stock is held, is the controlling enterprise of FUCHS SE, which is a dependent company.

A dependent company report has therefore been prepared on relationships with affiliated companies pursuant to Section 312 of the German Stock Corporation Act (AktG) with the concluding declaration: "In the legal transactions listed in the report on relationships with affiliated companies and according to the circumstances that were known to us when those legal transactions were performed, our company received an appropriate consideration in each legal transaction. No measures subject to disclosure occurred on the instruction or in the interest of the controlling company or any company affiliated with it."

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Mannheim branch, the independent auditor of FUCHS SE, has audited this dependent company report and provided it with an unqualified audit opinion.

# Financial Report

€ 3,525 million
**Sales revenues**

€ 434 million
**EBIT**

€ 245 million
**FUCHS Value Added**

# 3

## Financial Report



The figures in parentheses refer to the same period of the previous year. Percentages refer to full millions.

# 3.1 Consolidated financial statements of FUCHS SE

## Income statement

| | | | | Change | |
|---|---|---|---|---|---|
| **in € million** | Note | **2024** | 2023 | absolute | relative in % |
| Sales revenues | (1) | 3,525 | 3,541 | –16 | 0 |
| Cost of sales | (2) | –2,310 | –2,396 | 86 | –4 |
| **Gross profit** | | **1,215** | **1,145** | **70** | **6** |
| Selling and distribution expenses | (3) | –511 | –481 | –30 | 6 |
| Administrative expenses | (4) | –199 | –182 | –17 | 9 |
| Research and development expenses | (5) | –79 | –71 | –8 | 11 |
| Other operating income[1] | (6) | 30 | 33 | –3 | –9 |
| Other operating expenses[1] | (6) | –30 | –38 | 8 | –21 |
| **EBIT before income from companies consolidated at equity** | | **426** | **406** | **20** | **5** |
| Income from companies consolidated at equity | (7) | 8 | 7 | 1 | 14 |
| **Earnings before interest and tax (EBIT)** | | **434** | **413** | **21** | **5** |
| Financial result | (8) | –6 | –10 | 4 | –40 |
| **Earnings before tax (EBT)** | | **428** | **403** | **25** | **6** |
| Income taxes | (9) | –126 | –120 | –6 | 5 |
| **Earnings after tax** | | **302** | **283** | **19** | **7** |
| **Thereof** | | | | | |
| Non-controlling interests | (10) | 0 | 1 | –1 | –100 |
| Profit attributable to shareholders of FUCHS SE | | 302 | 282 | 20 | 7 |
| **Earnings per share in €** | (11) | | | | |
| Ordinary share basic | | 2.29 | 2.08 | 0.21 | 10 |
| Ordinary share diluted | | 2.29 | 2.08 | 0.21 | 10 |
| Preference share basic | | 2.30 | 2.09 | 0.21 | 10 |
| Preference share diluted | | 2.30 | 2.09 | 0.21 | 10 |

[1] Presentation for the year 2023 adjusted for comparability; offset in the previous year. See note 6 in the consolidated financial statements. → 260 Other operating income and expenses

## Statement of comprehensive income

| in € million | 2024 | 2023 |
|---|---|---|
| **Earnings after tax** | **302** | **283** |
| **Other comprehensive income** | | |
| **Amounts of other comprehensive income that may be reclassified to profit or loss in future periods** | | |
| Change in foreign currency translation adjustments | | |
| of foreign subsidiaries | 23 | –47 |
| Shares in companies consolidated at equity | 4 | 0 |
| **Amounts of other comprehensive income that will not be reclassified to profit or loss in future periods** | | |
| Remeasurements of defined benefit pension commitments | –1 | –9 |
| Profit-neutral fair value changes of equity instruments | 0 | –1 |
| Deferred taxes on these amounts | 0 | 3 |
| **Total other comprehensive income** | **26** | **–54** |
| **Total income and expenses for the period** | **328** | **229** |
| **Thereof** | | |
| Non-controlling interests | 0 | 1 |
| Profit attributable to shareholders of FUCHS SE | 328 | 228 |

For further explanations, see note 26 to the consolidated financial statements.

→ **279** Pension provisions

## Balance sheet

| | | | | Change | |
|---|---|---|---|---|---|
| **in € million** | Note | **Dec 31, 2024** | Dec 31, 2023 | absolute | relative in % |
| **Assets** | | | | | |
| Goodwill | (14) | 309 | 249 | 60 | 24 |
| Other intangible assets | (14) | 87 | 72 | 15 | 21 |
| Property, plant and equipment | (15) | 813 | 751 | 62 | 8 |
| Shares in companies consolidated at equity | (16) | 62 | 55 | 7 | 13 |
| Other financial assets | (17) | 7 | 7 | 0 | 0 |
| Deferred tax receivables | (18) | 39 | 38 | 1 | 3 |
| Other receivables and other assets | (22) | 8 | 8 | 0 | 0 |
| **Non-current assets** | | **1,325** | **1,180** | **145** | **12** |
| Inventories | (19) | 567 | 524 | 43 | 8 |
| Trade receivables | (20) | 519 | 500 | 19 | 4 |
| Tax receivables | (21) | 6 | 7 | –1 | –14 |
| Other receivables and other assets | (22) | 40 | 36 | 4 | 11 |
| Cash and cash equivalents | (23) | 153 | 175 | –22 | –13 |
| Assets held for sale | (24) | 0 | 1 | –1 | –100 |
| **Current assets** | | **1,285** | **1,243** | **42** | **3** |
| **Total assets** | | **2,610** | **2,423** | **187** | **8** |

# Balance sheet

| in € million | Note | Dec 31, 2024 | Dec 31, 2023 | Change absolute | Change relative in % |
|---|---|---|---|---|---|
| **Equity and liabilities** | | | | | |
| Subscribed capital | | 131 | 139 | –8 | –6 |
| Group reserves | | 1,464 | 1,379 | 85 | 6 |
| Group profits | | 302 | 282 | 20 | 7 |
| Equity of shareholders of FUCHS SE | | 1,897 | 1,800 | 97 | 5 |
| Non-controlling interests | | 3 | 4 | –1 | –25 |
| **Total equity** | (25) | **1,900** | **1,804** | **96** | **5** |
| Pension provisions | (26) | 11 | 10 | 1 | 10 |
| Other provisions | (28) | 8 | 8 | 0 | 0 |
| Deferred tax liabilities | (18) | 53 | 46 | 7 | 15 |
| Financial liabilities | (30) | 52 | 28 | 24 | 86 |
| Other liabilities | (31) | 6 | 2 | 4 | >100 |
| **Non-current liabilities** | | **130** | **94** | **36** | **38** |
| Trade payables | (27) | 281 | 260 | 21 | 8 |
| Other provisions | (28) | 22 | 17 | 5 | 29 |
| Tax liabilities | (29) | 41 | 32 | 9 | 28 |
| Financial liabilities | (30) | 60 | 35 | 25 | 71 |
| Other liabilities | (31) | 176 | 181 | –5 | –3 |
| **Current liabilities** | | **580** | **525** | **55** | **10** |
| **Total equity and liabilities** | | **2,610** | **2,423** | **187** | **8** |

## Statement of changes in equity

| in € million | Subscribed capital | Capital reserves | Equity capital generated by the Group | Currency translation[1] | Shareholders' equity | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|
| **As of December 31, 2022** | **139** | **97** | **1,628** | **–26** | **1,838** | **3** | **1,841** |
| Share-based compensation with equity instruments | | | 0 | | 0 | 0 | 0 |
| Dividend payments | | | –144 | | –144 | –1 | –145 |
| Earnings after tax 2023 | | | 282 | | 282 | 1 | 283 |
| Business transaction with non-controlling interests | | | 0 | | 0 | 1 | 1 |
| Share buyback | | | –122 | | –122 | 0 | –122 |
| Change in other comprehensive income | | | –7[2] | –47 | –54 | 0 | –54 |
| **As of December 31, 2023** | **139** | **97** | **1,637** | **–73** | **1,800** | **4** | **1,804** |
| Share-based compensation with equity instruments | | | 0 | | 0 | 0 | 0 |
| Dividend payments | | | –146 | | –146 | 0 | –146 |
| Earnings after tax 2024 | | | 302 | | 302 | 0 | 302 |
| Business transaction with non-controlling interests | | | 0 | | 0 | 1 | 1 |
| Acquisition of non-controlling interests | | | –6 | | –6 | –2 | –8 |
| Share buyback | | | –79 | | –79 | 0 | –79 |
| Redemption of treasury shares/capital decrease | –8 | 8 | 0 | | 0 | 0 | 0 |
| Change in other comprehensive income | | | –1[2] | 27 | 26 | 0 | 26 |
| **As of December 31, 2024** | **131** | **105** | **1,707** | **–46** | **1,897** | **3** | **1,900** |

[1] Income and expenses recognized in equity of shareholders of FUCHS SE.
[2] Amounts of other comprehensive income that will not be reclassified to profit or loss in future periods consist of remeasurements of defined benefit pension provisions and profit-neutral fair value changes of equity instruments. These amounts are included in the equity capital generated in the Group.

Changes in the equity are illustrated in note 25.

→ 278 Total equity

# Statement of cash flows

| in € million | 2024 | 2023 |
|---|---|---|
| **Earnings after tax** | **302** | **283** |
| Depreciation, amortization and impairment of non-current assets | 97 | 98 |
| Change in non-current provisions and in other non-current assets (covering funds) | –2 | –6 |
| Change in deferred taxes | –2 | –5 |
| Non-cash income from companies consolidated at equity | –8 | –7 |
| Dividends received from companies consolidated at equity | 5 | 6 |
| **Gross cash flow** | **392** | **369** |
| Gross cash flow | 392 | 369 |
| Change in inventories | –22 | 89 |
| Change in trade receivables | –4 | –6 |
| Change in trade payables and remaining other liabilities[1] | 13 | 34 |
| Change in other assets and other liabilities (excluding financial liabilities) | 11 | 60 |
| Net gain/loss on disposal of non-current assets | 0 | –3 |
| **Cash flow from operating activities** | **390** | **543** |
| Cash paid for intangible assets and property, plant and equipment | –83 | –83 |
| Cash paid for shares in companies consolidated at equity | –2 | 0 |
| Cash received from the disposal of non-current assets | 1 | 5 |
| Cash paid for acquisitions less cash acquired | –101 | –4 |
| **Cash flow from investing activities** | **–185** | **–82** |
| Free cash flow before acquisitions[2] | 306 | 465 |
| **Free cash flow** | **205** | **461** |
| Dividends paid for previous year | –146 | –145 |
| Purchase of own shares | –79 | –122 |
| Change in financial liabilities | 5 | –133 |
| Business transaction with non-controlling interests | 0 | 1 |
| Purchase of non-controlling interests | –8 | –1 |
| **Cash flow from financing activities** | **–228** | **–400** |
| **Cash and cash equivalents as at Dec 31 of the previous year** | **175** | **119** |
| Cash flow from operating activities | 390 | 543 |
| Cash flow from investing activities | –185 | –82 |
| Cash flow from financing activities | –228 | –400 |
| Effect of currency translations | 1 | –5 |
| **Cash and cash equivalents at the end of the period** | **153** | **175** |

Income taxes paid amount to €119 million (107) and are included in the cash flow from operating activities.

Interest payments amount to €9 million (12), and the interest payments received amount to €3 million (2). Both are included in the cash flow from operating activities.

For further explanations on the statement of cash flows see Note 34.

→ **295** Notes to the statement of cash flows

[1] Remaining other liabilities relate to advance payments received and liabilities from customer discounts.
[2] Free cash flow before cash paid for acquisitions and before cash acquired through acquisitions.

# 3.2 Notes to the consolidated financial statements

## Basis of preparation

### General information

The consolidated financial statements of FUCHS SE, Mannheim, as of December 31, 2024, have been prepared in accordance with the standards and interpretations as specified in the guidelines of the International Accounting Standards Board (IASB), London, as adopted by the EU, and in accordance with the supplementary regulations to be applied as specified in Section 315e (1) of the German Commercial Code (Handelsgesetzbuch – HGB), as applicable at the end of the reporting period. All the International Financial Reporting Standards (IFRS), formerly International Accounting Standards (IAS) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC), applicable in the EU, that were required for the financial year 2024, have been applied. No option for early adoption of new standards was used.

The parent company FUCHS SE is a European limited company with its registered office in Mannheim (Einsteinstraße 11, 68169 Mannheim), registered with the Register Court of Mannheim, business registration number HRB 717394.

The FUCHS Group is 100% focused on the manufacture, development and distribution of highly efficient lubricating solutions and functional fluids.

The currency used in this report is the euro (€). All amounts are stated in millions of euros (€ million), unless otherwise indicated. The previous year's figures are stated in parentheses. Differences due to rounding may occur as amounts are stated in € million. Percentages refer to full millions.

In order to simplify the presentation, some individual items have been grouped together in the balance sheet and the income statement. However, these items are listed separately and explained in the notes. The income statement has been prepared in accordance with the cost-of-sales method.

The Executive Board at FUCHS SE prepared the consolidated financial statements on March 19, 2025. The consolidated financial statements were discussed with the Audit Committee of the Supervisory Board and submitted to the Supervisory Board for approval at the meeting on March 20, 2025 and subsequently released for publication.

With reference to Section 264 (3) of the German Commercial Code (HGB), the following German companies did not apply the provisions contained in Sections 264 to 289 HGB (annual financial statements of corporations) and their disclosure (Section 325 HGB):

- BREMER & LEGUIL GMBH, Duisburg
- FUCHS FINANZSERVICE GMBH, Mannheim
- FUCHS LUBRICANTS GERMANY GMBH, Mannheim
- FUCHS SMART SERVICES GMBH, Mannheim

The large and medium-sized corporations were also exempted from preparing a management report.

### Application of new accounting standards

The accounting standards to be applied in the financial year 2024 for the first time are outlined in the following section.

The first-time application in the financial year 2024 had no or no material impact on the FUCHS Group.

**Amendments to IFRS 16 – Lease Liabilities from Sale-and-Leaseback**

The amendment concerns the accounting for lease liabilities arising from sale-and-leaseback transactions and requires a lessee to measure the lease liability following a sale in such a way that it does not recognize in profit or loss any amount related to the retained right-of-use. Inter alia, the newly inserted paragraphs explain, by way of examples, different possible approaches, particularly in the case of variable lease payments.

**Amendments to IAS 1 – Classification of liabilities as current, non-current and non-current liabilities with covenants**

The adopted amendments to IAS 1 in January 2020 relate to a limited adjustment of the assessment criteria for classifying liabilities as current or non-current. It is clarified that the classification of liabilities as current depends on whether the entity has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after that date. If such rights exist, the liability shall be classified as non-current. The right to defer settlement of the liability must be substantial. If the entity must fulfill certain conditions in order to exercise such a right, these conditions must be fulfilled at the end of the reporting period; otherwise, the liability is to be classified as current. For the classification of a liability, it is irrelevant whether the management intends or expects the liability to be actually met within twelve months after the reporting period. Only rights to defer payment of the debt by at least twelve months at the end of the reporting period are decisive for classification. This also applies in the case of settlement within the adjusting events period.

The amendments were supplemented by a further amendment to IAS 1 published in October 2022. The new amendment concerns the classification of debts subject to covenants. The IASB clarifies that covenants to be met before or at the balance sheet date may have an impact on classification as short-term or long-term. On the other hand, covenants that are only required to be met after the balance sheet date do not affect classification. Rather than being considered in the classification, such covenants should be disclosed in the Annexes. This is intended to enable the addressees of the financial statements to assess the extent to which non-current liabilities could become repayable within twelve months.

**Amendments to IAS 7 and IFRS 7 – Supplier financing arrangements**
The amendments relate to disclosure requirements in connection with supplier financing arrangements – also known as supply chain financing, trade payables financing or reverse factoring arrangements. The new regulations supplement existing requirements in other standards and explicitly mandate disclosures such as the terms and conditions of supplier financing arrangements, the amounts of liabilities covered by such arrangements, the portion of these liabilities for which suppliers have already received payment from financiers, the balance sheet items under which these liabilities are reported, the maturity date ranges, and information regarding liquidity risk.

**Impact of global minimum taxation (Pillar Two Regulations)**
As of the current status, only a very small number of foreign companies within the FUCHS Group are affected by the impact of the Pillar Two regulations, and these companies report only minimal earnings subject to minimum taxation. As a result, the application of the Pillar Two Regulations for the financial year 2024 had no significant impact on the Group tax rate or the net assets, financial position and results of operations of the FUCHS Group.

The FUCHS Group currently assumes that the following future amendments for financial years from 2025 onward, none of which were applied early in 2024, will not have any significant effects on the consolidated financial statements.

## Standards adopted by the EU

**Adjustments to IAS 21 – Determination of the exchange rate in the absence of convertibility**
The amendment addresses the determination of the exchange rate in cases of long-term lack of convertibility; previously, IAS 21 contained no specific provisions on this matter. IAS Article 21 has now been supplemented (requirements for assessing whether a currency can be converted into another, details for determining the exchange rate when such a conversion is not possible, and additional corresponding disclosure requirements). These amendments are applicable for reporting periods starting on or after January 1, 2025. Early application of the amendments is permitted.

## Standards not yet adopted by the EU

**IFRS 18 – Presentation and disclosures in financial statements**
IFRS 18 will replace IAS 1, Presentation of financial statements, and is to be applied to financial years beginning on or after January 1, 2027, subject to its adoption into EU law. The new standard introduces the following key new requirements:

- Companies are required to classify all income and expenses in the statement of profit or loss into five categories: the operating category, the investing category, the financing category, the income tax category, and the discontinued operations category. Companies are also required to present two newly defined subtotals: "Operating profit" and "Profit before financing and income taxes." The total comprehensive income of companies will remain unchanged.

- Certain company-specific performance metrics (so-called Management-defined Performance Measures, MPMs) must be disclosed separately in the notes to the financial statements.

- Enhanced guidance on grouping information within financial statements will be introduced.

Furthermore, all companies will be required to use operating profit as the starting point for the statement of cash flows when presenting cash flows from operating activities using the indirect method.

Currently, the Group is evaluating the potential impacts of the new standard, particularly concerning the structure of the consolidated statement of profit or loss, the statement of cash flows, and the additional disclosure requirements for MPMs. The Group is also assessing the impact on how information is grouped within the financial statements, including items currently classified as "Other."

**IFRS 19 – Subsidiaries without public accountability: disclosures details**

IFRS 19 allows certain subsidiaries to apply IFRS accounting standards with reduced disclosure requirements. A subsidiary can apply IFRS 19 if it is not itself subject to public accountability and its parent company prepares IFRS consolidated financial statements. Public accountability exists in particular when a subsidiary has equity or debt instruments listed on a public market.

If a subsidiary applies full IFRS in its individual or consolidated financial statements, the optional application of IFRS 19 significantly reduces the scope of disclosures required compared to other IFRS standards. However, the recognition, measurement, and presentation requirements of other IFRS standards must still be applied.

A subsidiary applying IFRS 19 must explicitly and unreservedly state in its declaration of compliance with IFRS that IFRS 19 has been applied. IFRS 19 will come into effect for reporting periods beginning on or after January 1, 2027, subject to adoption into EU law. Early adoption of the amendments is permitted, provided they are endorsed by the EU. The FUCHS SE Group does not meet the application requirements, as FUCHS SE is publicly listed.

**Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments**

The amendments clarify the classification of financial assets linked to environmental, social, and governance (ESG) and similar characteristics. They specify how the contractual cash flows of such instruments should be assessed in subsequent accounting, whether measured at amortized cost or at fair value.

Additionally, the amendments address the settlement of liabilities through electronic payment systems. The changes clarify when a financial asset or liability should be derecognized. Furthermore, an option has been introduced that allows a company to derecognize a financial liability before delivering cash on the settlement date, provided certain criteria are met. Additional disclosure requirements have also been introduced regarding investments in equity instruments measured at fair value through other comprehensive income, as well as financial instruments with contingent features (e.g. ESG targets). Subject to endorsement by the EU, these amendments are applicable for reporting periods starting on or after January 1, 2026. Early adoption of the amendments is permitted, provided they are endorsed by the EU.

The Group currently assumes that these amendments will have no material impact on the consolidated financial statements.

**Amendments to IFRS 9 and IFRS 7 – Contracts related to nature-dependent electricity**

Contracts related to nature-dependent electricity are often structured as so-called Power Purchase Agreements (PPAs). The supply under these contracts may fluctuate due to unforeseen events, such as weather conditions. The application of current accounting standards may lead to income effects that do not necessarily reflect the true impact of these contracts on the reporting entity's performance. To better represent these contracts in financial statements, the following amendments have been made: Clarification on the application of the Own Use Exemption to these contracts, adjustments to hedge accounting requirements allowing contracts for electricity from nature-dependent renewable energy sources to be used as hedging instruments if certain conditions are met, and the introduction of additional disclosure requirements on the impact of these contracts on a company's financial performance and future cash flows.

Subject to endorsement by the EU, these amendments are applicable for reporting periods starting on or after January 1, 2026. Early adoption of the amendments is permitted, provided they are endorsed by the EU.

The Group currently assumes that these amendments will have no material impact on the consolidated financial statements.

**Annual improvements to IFRS accounting standards – volume 11**

The IASB's annual improvements are limited to amendments that clarify the wording of an IFRS standard or correct relatively minor unintended consequences, oversights, or conflicts between requirements in the standards. These improvements primarily include adjustments to IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7.

**Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets to or in an Associated Company or a Joint Venture**

The amendments address an acknowledged inconsistency between the regulations in IFRS 10 and those in IAS 28 (2011) in dealing with the sale or contribution of assets to an associated company or a joint venture. The IASB has decided to postpone the effective date of these amendments indefinitely.

## Scope of consolidation

**Overview scope of consolidation**

| Number | EMEA | Asia-Pacific | North and South America | Total |
|---|---|---|---|---|
| Fully consolidated companies (incl. parent company) | | | | |
| **Jan 1, 2024** | **35** | **19** | **9** | **63** |
| Additions | 13 | 3 | 2 | 18 |
| Mergers | 0 | 0 | 0 | 0 |
| **Dec 31, 2024** | **48** | **22** | **11** | **81** |
| Companies consolidated at equity | | | | |
| **Jan 1, 2024** | **11** | **0** | **0** | **11** |
| Additions | 0 | 0 | 0 | 0 |
| Disposals | 0 | 0 | 0 | 0 |
| **Dec 31, 2024** | **11** | **0** | **0** | **11** |

The FUCHS SE, Mannheim, is a group company of RUDOLF FUCHS GMBH & CO. KG, Mannheim / Germany, which prepares the consolidated financial statements for the largest group of consolidated companies. The consolidated financial statements of RUDOLF FUCHS GMBH & CO. KG are filed with the Company Register.

In addition to FUCHS SE, all German and international subsidiaries are included in the consolidated financial statements of FUCHS SE, Mannheim / Germany. The year-end financial statements of the subsidiaries are prepared using the same reporting date as the consolidated financial statements (December 31). Most of these subsidiaries are wholly owned, as in the previous year. Shareholdings are disclosed in note 40.
→ 304 Shareholdings

The group of fully consolidated companies comprises a total of 81 (63) companies, including the parent company. In addition, 11 (11) companies consolidated at equity are included. Changes to the scope of consolidation in 2024 are explained in the section below.

## Changes in the scope of consolidation

**Additions from fully consolidated companies**

| | in % |
|---|---|
| **LUBCON Group** | |
| LUBRICANT CONSULT GMBH, Germany | 100 |
| LUBCON SERVICE + SYSTEMS GMBH, Germany | 100 |
| LUBCON FRANCE S.A.R.L., France | 100 |
| LUBCON LUBRIFICANTI S.R.L., Italy | 100 |
| LUBCON LUBRICANTS UK LTD., United Kingdom | 100 |
| LUBCON POLSKA SP. ZO.O., Poland | 100 |
| LUBCON LUBRICANT CONSULT AG, Switzerland | 100 |
| LUBCON D.O.O., Slovenia | 70 |
| LUBCON SOUTH AFRICA PTY LTD., South Africa | 100 |
| LUBCON S.R.O., Czech Republic | 100 |
| LUBCON LUBRICATION INDIA PRIVATE LTD., India | 100 |
| LUBCON LUBRICANTS ASIA PACIFIC INC., Philippines | 100 |
| LUBCON TURMO LUBRICATION INC., USA | 100 |
| LUBCON MÉXICO S.A., Mexico | 100 |
| | |
| **STRUB Group** | |
| STRUB & CO. AG, Switzerland | 100 |
| STRUB DEUTSCHLAND GMBH i.L., Germany | 100 |
| STRUB INDIA PRIV. LTD., India | 74 |
| | |
| BLITZ F24-520 GMBH, Germany | 100 |

## Acquisitions

Effective July 26, 2024, the FUCHS Group acquired the shares in the LUBCON Group. The LUBCON Group consists of 14 operating companies, including five production sites in Germany, Poland, the Philippines, India, and the USA. The company's high-quality products are used in various industries, including rail, rolling bearings, paper, textiles, food, pharmaceuticals, and wind energy. At the time of acquisition, the LUBCON Group employed 211 people. For the financial year 2024, revenue amounted to €42 million. The transferred consideration (purchase price) of €89 million was fully settled in cash at the transfer date. In contrast, acquired cash and cash equivalents amounted to €12 million at the transfer date. The costs of €1 million for legal advice and other incidental acquisition costs in connection with the acquisition were recognized as current expenses.

Other company acquisitions include a forward-looking business in the electrification sector in the USA. In the financial year 2024, sales revenues of €4 million were generated and 2 employees were taken on. The transferred consideration (purchase price) of €27 million was settled with €22 million in cash at the transfer date, while €5 million, measured at fair value, was recorded as a contingent consideration dependent on revenues for the years 2025 to 2028 as a long- and short-term other liability. The maximum possible amount of contingent consideration is capped at €6 million. The costs of €1 million for legal advice and other incidental acquisition costs in connection with the acquisition were recognized as current expenses. Furthermore, effective November 28, 2024, FUCHS SE acquired the shares in STRUB & CO. AG, Reiden/Switzerland, along with its two subsidiaries in Germany and India. The company, based in Reiden, Switzerland, develops, produces, and distributes industrial lubricants and specialty products for the Swiss market and is also active internationally. With the acquisition of STRUB, FUCHS secures direct market access in Switzerland and expands its presence with an additional production site. At the time of acquisition, 55 employees were employed. In the financial year 2024, revenue of approximately €9 million was generated. The transferred consideration (purchase price) of €3 million was settled with €2 million in cash at the transfer date, while €1 million was contractually retained as part of the purchase price, to be paid in installments over a period of three years. The costs of €0 million for legal advice and other incidental acquisition costs in connection with the acquisition were recognized as current expenses.

The assets and liabilities initially recognized in the consolidated balance sheet were recorded at the following determined fair values:

**Fair value as of first-time consolidation date**

| **in € million** | LUBCON Group | Other company acquisitions | Total |
|---|---|---|---|
| Other intangible assets (not including goodwill) | 18 | 6 | 24 |
| Other non-current assets (mainly property, plant and equipment) | 21 | 9 | 30 |
| **Non-current assets** | **39** | **15** | **54** |
| Inventories | 15 | 2 | 17 |
| Trade receivables and other assets | 11 | 2 | 13 |
| Cash and cash equivalents | 12 | 0 | 12 |
| **Current assets** | **38** | **4** | **42** |
| **Total assets** | **77** | **19** | **96** |
| Deferred tax liabilities | 7 | 1 | 8 |
| Other liabilities and provisions | 5 | 3 | 8 |
| **Non-current liabilities** | **12** | **4** | **16** |
| Trade payables | 1 | 5 | 6 |
| Other liabilities and provisions | 2 | 5 | 7 |
| **Current liabilities** | **3** | **10** | **13** |
| **Total liabilities** | **15** | **14** | **29** |
| **Net assets** | **62** | **5** | **67** |
| **Goodwill** | **27** | **25** | **52** |
| **Consideration transferred** | **89** | **30** | **119** |

The acquired other intangible assets (excluding goodwill) amounting to €24 million primarily relate to acquired customer relationships and technologies.

For other company acquisitions, goodwill amounting to €22 million is tax-deductible. The remaining goodwill of €30 million, which is not tax-deductible, is attributable to the LUBCON and the STRUB Group. This goodwill arises from the synergy and income potential expected from the integration of operating business in the FUCHS Group. Due to the proximity to the balance sheet date the purchase price allocation should be considered preliminary.

Since their inclusion in the Group, the acquired businesses contributed €19 million to the FUCHS Group's sales revenues. After considering the effects of the purchase price allocations, there was no contribution to the FUCHS Group's EBIT for the period from their inclusion until December 31, 2024. Assuming that acquisitions had already taken place on January 1, 2024, the Group's sales revenue would have been €3,563 million and the Group's EBIT would have been €435 million for the financial year 2024.

### Acquisition of non-controlling interests

In July 2024, FUCHS SE acquired the remaining shares in its subsidiary FUCHS AUSTRIA SCHMIERSTOFFE GMBH, Thalgau/Austria, for a purchase price of €8 million, thereby increasing its ownership stake from 70% to 100%. It is therefore an acquisition of non-controlling interests, which is treated as a transaction between shareholders and recorded directly in equity. The difference of €6 million between the purchase price and the carrying amount of the non-controlling interests was offset against retained earnings.

### Consolidation principles

Pursuant to IFRS 3, all business combinations are accounted for with the purchase method of accounting at the acquisition date. Initially, all assets, liabilities and additional other intangible assets to be capitalized are measured at fair value. The acquisition costs of investments in companies are then compared with the proportional share of the net assets acquired at fair value. The resulting positive differences are capitalized as goodwill. Negative differences are reviewed once more, then recognized directly in profit or loss. The incidental acquisition costs of a business combination are recognized in profit or loss. Pursuant to IAS 36, the value of the goodwill is calculated on the basis of goodwill impairment tests performed at least once each year or whenever there are indications of an impairment. For details on this, please refer to the section entitled Accounting policies and note 14.

→ 248 Accounting policies
→ 264 Goodwill and other intangible assets

Subsidiaries are companies controlled by the Group. The Group controls a company when it is exposed, or has rights, to variable returns from its involvement with the company and has the ability to affect those returns through its power over the company. The financial statements of subsidiaries are included in the consolidated financial statements from the point in time in which control begins and up to the point in time when control ends.

Changes to the percentage of shares held which do not lead to a loss of control are treated as a transaction between shareholders and recognized directly in total equity. Transactions of this nature do not result in the recognition of goodwill or the realization of disposal proceeds.

The consolidation principles apply accordingly to the joint ventures and associates accounted for using the equity method. In the event of losing joint control or key influence, the remaining shares are remeasured at fair value through profit and loss.

Associates are companies over which the company has a significant influence, but no control or joint control on financial and operating policies. A joint venture is an arrangement over which the Group exercises joint control, with rights to the net assets of the arrangement, instead of having rights to its assets and obligations for the liabilities.

The shares in companies consolidated at equity are measured at acquisition cost plus or minus the accumulated changes in net assets; goodwill is reported in the carrying amount of the investment.

Sales revenues, expenses and income, and receivables and liabilities between consolidated subsidiaries are netted off. Intercompany profits resulting from sales and services rendered between consolidated subsidiaries and companies consolidated at equity are eliminated. This does not apply to intermediate results which are of minor importance overall for the presentation of a true and fair view of the Group’s net assets, financial position and results of operations.

Non-controlling interests in consolidated equity and consolidated net income are presented separately from the shares attributable to the shareholders of the parent company.

## Currency translation

The translation of financial statements prepared in foreign currencies by consolidated companies is accounted for in accordance with IAS 21 on the basis of the functional currency concept. The functional currency is the currency of the primary economic environment in which a company operates. All subsidiaries use their local currency as their functional currency. In the case of companies included in the consolidated financial statements, foreign currency transactions are measured in their functional currency and converted with the applicable spot rate on the business transaction date.

In the financial statements of FUCHS SE and subsidiaries included in consolidation, assets and liabilities in foreign currencies are measured using the exchange rate at the end of the reporting period. Any exchange rate gains or losses not yet realized at the end of the reporting period are recognized in profit or loss.

For consolidation purposes, the financial statements of the subsidiaries prepared in a foreign currency have been translated to euro as follows:

Expenses and income are recognized at the average annual exchange rate in line with the simplification rule of IAS 21.40 (except FUCHS Argentina as a hyperinflationary economy using the closing rate), total equity at historical exchange rates, and assets and liabilities at the exchange rate applicable at the end of the reporting period. The resulting translation adjustments are recognized in equity. The year-on-year change is presented in the statement of comprehensive income. The respective cumulative translation differences are released to income at the time of disposal of subsidiaries.

The currency differences resulting from debt consolidation are also recognized in profit or loss in “other operating income" and "other operating expenses.”

In the case of intangible assets and property, plant and equipment, the starting and closing balances at the end of the financial year are translated using the relevant closing rate at the end of the reporting period and other movements are translated at average exchange rates. Any differences arising from exchange rate movements are shown separately as exchange rate differences within acquisition and manufacturing costs and with depreciation and amortization adjustments.

Currency translation for the pro rata total equity of joint ventures and associates, which is reflected in the shares in companies consolidated at equity in the balance sheet of the FUCHS Group, is performed at the respective exchange rates on the date of inclusion. The proportional net profits of the joint ventures and associates are translated at the average annual exchange rate (with the exception of: OPET FUCHS, Turkey, and FUCHS LUBRICANTS IRANIAN, Iran, as hyperinflationary economies, are translated at the closing rate) and recognized as results from equity-accounted investments in the FUCHS Group's income statement. Dividend payments of joint ventures and associates are translated at the exchange rate on the distribution date.

The exchange rates with a significant impact on the consolidated financial statements moved against the euro as follows:

**Closing rates**

| €1 | Dec 31, 2024 | Dec 31, 2023 |
|---|---|---|
| US dollar | 1.039 | 1.105 |
| British pound | 0.829 | 0.869 |
| Chinese renminbi yuan | 7.583 | 7.851 |
| Australian dollar | 1.677 | 1.626 |
| South African rand | 19.619 | 20.348 |
| Polish zloty | 4.275 | 4.340 |
| Brazilian real | 6.425 | 5.362 |
| Argentinian peso | 1,067.075 | 891.930 |
| Russian ruble | 113.627 | 98.596 |
| South Korean won | 1,532.150 | 1,433.660 |
| Swedish krona | 11.459 | 11.096 |
| Turkish lira | 36.737 | 32.653 |

**Average rates**

| €1 | 2024 | 2023 |
|---|---|---|
| US dollar | 1.082 | 1.082 |
| British pound | 0.847 | 0.870 |
| Chinese renminbi yuan | 7.786 | 7.659 |
| Australian dollar | 1.640 | 1.629 |
| South African rand | 19.832 | 19.952 |
| Polish zloty | 4.306 | 4.543 |
| Brazilian real | 5.827 | 5.402 |
| Argentinian peso | 990.174 | 318.975 |
| Russian ruble | 100.404 | 92.430 |
| South Korean won | 1,475.300 | 1,413.310 |
| Swedish krona | 11.432 | 11.473 |
| Turkish lira | 35.566 | 25.747 |

## Accounting policies

The financial statements of FUCHS SE and its subsidiaries in Germany and abroad are prepared in accordance with uniform accounting policies.

The primary assessment concept is the inclusion of historical purchasing or manufacturing costs. Applicable exceptions are indicated accordingly.

The consolidated financial statements are prepared in accordance with the principles of IFRS, as applied in the EU. The recognition, measurement and reporting methods, as well as the notes and disclosures regarding the consolidated financial statements for the financial year 2024, are all made on the same consistent basis.

Exceptions arise from changes due to the adoption of new/revised accounting principles (→ 240 General information) or those aimed at conveying relevant information. If adjustments are made to the previous-year figures, these are explained in the notes to the General information.

In addition to the Group's earnings before interest and tax (EBIT), the EBIT before income from companies consolidated at equity is also reported in the income statement. When comparing this KPI with sales revenues, only those amounts generated from the fully consolidated companies are taken into account in the relative value, both for income and sales revenues.

### Significant discretionary decisions, estimates and assumptions

The preparation of the consolidated financial statements requires estimates and assumptions to be made for some items that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The estimates and assumptions are based on experience values, the current level of knowledge, information currently available, as well as other factors which the Executive Board deems to be applicable under the respective circumstances. Due to the currently unpredictable global consequences of geopolitical tensions and economic uncertainties, including the war in Ukraine and potential trade barriers, these estimates and judgments are subject to increased uncertainty. The amounts that actually arise may differ from the estimates and judgments.

Future-related assumptions and estimates are necessary, in particular for the assessment, recognition, and measurement of assets and liabilities as listed below:

**Goodwill**

The recoverable amount is calculated on the basis of goodwill impairment tests performed once a year or more frequently whenever there are indications of an impairment loss. The recoverable amount is the higher of fair value less costs of disposal and value in use. Cash-generating units or groups of cash-generating units to which goodwill has been allocated are measured for the purpose of impairment testing. In the FUCHS Group, goodwill at the regional level is managed by a regional management team that reports to the Executive Board member responsible for the overall region.

If the recoverable amount is lower than the carrying amount of the groups of cash-generating units, the goodwill allocated to this unit is impaired to the recoverable amount. The value in use is determined using a discounted cash flow method. The mid-term planning, which comprises the budget for the following year and four subsequent planning years, serves as the basis for planning.
Besides the fundamental cash flow plans, the determination of the discount rate is also of significance for the impairment test calculations. The discount rate is a weighted average cost of capital (WACC), which is made up of the costs of borrowed capital and equity capital weighted with the capital structure. The basis is the capital structure of similar companies at market value. The shareholders' equity costs are also determined from capital market data using the Capital Asset Pricing Model (CAPM) and are made up of a risk-free interest rate and a risk premium (consisting of the market risk premium and beta factor). The borrowing costs correspond to the risk-free interest rate plus a premium for the credit risk. To present the long-term growth of these companies in years subsequent to mid-term planning, a deduction from the growth rate is taken into account in the discount rate for the terminal value. Please refer to note 14 for further information. → 264 Goodwill and other intangible assets

**Recoverability of property, plant and equipment and other intangible assets**

Together, the two FUCHS companies FUCHS Ukraine and FUCHS Russia generated about 2 % of the Group's sales revenues and around 2 % of the Group's earnings before interest and tax (EBIT) in the financial year 2024. Consequently, the direct impact of the war in Ukraine and the sanctions against Russia on the Group's operating result is low. In addition, both companies are continuing their business operations to the extent possible, adapting to the changed conditions and complying with all existing sanctions. The impairment test of significant assets at both companies, in particular property, plant and equipment at our Russian company, based on probability-weighted cash flow planning scenarios did not result in any need for impairment as at 31 December 2024.

**Valuation of shares in companies consolidated at equity**

The impairment review of interests in equity-accounted investments is conducted by determining the present value of estimated future cash flows.

An impairment loss on the shares at-equity entities reduces the Income from companies consolidated at equity. In the reporting year, no impairment was recognized on interests in equity-accounted investments. In the previous year, the lower earnings prospects of our joint venture in Zambia prompted an impairment review of our joint venture FUCHS ZAMBIA LIMITED, Lusaka/Zambia, which is recognized under interests in equity-accounted investments in the FUCHS Group's consolidated financial statements.

**Company acquisitions**

The purchase price allocations and calculations of fair values for identified assets and liabilities in the context of company acquisitions are performed on the basis of estimates. Various measurement methods are used to measure other intangible assets. The fair value of customer relations is determined using the residual value method. This takes into account the cash value of the anticipated net cash flow generated by the customer relations, with the exception of all cash flows that are linked to supporting assets. The fair value of technologies is determined using the license price analogy method. This takes into account the discounted estimated usage charge payments, which will likely be saved by having in-house technology. The fair value of contingent consideration is determined on the basis of estimates, as its level depends on future earnings figures of the acquired company.

**Valuation of investments in companies at fair value**

The fair value of a non-listed investment is determined using a discounted cash flow method. The assumptions underlying the five-year cash planning are based on experience factors, the current level of knowledge and information currently available. In addition to the underlying cash flow projections, the determination of the discount rate is of importance for the impairment calculations. The discount rate is a weighted average cost of capital (WACC), which is made up of the costs of borrowed capital and equity capital weighted with the capital structure.

**Assets held for sale**

The fair value of land and buildings classified as assets held for sale is derived using the comparative value method. Active market prices for comparable properties in an active market provide the best possible evidence of fair value. Where such information is not available, information from various sources has been taken into account, including current prices in an active market for properties of different types, recent prices for similar properties in less active markets, or prices contained as part of current negotiations.

**Pension provisions**

The expenses from defined benefit plans and pension provisions, as well as assets from pension plans, are determined using actuarial calculations. An actuarial valuation method is used on the basis of various assumptions which may deviate from actual future developments. These include determination of discount rates, future salary and wage increases, future pension increases and the mortality rate. Due to the complexity of the measurement, the basic assumptions made and the long-term nature of the investments involved, defined benefit obligations are extremely sensitive to changes in these assumptions. All parameters are regularly reviewed at the end of the reporting period. Actuarial gains and losses are offset against the Group's retained earnings directly in total equity. They occur due to deviations in the actual development of pension obligations and pension plan assets from assumptions made at the start of the year, as well as updates in actuarial assumptions. Please refer to note 26 for further information. → **279** Pension provisions

**Realizability of deferred tax assets**

The realizability of deferred tax assets depends on the future taxable profits of the respective Group company. If there are any doubts regarding realizability, corresponding impairments are made to the deferred tax assets in individual cases. Please refer to note 18 for further information.
→ **274** Deferred tax assets and liabilities

**Climate-driven aspects**

The impact of climate change and related natural disasters, such as extreme weather events, can affect both FUCHS operations and our upstream and downstream supply chain. This could lead to shortages or unavailability of raw materials and consumables, restricting or disrupting production and ongoing operations. A climate risk analysis conducted by external consultants shows that FUCHS sites are exposed to very low physical climate risks, such as floods and wildfires. Potential financial damages from climate risks are covered by insurance. Key countermeasures include fire protection and, as needed, rainwater retention measures at our plants. Due to our global presence, potential climate-related failures at individual sites could be offset by other production facilities. The increased awareness of climate change and the associated regulatory requirements accelerate the electrification of automobiles. This influences the further development of the conventional drivetrain and the lubricants suitable for it. However, when transitioning to battery-electric vehicles, regional differences must be considered. In Europe, the transition is expected to occur most quickly, as the European Union will only allow zero-emission new cars as of 2035. China, one of the largest automobile markets, is showing strong growth and openness to various drivetrain technologies. Therefore, the increasing demand for automobiles affects both vehicles with conventional and those with innovative drive trains. In the United States, the development toward electric mobility is currently less clear, making it difficult to predict. The FUCHS Group strives for diversification through a balanced portfolio of customers and products, with most products being independent of the drivetrain. In the long term, there is a risk of declining sales for products such as engine and transmission oils. However, these sales revenue losses are expected to be offset by revenue and profitability gains from new, higher-priced products for electric vehicles.

For further information on climate-related aspects, please refer to the Opportunity and Risk Report as well as the non-financial declaration in the management report of FUCHS SE.

**Other key future-related assumptions and estimates are particularly necessary for the assessment, recognition and measurement of:**

- impairment losses and reversals of inventories and trade receivables,
- Other provisions, such as transaction tax risks and environmental obligations.

Future actual developments may deviate from these assumptions and estimates due to a variety of factors. The estimates and assumptions used are regularly reviewed. Changes are recognized in profit or loss when better estimates are available.

## Sales revenues

Sales revenues comprise revenues from the sale of goods or services within the context of ordinary business operations. These are reported without value-added tax or any other taxes incurred in connection with sales revenues, and net of sales deductions and after the elimination of intra-group transactions. Sales revenues are reported at the amount specified in the contract minus the estimated volume discounts. A refund liability (reported in other liabilities) is recognized for the anticipated volume discount to be paid to the customer for the sales made up to the end of the reporting period. Sales revenues are realized upon delivery of the products and services and the control in line with IFRS 15 had been transferred to the customer. This relates to a point in time if the property and thus the substantial risks and rewards connected with the goods are transferred and the actual right of control has been transferred to the customer. As the claim for the receipt of the consideration occurs unconditionally at the point in time of satisfying the performance obligation to deliver the goods, a receivable is generally recognized immediately. There is thus no recognition of a contractual asset. Payments are due within an appropriate period after the invoice has been received by the customer. In general, there are no long-term financing components.

Services provided over time are recognized as sales revenues as soon as the respective service has been provided. If there is a right to a consideration in an amount corresponding directly with the value of the performance already completed, sales revenues are recognized at the amount which may be invoiced.

## Cost of sales

Cost of sales includes the manufacturing costs associated with products, goods and services sold. In addition to directly attributable costs such as the cost of materials, staff costs and energy costs, this also includes individual manufacturing costs and production-related overheads. These overheads include depreciation and amortization of production buildings and equipment, write-downs of inventories, etc.

## Selling and distribution expenses

Selling and distribution expenses include the costs of the sales organization and customer support in addition to the costs for advertising, commission payments and logistics.

## Administrative expenses

Administrative expenses comprise staff costs and related costs for management and administration duties if these have not been allocated to other functional areas as services within the Group.

## Research and development expenses

Research expenses include costs for identifying alternative materials or products for the control of technical processes. Development involves the application of research results for the development of new products and/or processes prior to the start of commercial exploitation. Development expenses are capitalized as intangible assets when all of the following criteria are met:

- the expenses attributable to the development of the intangible asset can be reliably determined,
- technical and economic completion is feasible,
- future economic benefits is probable and
- there is an intention and possibility of bringing the intangible asset to completion in order to use or sell it.

The criteria to recognize internally generated intangible assets in our product segments are fully met only shortly before these products are ready for the market. Development costs that occur after the recognition criteria have been met are insignificant. As a result, these development costs are also recognized in profit or loss when they occur.

## Financial result

Borrowing costs are differentiated in the financial result and accounted for using the effective interest method, provided they are not capitalized as part of the historical cost of the asset in line with IAS 23.8.

Interest income is recognized using the effective interest method.

Interest expenses from pension obligations are recognized with interest income from plan assets and are reported in the financial result.

## Goodwill and other intangible assets

Acquired intangible assets are measured and recognized at cost. Assets are distinguished based on their useful life, which is either finite or indefinite. The useful life is indefinite if there is no foreseeable limit to the period over which the asset is expected to generate net cash flows for the Group.

Indefinite-lived intangible assets and goodwill are not subject to amortization, but undergo an impairment test at least once a year and also whenever there are indications of an impairment. Definite-lived intangible assets are amortized over their useful lives using the straight-line method.

When acquiring ERP software, the acquisition costs also include expenses that are required in addition to the expenses for transferring the software from a third party to the company's own economic control in order to make the software ready for use, provided that these expenses are directly attributable to the acquisition. Until the software reaches operational readiness, acquisition costs, including directly attributable incidental acquisition costs, are reported under advance payments made.

A useful life of three to five years applies to software. Other intangible assets, such as patents and licenses, are amortized as per their respective, contractually agreed useful life. A useful life of 5 to 13 years was applied to acquired customer relationships in the context of acquisitions.

Depreciation and amortization are reported in the income statement under the department costs for manufacturing, administration, distribution, and research and development.

## Property, plant and equipment

All items of property, plant and equipment are recognized at their cost of acquisition or manufacture, less scheduled depreciation according to use. Government grants are offset against acquisition costs. Straight-line depreciation is applied over the useful life of the property, plant and equipment. Property, plant and equipment are depreciated over the following economic useful lives:

**Useful life**

| | |
|---|---|
| Buildings | 20 to 40 years |
| Plant and machinery | 5 to 20 years |
| Factory and office equipment | 3 to 10 years |

## Impairment losses of definite-lived other intangible assets and property, plant and equipment

The carrying amount of definite-lived other intangible assets and property, plant and equipment are evaluated if there are indications of a potential impairment. An impairment loss is recognized if the recoverable value of an asset (defined as the higher of the asset's net selling price or its value in use) is lower than the carrying amount. If the reason for a previously recognized impairment no longer exists, the impairment is reversed at its brought-forward depreciated or amortized cost of purchase or manufacture. In the income statement, impairment losses are reported as other operating expenses and reversals of impairment losses are reported as other operating income.

## Government grants

A government grant is recognized if there is reasonable assurance that the grant will be received and that the entity will comply with the conditions attached to it. Grants relating to expenses are recognized as income on a systematic basis over the period in which the costs they are intended to compensate are recognized.

In respect to grants for an asset, the grant is deducted from the carrying amount of the relevant asset. The grant is then recognized in profit or loss over the useful life of the depreciable asset as a reduced depreciation expense.

## Leases

Leases are recognized in the lessee's balance sheet. Lessees recognize a right-of-use asset that constitutes a right to use the underlying asset and a lease liability representing their obligation to make lease payments. There are exemptions for short-term leases and leases for low-value assets which the FUCHS Group utilizes. The provisions on accounting for leases affect the FUCHS Group as a lessee, particularly for leases of real estate and vehicles. Please refer to note 15 for further information.

→ **268** Property, plant and equipment

## Shares in companies consolidated at equity and other financial assets

Companies over which FUCHS exerts significant influence, which is generally assumed with an interest between 20% and 49% (associates), are accounted for using the equity method. Joint ventures are also accounted for using the equity method. Besides the investment held, any voting rights distribution in place is also taken into account. Companies are accounted for using the equity method in proportion to the equity held. Proportionate earnings are recognized in profit or loss and added to the carrying amount. Dividend payments made by joint ventures and associates reduce their equity and are deducted from the carrying amount without affecting net income.

Gains from the disposal of a company consolidated at equity are reported under income from companies consolidated at equity.

The investment reported under other financial assets relates to a non-listed investment that has been measured at fair value using a discounted cash flow method in line with IFRS 9.

Loans are shown at cost or, in the case of non-interest-bearing loans, at their present value. Identifiable risks are taken into account by recognizing impairment losses.

## Hyperinflation

For the FUCHS subsidiary in Argentina with the Argentinian peso as functional currency, the standard for hyperinflation (IAS 29) is applied retrospectively, i.e. as if the economy had already been hyperinflationary. The standard requires the adjustment of non-monetary assets and liabilities, total equity and all items of the income statement using a price index for the measuring unit valid on the reporting date. Inflation is calculated on the basis of regularly updated consumer price indices, taking into account the requirements of the FACPCE authority. All amounts in the financial statements of the subsidiary were translated at closing rates. Our two joint ventures, OPET FUCHS in Turkey, with the Turkish lira as its functional currency, and FUCHS LUBRICANTS IRANIAN in Iran, with the Iranian rial as its functional currency, have applied the hyperinflation standard (IAS 29). The balance sheets and income statements of both joint ventures were also adjusted in accordance with the hyperinflation standard using a price index (Türkiye İstatistik Kurumu – Turkish Statistical Institute and the Consumer Price Index of the Iranian Statistics Center) to determine FUCHS' share of net assets, which is reflected in the interests in equity-accounted investments, and FUCHS' share of profit or loss, which is recognized in the equity-accounted results in the FUCHS Group's consolidated financial statements. All amounts in the financial statements of the joint ventures were translated at the closing exchange rates. The adjustments recognized directly in equity from indexing and translation at the closing rate at the relevant companies are recognized jointly in the currency reserve in the FUCHS Group's equity. The effect on FUCHS Group's current earnings is immaterial. There are thus no significant effects on the FUCHS Group's net assets, financial position and results of operations.

## Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognized when an entity becomes a party to the contractual provisions of the financial instrument. Regular way purchases and sales of financial instruments are generally recognized on the settlement date. Derivatives are recognized on the day of trading. When measuring financial instruments, a distinction is made between "amortized cost" and "fair value." A further distinction is made between changes in fair value recognized in income and those recognized in other comprehensive income.

## Financial assets

The classification and measurement of financial assets is based firstly on the cash flow condition (exclusively cash flows from interest and capital repayment). This means the specific form of the contractually agreed cash flows of an individual financial asset. Secondly they depend on the business model according to which the portfolios of financial assets are managed.

With the exception of forward currency transactions and the investment described below, both of which are carried at fair value, all other financial assets are measured at amortized cost, unchanged from the previous year, as they meet the cash flow criteria and the "Hold" business model. With the "Hold" business model, the financial assets are to be held to collect the contractual cash flows.

In respect to the classification and measurement of financial assets, one investment is reported at fair value using a discounted cash flow method in line with IFRS 9. For this investment, which is not held for trading as an unlisted equity instrument, the FUCHS Group utilizes the option of recognizing changes at fair value through other comprehensive income in the statement of comprehensive income.

## Financial liabilities

- Financial liabilities to be measured at fair value through profit and loss: At the FUCHS Group, this category includes derivatives (forward currency transactions) with a negative fair value, which are reported under other current liabilities, and contingent consideration from company acquisitions, which is reported under other current and non-current liabilities.
- Other financial liabilities: These include, among others, trade payables, bank liabilities, and, in some cases, other liabilities. These are recognized at amortized cost, which generally corresponds to the repayable amount.

The categories and measurement of financial liabilities have not changed since the previous year.

For classifications of financial assets and financial liabilities, please refer to note 33 on "Financial instruments".
→ 288 Financial instruments

In accordance with IFRS 9, impairment on financial assets which is not recognized at fair value in profit and loss must also be taken into account for expected credit losses. The extent is determined both by the credit risk of a financial asset and by the change of the respective credit risk: If the credit risk of the financial asset has significantly increased since its initial recognition, then the expected lifetime credit losses of an asset are recognized. However, if the credit risk has not significantly increased in the stated period of time, then generally only the expected credit losses expected in the next twelve months are recognized as impairment.

In deviation from this method, in line with the planned simplified approach, for example on trade receivables, the expected lifetime credit losses are always reported as impairment. To calculate expected credit losses, discount rates calculated as a percentage are used. They reflect the customer sectors and the economic environment of the respective geographic region.

In addition, trade receivables and other financial assets not recognized at fair value in profit and loss, such as loans and other receivables and other financial assets, are tested for impairment individually if there are objective indications of impairment. If there is objective evidence for an impairment of the previously stated financial assets, an individual valuation adjustment is undertaken. When assessing the need for an impairment, past due payments as well as regional, sector and company-specific conditions are considered. In addition, use is made of external ratings as well as the assessments of debt collection agencies and credit insurers when available. In this way, it can be ensured that all receivables and loans which are not of excellent credit quality are immediately impaired. Receivables and loans are derecognized when their uncollectability is finally determined. If the reason for an impairment no longer exists, a write-up is recognized in profit or loss totaling not more than the amortized cost.

IFRS 9 also contains regulations on the application of hedge accounting, to present the risk management activities of a company better, especially in respect to the management of non-financial risks.

Derivative financial instruments, such as the forward currency transactions used by the Group, are recognized at fair value. Market values correspond to the expenses or income from a (theoretical) termination of the derivative agreements with effect from the end of the reporting period. The valuation of these financial instruments is based on generally recognized evaluation models and mathematical processes (present value method for forward exchange transactions) on the basis of current market data.

The FUCHS Group uses derivative financial instruments (derivatives) solely to limit the risks in its operating business and the resultant financial transactions arising from fluctuations in interest rates and exchange rates.

As in the previous year, all hedging instruments are recognized in profit or loss.

Income from interest-bearing assets is recognized on the outstanding receivables at the reporting date using the interest rates calculated under the effective interest method.

Detailed information on financial instruments can be found in the “Notes to the balance sheet” under note 33. → **288** Financial instruments

## Deferred taxes

Deferred taxes are recognized for all temporary differences between tax base and IFRS accounting methods at the consolidated companies, and for consolidation measures which affect the income statement. Deferred tax assets essentially relate to tax effects on eliminated intercompany profits within the Group, particularly in the category of inventories, non-current and current liabilities, and to pension provisions. They also include tax credits which result from the expected use of losses carried forward over subsequent years and which are likely to be realized with sufficient certainty. Deferred tax assets are subject to impairment if the realization of the tax claim is unlikely. Deferred tax liabilities mainly result from long-term asset depreciation differences between the Group's uniform depreciation rules and applicable tax laws, as well as from measurement of assets at fair value pursuant to IFRS within the scope of acquisitions for which the values in the tax balance sheet differ. Deferred taxes are determined on the basis of tax rates to be applied or expected to be applied on the date of realization pursuant to the legislation in the countries involved. Deferred tax assets and liabilities are netted to the extent that they are handled by a single tax authority. The changes in deferred tax assets and liabilities are recognized through profit or loss. In cases where gains and losses are recognized directly in equity, tax assets and liabilities to be deferred in this context are also recognized directly in equity.

## Inventories

Inventories comprise raw materials and supplies, work in progress and services, as well as finished products and merchandise. Inventories are measured at cost. If the net realizable value is lower than the acquisition or production cost, the asset is written down to this lower value. Inventories are measured using the weighted average cost method. The manufacturing costs comprise production-related full costs, determined on the basis of standard capacity utilization.

Write-downs are effected to cover risks resulting from inventory coverage or reduced sale ability. Uniform write-down stipulations are in place throughout the Group for any cases in which certain shelf lives are exceeded.

## Receivables and other assets

Receivables and other assets are accounted for at amortized cost. Identifiable risks are accounted for with appropriate valuation allowances. Individual allowances are recognized if receivables cannot be collected or if collection is unlikely. Non-interest-bearing receivables with terms of more than one year are discounted. Receivables in foreign currencies are measured with their respective exchange rates at the end of the reporting period.

## Cash and cash equivalents

Cash and cash equivalents include securities with terms of less than three months. Cash and cash equivalents are measured at cost.

## Assets held for sale

Non-current assets are classified as held for sale when a sale is highly likely and the asset is available for immediate sale in its current state, and it has been decided to sell the asset or the disposal group within one year. These assets, or the disposal group, are measured at their carrying amount and fair value less the cost of disposal, whichever is the lower. They are no longer depreciated on a scheduled basis. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss.

## Pension provisions and similar obligations

The provisions for pensions are recognized using the projected unit-credit method in accordance with IAS 19. This method covers not only the pensions and acquired entitlements known at the end of the reporting period, but also future anticipated increases in pensions and salaries, with the relevant input factors being estimated. The calculation is based on actuarial expertise taking into account the relevant biometric factors. In Germany, the biometric data is based on the 2018 G mortality tables by Prof. Dr. Klaus Heubeck.

The pension obligations are shown net of plan assets at fair value (offset). Any asset surplus is reported in non-current assets.

The charges from forming pension provisions at the level of current service expenses are recognized in staff costs in the function categories. The interest on pension obligations and the interest income from plan assets are disclosed in the financial result.

The results of remeasurements of pension obligations/plan assets in the form of actuarial gains and losses are recognized in other comprehensive income in the statement of comprehensive income.

Contributions paid into defined contribution plans, for which no obligations other than the payment of contributions to assigned pensions funds apply, are recognized in profit or loss in the year in which they occur.

## Share-based remuneration

The members of the Executive Board and Supervisory Board are required to invest part of their compensation in preference shares of FUCHS SE within two weeks of receipt of compensation. The preference shares of the company acquired shall be held for at least four years from the date of their respective acquisition. The freezing period shall also apply beyond the termination of the Executive Board or Supervisory Board activities. The obligatory personal investment and the four-year lock-up period ensure that the recipient of the special-purpose cash payment receives nothing but shares, thus meeting the requirements for equity-based compensation with equity instruments under IFRS 2. This part of the cost-effective remuneration is recognized in total equity in accordance with IFRS 2. Detailed information on share-based payment can be found in Note 36 Related party disclosures → 298 Relationships with related parties and Note 37 Information on the organs of the Company → 300 Information on the company's executive bodies.

## Other provisions

Other provisions are recognized if there is an obligation to third parties resulting from a previous event which can be expected to lead to outflows of funds, the level of which can be reliably determined. They represent uncertain obligations which are recognized at best estimate levels to meet the respective obligation. The values shown for provisions indicate those amounts which are required for covering future payment obligations, identifiable risks and uncertain liabilities of the Group. Possible price and cost increases are included in the measurement. If the amount of the provision can only be determined within a certain bandwidth, the most likely value is taken. In the case of equal probability, the mean average value is recognized. Non-current provisions with a remaining term of more than one year are discounted at market interest rates which correspond to the risk and the time period up to completion. Claims for reimbursement against third parties are not offset against the provisions, but rather recognized as a separate asset, insofar as their realization is virtually certain.

## Liabilities

Liabilities are generally recognized at amortized cost. Derivatives and contingent consideration from company acquisitions are an exception here, as they are recognized at fair value.

Lease liabilities are reported at the present value of future lease payments and reported in current and non-current financial liabilities.

# Notes to the income statement

## 1 Sales revenues

Sales revenues can be broken down by product group as follows:

**Breakdown of sales revenues by product group**

| 2024 | EMEA in € million | EMEA in % | Asia-Pacific in € million | Asia-Pacific in % | North and South America in € million | North and South America in % | FUCHS Group in € million | FUCHS Group in % |
|---|---|---|---|---|---|---|---|---|
| Automotive lubricants | 911 | 48 | 529 | 54 | 106 | 16 | 1,546 | 44 |
| Industrial lubricants and specialties | 877 | 47 | 447 | 45 | 529 | 80 | 1,853 | 53 |
| Other products | 93 | 5 | 9 | 1 | 24 | 4 | 126 | 3 |
| | **1,881** | **100** | **985** | **100** | **659** | **100** | **3,525** | **100** |

| 2023 | EMEA in € million | EMEA in % | Asia-Pacific in € million | Asia-Pacific in % | North and South America in € million | North and South America in % | FUCHS Group in € million | FUCHS Group in % |
|---|---|---|---|---|---|---|---|---|
| Automotive lubricants | 936 | 50 | 544 | 55 | 101 | 15 | 1,581 | 45 |
| Industrial lubricants and specialties | 872 | 46 | 428 | 44 | 546 | 81 | 1,846 | 52 |
| Other products | 82 | 4 | 7 | 1 | 25 | 4 | 114 | 3 |
| | **1,890** | **100** | **979** | **100** | **672** | **100** | **3,541** | **100** |

The product area automotive lubricants particularly includes engine oils, gear oils and shock-absorber fluids. At €1,546 million (1,581), the FUCHS Group's realized sales revenues at this point in time were down on the previous year. The share of the group's turnover is 44 % (45).

The industrial lubricants and specialties product group mainly comprises metalworking fluids, corrosion preventatives, hydraulic and gear oils, greases, and other specialties. Sales revenues of this product group realized in relation to a point in time were above the previous year at €1,853 million (1,846) in the FUCHS Group. At 53 % (52), this group represents the largest share of Group sales revenues.

Other products mainly include toll blending, chemical process management and trade activities. Its share in the FUCHS Group increased to €126 million (114), while its share of Group sales revenues was unchanged at 3 %.

## 2 Cost of sales

| in € million | 2024 | 2023 |
|---|---|---|
| Cost of purchased raw materials, supplies, goods for resale and purchased services | 2,040 | 2,138 |
| **Cost of materials** | **2,040** | **2,138** |
| Staff costs | 137 | 127 |
| Depreciation and amortization of property, plant and equipment and other intangible assets | 44 | 42 |
| Third-party services | 34 | 33 |
| Maintenance costs | 22 | 23 |
| Energy costs | 20 | 21 |
| IT/ERP costs | 3 | 3 |
| Other taxes | 2 | 2 |
| Other costs | 8 | 7 |
| | **2,310** | **2,396** |

## 3 Selling and distribution expenses

| in € million | 2024 | 2023 |
|---|---|---|
| Staff costs | 237 | 220 |
| Freight | 132 | 132 |
| Depreciation and amortization of property, plant and equipment and other intangible assets | 33 | 30 |
| Marketing costs | 20 | 17 |
| Commission payments | 20 | 18 |
| Third-party services | 18 | 20 |
| Travel expenses | 16 | 15 |
| IT/ERP costs | 8 | 5 |
| Maintenance costs | 5 | 5 |
| Rental and lease expenses | 3 | 2 |
| Other taxes | 1 | 1 |
| Other costs | 18 | 16 |
| | **511** | **481** |

Marketing costs also include expenses for automotive and motorbike sponsoring, participation in trade fairs, advertising materials, promotional gifts, and advertisements. Other costs include pro rata energy costs, costs of communication and pro rata insurance premiums.

## 4 Administrative expenses

| in € million | 2024 | 2023 |
|---|---|---|
| Staff costs | 113 | 103 |
| IT/ERP costs | 19 | 17 |
| Depreciation and amortization of property, plant and equipment and other intangible assets | 13 | 14 |
| Third-party services | 13 | 12 |
| Audit and consultancy costs | 12 | 8 |
| Travel expenses | 5 | 4 |
| Maintenance costs | 2 | 2 |
| Rental and lease expenses | 1 | 2 |
| Other taxes | 5 | 5 |
| Other costs | 16 | 15 |
| | **199** | **182** |

IT/ERP costs comprise expenses in connection with IT operations and costs for ERP systems used to manage business processes. Other costs include pro rata energy costs, communication costs and pro rata insurance premiums.

## 5 Research and development expenses

| in € million | 2024 | 2023 |
|---|---|---|
| Staff costs | 49 | 46 |
| Third-party services | 10 | 9 |
| Depreciation and amortization of property, plant and equipment and other intangible assets | 7 | 5 |
| Maintenance costs | 2 | 2 |
| Other costs | 11 | 9 |
| | **79** | **71** |

Of the originally incurred research and development expenses, €50 million (46) is attributable to the EMEA region.

## 6 Other operating income and expenses

This item includes all operating income and expenses that cannot be allocated directly to the functions.

**Other operating income and expenses**

| in € million | 2024 | 2023 |
|---|---|---|
| Income from | | |
| Currency translation and exchange rate gains | 8 | 10 |
| Licenses and own work capitalized | 4 | 2 |
| Cost allowances | 3 | 6 |
| Reversals of provisions | 2 | 1 |
| Reversals of write downs of receivables | 2 | 2 |
| Disposals of fixed assets | 1 | 4 |
| Miscellaneous operating income | 10 | 8 |
| **Other operating income** | **30** | **33** |
| Currency translation and exchange rate losses | 10 | 14 |
| Restructuring costs and severance payments | 8 | 4 |
| Write-downs of receivables | 3 | 5 |
| Losses from the disposal of fixed assets | 1 | 0 |
| Impairment losses on assets held for sale | 0 | 4 |
| Miscellaneous operating expenses | 8 | 11 |
| **Other operating expenses** | **30** | **38** |
| **Other operating income and expenses** | **0** | **–5** |

Miscellaneous operating income includes, among other things, income from other sales and services.

The balance of income and expenses from currency exchange gains and loss of –€2 million (–4) relates to effects of currency translation of individual transactions in foreign currencies into the functional currency of the respective FUCHS subsidiary.

Write-downs of receivables include irrecoverable receivables of €1 million (1).

Miscellaneous operating expenses include, among other things, cost of sales for other sales, licensing expenses, and risks from non-operating activities, such as environmental obligations and provisions for transaction tax risks.

## 7 Income from companies consolidated at equity

Income from companies consolidated at equity includes the pro rata earnings from joint ventures and associated companies.

**Income from companies consolidated at equity**

| in € million | 2024 | 2023 |
|---|---|---|
| Income from companies consolidated at equity | 8 | 7 |

More information is provided in note 16 Shares in companies consolidated at equity.
→ 273 Shares in companies consolidated at equity

## 8 Financial result

| in € million | 2024 | 2023 |
|---|---|---|
| Other interest and similar income | 3 | 2 |
| **Interest income** | **3** | **2** |
| Interest and similar expenses | –6 | –8 |
| Hedging costs of intercompany loans | –1 | –3 |
| Leases | –2 | –1 |
| Pension obligations | | |
| Interest expense | –4 | –4 |
| Interest income from plan assets | 4 | 4 |
| **Interest expenses** | **9** | **12** |
| **Financial result** | **–6** | **–10** |

## 9 Income taxes

Taxes on income comprise income taxes paid or payable in the various countries, plus deferred taxes. The calculation of deferred taxes is based on the tax rates expected to apply in the various countries at the time of realization, based on the tax laws applicable or passed at the end of the reporting period.

**Income taxes**

| in € million | 2024 | 2023 |
|---|---|---|
| Current taxes | 128 | 124 |
| thereof Germany | 49 | 56 |
| thereof international | 79 | 68 |
| Deferred taxes | −2 | −4 |
| thereof Germany | 1 | 0 |
| thereof international | −3 | −4 |
| **Total** | **126** | **120** |

Current taxes include €0 million (5) in taxes for past financial years.

The German tax rate is based on a corporate tax rate of 15.8% (15.8), taking into account the solidarity surcharge of 5.5% (5.5). Including trade tax of 15.3% (15.3), the total tax burden in Germany is about 31.1% (31.1). Profits generated by our companies outside Germany are taxed at the respective local rates. The tax rates applied in these individual countries for calculating deferred taxes are between 10% (11) and 34% (34).

Tax assets and provisions are netted to the extent that they relate to the same taxation authority and may be offset.

The difference between anticipated and recognized income tax expense is attributable to the following:

**Tax reconciliation**

| in € million | 2024 | in % | 2023 | in % |
|---|---|---|---|---|
| Earnings before tax (EBT) | 428 | | 403 | |
| **Expected tax expense** | **133** | **31.1** | **125** | **31.1** |
| Taxation rate differences | −18 | −4.3 | −19 | −4.7 |
| Non-deductible expenses | 8 | 1.9 | 9 | 2.2 |
| Tax-free income | −2 | −0.5 | −3 | −0.7 |
| Income from companies consolidated at equity | −3 | −0.7 | −2 | −0.5 |
| Taxes for prior periods | 0 | 0.0 | 5 | 1.2 |
| Withholding taxes | 8 | 1.9 | 6 | 1.5 |
| Other | 0 | 0.0 | −1 | −0.3 |
| **Reported tax expense** | **126** | **29.4** | **120** | **29.8** |

The reported tax expense relative to earnings before tax (EBT) leads to a rate of taxation of 29.4% (29.8). The Group's tax rate adjusted for income from companies consolidated at equity is 30.0% (30.3).

## 10 Non-controlling interests

The profit attributable to non-controlling interests, amounting to €0 million (1), is mainly allocated to co-shareholders in France and Vietnam (previous year: Austria, France, and Vietnam).

## 11 Earnings per share

| in € million | 2024 | 2023 |
|---|---|---|
| **Profit attributable to shareholders of FUCHS SE** | **302** | **282** |
| **Earnings per ordinary share in €** | | |
| Earnings per share | 2.29 | 2.08 |
| Weighted average number of ordinary shares | 65,782,317 | 67,364,764 |
| **Earnings per preference share in €** | | |
| Earnings per share | 2.30 | 2.09 |
| Weighted average number of preference shares | 65,791,771 | 67,483,136 |

Pursuant to IAS 33, the additional dividend of €0.01 per share to be distributed to preference shareholders is allocated in advance. The remainder of the consolidated earnings after tax and non-controlling interests is distributed on a weighted basis among the two share classes.

In accordance with the rules laid down in IAS 33.20, own shares acquired under the share buyback program are not taken into account in calculating earnings per share.

Diluted earnings per share are the same as basic earnings per share.

## 12 Other taxes

Other taxes included in the functional costs amounting to €8 million (8) relate to non-income-related taxes. €5 million (5) of this amount is attributable to foreign Group companies in Argentina, China, France, United Kingdom, and the USA.

## 13 Staff costs / employees

**Staff costs**

| in € million | 2024 | 2023 |
|---|---|---|
| Wages and salaries | 453 | 420 |
| Social security contributions and expenses for pensions and similar obligations | 83 | 76 |
| thereof for pensions | 13 | 12 |
| | **536** | **496** |

Staff costs amount to €137 million (127) for the cost of goods sold, €237 million (220) for selling expenses, €113 million (103) for administrative expenses, and €49 million (46) for research and development expenses.

For preference shares with a value of €0.5 million (0.4), which were offered for sale to entitled employees in Germany at preferential conditions within the context of the employee share program, there were expenses of €0.1 million (0.1).

**Employees**

| Annual average | 2024 | 2023 |
|---|---|---|
| EMEA | 4,147 | 3,884 |
| Asia-Pacific | 1,095 | 1,038 |
| North and South America | 1,159 | 1,130 |
| Holding companies | 158 | 153 |
| **Number of employees** | **6,559** | **6,205** |
| **thereof trainees** | **109** | **119** |

The average number of employees includes trainees.

# Notes to the balance sheet

## 14 Goodwill and other intangible assets

**Development of goodwill and other intangible assets in 2024**

| in € million | Goodwill | Miscellaneous intangible assets | Advance payments on intangible assets | Total other intangible assets |
|---|---|---|---|---|
| **Acquisition and manufacturing costs (gross)** | | | | |
| Dec 31, 2023 | 273 | 293 | 1 | 294 |
| Currency exchange differences | 8 | 5 | 1 | 6 |
| Additions from acquisitions | 52 | 24 | 0 | 24 |
| Additions | 0 | 2 | 8 | 10 |
| Disposals | 0 | –3 | 0 | –3 |
| Reclassifications | 0 | 1 | –1 | 0 |
| Dec 31, 2024 | 333 | 322 | 9 | 331 |
| **Accumulated amortization** | | | | |
| Dec 31, 2023 | 24 | 222 | 0 | 222 |
| Currency exchange differences | 0 | 2 | 0 | 2 |
| Scheduled amortization and depreciation | 0 | 23 | 0 | 23 |
| Impairment losses | 0 | 0 | 0 | 0 |
| Disposals | 0 | –3 | 0 | –3 |
| Reclassifications | 0 | 0 | 0 | 0 |
| Dec 31, 2024 | 24 | 244 | 0 | 244 |
| **Net value as of Dec 31, 2024** | **309** | **78** | **9** | **87** |

For information on the additions from acquisitions, please refer to the section on acquisitions. → 56 Acquisitions

**Development of goodwill and other intangible assets in 2023**

| in € million | Goodwill | Miscellaneous intangible assets | Advance payments on intangible assets | Total other intangible assets |
|---|---|---|---|---|
| **Acquisition and manufacturing costs (gross)** | | | | |
| Dec 31, 2022 | 278 | 290 | 4 | 294 |
| Currency exchange differences | –5 | –4 | 0 | –4 |
| Additions from acquisitions | 0 | 0 | 0 | 0 |
| Additions | 0 | 4 | 0 | 4 |
| Disposals | 0 | 0 | 0 | 0 |
| Reclassifications | 0 | 3 | –3 | 0 |
| Dec 31, 2023 | 273 | 293 | 1 | 294 |
| **Accumulated amortization** | | | | |
| Dec 31, 2022 | 24 | 201 | 0 | 201 |
| Currency exchange differences | 0 | –2 | 0 | –2 |
| Scheduled amortization and depreciation | 0 | 23 | 0 | 23 |
| Impairment losses | 0 | 0 | 0 | 0 |
| Disposals | 0 | 0 | 0 | 0 |
| Reclassifications | 0 | 0 | 0 | 0 |
| Dec 31, 2023 | 24 | 222 | 0 | 222 |
| **Net value as of Dec 31, 2023** | **249** | **71** | **1** | **72** |

## Goodwill of the cash-generating units

**Overview of the goodwill**

| in € million | 2024 | 2023 |
|---|---|---|
| North America | 197 | 167 |
| Germany, Switzerland and Benelux | 78 | 48 |
| Another eight (eight) goodwill-carrying units | 34 | 34 |
| **Goodwill** | **309** | **249** |

The increase in goodwill in North America includes €22 million from the acquisition and €8 million from currency differences. The increase in Germany, Switzerland, and Benelux amounts to €30 million due to the acquisitions of the LUBCON and STRUB Group (→ 56 Acquisitions). As a result of these acquisitions, FUCHS now has access to the Swiss market. In the regional management structure, the same management is responsible for Switzerland as for Germany and Benelux.

Goodwill is not subject to any amortization, but undergoes an impairment test at least once a year in line with IAS 36 and also whenever there are indications of an impairment. Impairment losses are recognized as and when appropriate.

An impairment is to be recognized if the carrying amount of the net assets of the cash-generating unit or group of cash-generating units, including assigned goodwill, exceeds the recoverable amount. In the FUCHS Group, goodwill is managed by a regional management team. The recoverable amount is determined based on the value-in-use concept. A discounted cash flow method is used to determine the value in use. The mid-term planning, which consists of the budget plan for 2025 and generally the planning years 2026 to 2029, was used as the basis for cash flow planning. The planning is based on past experience, the current operating results, and the best possible estimate of corporate management regarding future developments. The projected figures are based on detailed budgets and their extrapolation. These incorporate growth rate assumptions, which take into account the conditions in the local sales markets at the time of budget drafting, current expectations regarding price trends in the procurement markets and inflation expectations. Alongside inflation and country risks, local taxation rates are also considered in the discount rate.

Due to the currently unpredictable global consequences of geopolitical tensions and economic uncertainties, including the war in Ukraine and potential trade barriers, these estimates and judgments are subject to increased uncertainty. The amounts that actually arise may differ from the estimates and judgments.

For the time period following mid-term planning, a terminal value is extrapolated based on the last detailed planning year. When determining the terminal value, country-specific growth rates of 1.0 % (1.0) to 2.0 % (2.0) are taken into account to consider inflation-based growth. The impairment test for North America (US subgroup) as well as Germany, Switzerland and Benelux is based on the assumption of a country-specific sustainable growth rate of 1.0 % (1.0).

The discount rate is a weighted average cost of capital (WACC), which is made up of the costs of borrowed capital and equity capital weighted with the capital structure. The shareholders' equity costs are determined from capital market data using the Capital Asset Pricing Model (CAPM) and are made up of a risk-free interest rate and a risk premium (consisting of the market risk premium and beta factor). When determining the value in use of the cash-generating units, discount rates of 7 % (7) to 12.5 % (14.5) after taxes were applied, taking into account country-specific risks. Weighted pre-tax discount rates range from 9 % (10.5) to 17 % (18). A weighted average cost of capital of 7 % (7.5) and 7 % (7) after tax or 9 % (9.5) and 10 % (10.5) before tax was taken into account in the impairment test for North America as well as Germany, Switzerland and Benelux.

Impairments are reported in other operating expenses.

In financial years 2024 and 2023, there were no impairment losses on goodwill.

Sensitivity calculations were made to account for assessment uncertainties. Firstly, a 20% reduction of future cash flows was assumed here. Secondly, the weighted average cost of capital was increased by 1 percentage point. As a result of these sensitivity calculations, an impairment loss would only have had to be recognized for the goodwill-carrying unit Russia. In the scenario of a 20% reduction in future cash flows, the goodwill allocated to the cash-generating unit, amounting to €3 million, would need to be fully impaired.

**Other intangible assets**

These consist mainly of acquired customer relationships, technologies, formulas, and trademark rights as well capitalized licenses for computer software. The remaining book value of acquired customer relationships from acquisitions over the past ten years is approximately €60 million (53). Their remaining useful life is generally between 1 and 10 years (between 2 and 8 years).

Other intangible assets also comprise advance payments of €9 million (1). These primarily relate to the capitalized acquisition costs associated with the global implementation of SAP S/4HANA, which began in 2024.

## 15 Property, plant and equipment

Additions in 2024 mainly involved locations in Germany, North America, South Africa, and China.

**Development of property, plant and equipment in 2024**

| in € million | Land, land rights and buildings | Technical equipment and machinery | Other equipment, factory and office equipment | Construction in progress | Total |
|---|---|---|---|---|---|
| **Acquisition and manufacturing costs (gross)** | | | | | |
| Dec 31, 2023 | 526 | 584 | 214 | 43 | 1,367 |
| Currency exchange differences | 7 | 8 | 1 | 0 | 16 |
| Additions from acquisitions | 24 | 2 | 2 | 0 | 28 |
| Additions | 30 | 21 | 20 | 32 | 103 |
| Adjustment for hyperinflation | 1 | 1 | 1 | 0 | 3 |
| Disposals | –2 | –3 | –7 | –1 | –13 |
| Reclassifications | 1 | 29 | 4 | –33 | 1 |
| Dec 31, 2024 | 587 | 642 | 235 | 41 | 1,505 |
| **Accumulated amortization** | | | | | |
| Dec 31, 2023 | 155 | 314 | 147 | 0 | 616 |
| Currency exchange differences | 5 | 6 | 2 | –1 | 12 |
| Scheduled amortization and depreciation | 20 | 34 | 20 | 0 | 74 |
| Impairment losses | 0 | 0 | 0 | 0 | 0 |
| Adjustment for hyperinflation | 1 | 1 | 0 | 0 | 2 |
| Disposals | –2 | –3 | –7 | 0 | –12 |
| Reclassifications | 0 | –2 | 2 | 0 | 0 |
| Dec 31, 2024 | 179 | 350 | 164 | –1 | 692 |
| **Net value as of Dec 31, 2024** | **408** | **292** | **71** | **42** | **813** |

**Development of property, plant and equipment in 2023**

| in € million | Land, land rights and buildings | Technical equipment and machinery | Other equipment, factory and office equipment | Construction in progress | Total |
|---|---|---|---|---|---|
| **Acquisition and manufacturing costs (gross)** | | | | | |
| Dec 31, 2022 | 508 | 568 | 201 | 56 | 1,333 |
| Currency exchange differences | –12 | –16 | –2 | –2 | –32 |
| Additions from acquisitions | 0 | 0 | 0 | 0 | 0 |
| Additions | 23 | 17 | 22 | 35 | 97 |
| Adjustment for hyperinflation | 1 | 1 | 0 | 0 | 2 |
| Disposals | –11 | –3 | –11 | 0 | –25 |
| Reclassification into assets held for sale | –2 | –2 | –1 | –3 | –8 |
| Reclassifications | 19 | 19 | 5 | –43 | 0 |
| Dec 31, 2023 | 526 | 584 | 214 | 43 | 1,367 |
| | | | | | |
| **Accumulated amortization** | | | | | |
| Dec 31, 2022 | 149 | 292 | 141 | 0 | 582 |
| Currency exchange differences | –4 | –7 | –1 | 0 | –12 |
| Scheduled amortization and depreciation | 19 | 32 | 18 | 0 | 69 |
| Impairment losses | 1 | 1 | 0 | 3 | 5 |
| Adjustment for hyperinflation | 1 | 1 | 0 | 0 | 2 |
| Disposals | –10 | –3 | –10 | 0 | –23 |
| Reclassification into assets held for sale | –1 | –2 | –1 | –3 | –7 |
| Reclassifications | 0 | 0 | 0 | 0 | 0 |
| Dec 31, 2023 | 155 | 314 | 147 | 0 | 616 |
| **Net value as of Dec 31, 2023** | **371** | **270** | **67** | **43** | **751** |

## Leases

The division between owned and leased property, plant and equipment is as follows:

**Division between owned and leased property, plant and equipment as of December 31, 2024**

| in € million | Land, land rights and buildings | Technical equipment and machinery | Other equipment, factory and office equipment | Construction in progress | Total |
|---|---|---|---|---|---|
| Owned property, plant and equipment | 364 | 291 | 56 | 42 | 753 |
| Leased property, plant and equipment | 44 | 1 | 15 | 0 | 60 |
| **Carrying amount as of Dec 31, 2024** | **408** | **292** | **71** | **42** | **813** |

**Division between owned and leased property, plant and equipment as of December 31, 2023**

| in € million | Land, land rights and buildings | Technical equipment and machinery | Other equipment, factory and office equipment | Construction in progress | Total |
|---|---|---|---|---|---|
| Owned property, plant and equipment | 348 | 270 | 54 | 43 | 715 |
| Leased property, plant and equipment | 23 | 0 | 13 | 0 | 36 |
| **Carrying amount as of Dec 31, 2023** | **371** | **270** | **67** | **43** | **751** |

Depreciation, amortization, additions and other changes in leased property, plant and equipment break down by asset class as follows:

**Additions, amortization, and other changes in leased property, plant and equipment**

| in € million | Land, land rights and buildings | Technical equipment and machinery | Other equipment, factory and office equipment | Construction in progress | Total |
|---|---|---|---|---|---|
| **Carrying amount of leased property, plant and equipment as of Jan 1, 2023** | **19** | **0** | **10** | **0** | **29** |
| Additions | 10 | 0 | 8 | 0 | 18 |
| Depreciation and amortization | –5 | 0 | –5 | 0 | –10 |
| Other changes | –1 | 0 | 0 | 0 | –1 |
| **Carrying amount as of Dec 31, 2023** | **23** | **0** | **13** | **0** | **36** |
| Additions from acquisitions | 3 | 0 | 0 | 0 | 3 |
| Additions | 23 | 1 | 9 | 0 | 33 |
| Depreciation and amortization | –5 | 0 | –7 | 0 | –12 |
| Other changes | 0 | 0 | 0 | 0 | 0 |
| **Carrying amount as of Dec 31, 2024** | **44** | **1** | **15** | **0** | **60** |

Of the additions, €19 million is attributable to a lease agreement for a building in the USA used for research and development purposes as well as storage. The lease has a fixed term of 15 years. It began in July 2024 and will end in July 2039.

A further €1 million (3) of additions is attributable to the extension of rental and lease agreements.

The breakdown of discounted and undiscounted lease liabilities by maturity is shown in the following table:

**Discounted and undiscounted lease liabilities**

| | Discounted lease liabilities | | Undiscounted lease liabilities | |
|---|---|---|---|---|
| **in € million** | **2024** | 2023 | **2024** | 2023 |
| Due within one year | 12 | 9 | 14 | 10 |
| Due after more than one and up to five years | 23 | 17 | 28 | 19 |
| Due after more than five years | 19 | 3 | 24 | 3 |
| **Total** | **54** | **29** | **66** | **32** |

The amounts from the income statement that are attributable to leases are shown in the following table:

**Leases in the income statement**

| **in € million** | **2024** | 2023 |
|---|---|---|
| Depreciation and amortization | 12 | 10 |
| Interest expenses | 2 | 1 |
| Short-term leases with a term of up to 12 months | 5 | 5 |
| Low-value leases | 0 | 0 |
| Other expenses that were not included in the lease liability | 1 | 1 |

The amounts from the cash flow statement that are attributable to leases are shown in the following table:

**Leases in the cash flow statement**

| **in € million** | **2024** | 2023 |
|---|---|---|
| Depreciation and amortization | 12 | 10 |
| Repayment of financial liabilities from leases | 10 | 10 |
| Interest expenses | 2 | 1 |

Lease payments in connection with short-term leases, leases of low-value assets and other payments that were not included in the lease liability still continue to be reported in cash flow from operating activities.

Existing extension options that are unlikely to be exercised and therefore not considered in the valuation of the lease liability could result in undiscounted cash outflows of €31 million (5). The increase is mainly due to a 10-year extension option on a lease for a building in the USA used for research and development purposes as well as storage.

### Future non-recognized lease payments

Future lease-related payments are not included in the measurement of lease liabilities on the basis of IFRS 16 provisions. There are future payments from leases that have not begun but have already been contracted, as well as for short-term leases with a term of twelve months or less and for low-value leases. However, these are not material for the FUCHS Group.

## 16 Shares in companies consolidated at equity

The position includes 11 (11) companies consolidated at equity. For the measurement using the equity method, the proportionate equity was determined on the basis of financial statements as of December 31, 2024, prepared in accordance with the respective national legislation and adapted in line with the requirements of IFRS.

Please refer to the list of shareholdings under Note 40 for information on the composition of joint ventures and associates. → 304 Shareholdings

The following table shows the development of shares in companies consolidated at equity:

**Shares in companies consolidated at equity**

| in € million | 2024 | 2023 |
|---|---|---|
| **Carrying amount of shares in companies consolidated at equity on Jan 1** | **55** | **54** |
| Additions from acquisitions | 0 | 0 |
| Increases in capital-stock | 2 | 0 |
| Pro rata earnings after tax (closing rate) | 8 | 7 |
| Pro rata dividends received | –7 | –6 |
| Pro rata other comprehensive income | 4 | 0 |
| **Carrying amount of shares in companies consolidated at equity on Dec 31** | **62** | **55** |

The following table shows the breakdown of the income from companies consolidated at equity:

**Income from companies consolidated at equity**

| in € million | 2024 | 2023 |
|---|---|---|
| Pro rata earnings after tax (average rate) | 8 | 7 |
| **Income from companies consolidated at equity** | **8** | **7** |

The following table shows summarized earnings data and the carrying amount for the nine (previous year: nine) immaterial joint ventures:

**Carrying amount and aggregated profit and loss of the joint ventures**

| in € million | 2024 | 2023 |
|---|---|---|
| **Carrying amount of joint ventures accounted for using the equity method** | **49** | **41** |
| Earnings after tax | 6 | 6 |
| Pro rata earnings after tax | 3 | 3 |
| Pro rata other comprehensive income | 5 | 0 |
| **Pro rata comprehensive income after tax** | **8** | **3** |

The following table shows summarized financial data and the book value for the two (previous year: two) immaterial associated companies.

**Carrying amount and aggregated profit and loss of associates**

| in € million | 2024 | 2023 |
|---|---|---|
| **Carrying amount of associated companies accounted for using the equity method** | **12** | **14** |
| Earnings after tax | 18 | 14 |
| Pro rata earnings after tax | 5 | 4 |
| Pro rata other comprehensive income | –1 | 0 |
| **Pro rata comprehensive income after tax** | **4** | **4** |

## 17 Other financial assets

| in € million | 2024 | 2023 |
|---|---|---|
| Investments in companies | 6 | 6 |
| Other loans | 1 | 1 |
| | **7** | **7** |

One non-listed investment is measured at fair value using a discounted cash flow method in line with IFRS 9. As of December 31, 2024, a neutral change in the fair value of the equity instrument amounting to €0 million (–1) was recorded.

In accordance with their financing nature, the non-current portion of the receivables relating to delivery agreements in France of €1 million (1) is reported in other loans.

## 18 Deferred tax assets and liabilities

The recognized deferred taxes result from the following measurement differences and items:

**Deferred tax assets and liabilities**

| in € million | Deferred tax assets 2024 | Deferred tax assets 2023 | Deferred tax liabilities 2024 | Deferred tax liabilities 2023 |
|---|---|---|---|---|
| Property, plant and equipment | 8 | 8 | 47 | 38 |
| Other non-current assets | 3 | 3 | 15 | 17 |
| Inventories | 15 | 16 | 0 | 0 |
| Other current assets | 4 | 4 | 0 | 1 |
| Non-current provisions | 4 | 5 | 1 | 1 |
| Other non-current liabilities | 9 | 5 | 9 | 7 |
| Current provisions and liabilities | 16 | 16 | 3 | 1 |
| Expected use of losses carried forward | 2 | 0 | 0 | 0 |
| **Total deferred tax assets / liabilities** | **61** | **57** | **75** | **65** |
| Tax offset | –22 | –19 | –22 | –19 |
| **Total assets / liabilities** | **39** | **38** | **53** | **46** |

The total amount of deferred tax assets of €39 million (38) is essentially attributable to measurement differences between the items of inventories (elimination of intercompany profits), non-current provisions (mainly pension obligations), current provisions, and current and non-current liabilities in the IFRS balance sheet and their tax base. The deferred tax liabilities of €53 million (46) are essentially the result of temporary measurement differences (different depreciation methods and useful lives) between the IFRS balance sheet and their tax base in property, plant and equipment, as well as from the measurement of non-current assets at fair value pursuant to IFRS within the scope of acquisitions, for which the values in the tax balance sheet differ. Deferred tax liabilities on property, plant and equipment and deferred tax assets on current and non-current liabilities resulted from the gross presentation of rights of use and lease liabilities in accordance with IFRS, for which there were no tax balance sheet figures.

Tax loss carryforwards in the Group amount to €16 million (10). This is almost entirely attributable to the EMEA region. The deferred taxes of €4 million (2) recognized for this were subject to impairment losses of €2 million (2).

A deferred tax liability of €8 million (6) was recognized for future tax charges associated with planned dividend payments from foreign subsidiaries. In addition, no deferred tax liabilities were recognized on temporary differences of €29 million (26) relating to investments in subsidiaries, as it is not likely that the temporary differences will reverse in the foreseeable future.

The change in the net amount of deferred taxes was –€6 million (7) in the reporting year. Taking into account the deferred taxes recognized in equity for the financial year 2024, which include –€8 million (0) from deferred tax liabilities arising from the initial consolidation and €0 million (3) from the offsetting of pension obligations, the tax income from deferred taxes included in the income statement, considering currency effects, amounts to €2 million (4).

## 19 Inventories

The reported inventories comprise the following:

**Composition of inventories**

| in € million | Dec 31, 2024 | Dec 31, 2023 |
|---|---|---|
| Raw materials and supplies | 218 | 203 |
| Work in progress | 29 | 30 |
| Finished goods and merchandise | 320 | 291 |
| | **567** | **524** |

In the reporting year, income from reduced recoverability amounted to €2 million (2). At the end of the reporting period, the residual carrying amount of inventories that were written down amounted to €9 million (10).

## 20 Trade receivables

**Composition of receivables**

| in € million | Dec 31, 2024 | Dec 31, 2023 |
|---|---|---|
| Receivables due from customers | 511 | 490 |
| Receivables due from joint ventures and associates | 8 | 10 |
| | **519** | **500** |

Write-downs of trade receivables, which consist of expected credit losses and individual allowances, developed as follows:

**Development of impairments**

| in € million | 2024 | 2023 |
|---|---|---|
| **Impairments as of Dec 31 (previous year)** | **14** | **14** |
| Currency exchange differences | 0 | –1 |
| Additions | 2 | 4 |
| Utilization | –1 | –1 |
| Reversals | –2 | –2 |
| **Impairments as of Dec 31** | **13** | **14** |

The following table provides information on the extent of credit risks in the trade receivables as of December 31, 2024, and December 31, 2023:

**Receivables by maturity as of December 31, 2024**

| in € million | EMEA | Asia-Pacific | North and South America | FUCHS Group |
|---|---|---|---|---|
| Not yet due | 237 | 140 | 76 | 453 |
| Overdue: | | | | |
| less than 30 days | 25 | 13 | 14 | 52 |
| 30 to 90 days | 7 | 4 | 3 | 14 |
| 91 to 180 days | 2 | 0 | 1 | 3 |
| 181 to 360 days | 2 | 0 | 0 | 2 |
| more than 360 days | 6 | 2 | 0 | 8 |
| **Total gross receivables** | **279** | **159** | **94** | **532** |
| Minus expected credit losses (range in %) | 0.25–2.50 | 0.50–2.00 | 0.25–3.50 | |
| Minus expected credit losses | –2 | –1 | –1 | –4 |
| Minus individually assessed allowances | –6 | –2 | –1 | –9 |
| **Trade receivables** | **271** | **156** | **92** | **519** |

**Receivables by maturity as of December 31, 2023**

| in € million | EMEA | Asia-Pacific | North and South America | FUCHS Group |
|---|---|---|---|---|
| Not yet due | 228 | 132 | 71 | 431 |
| Overdue: | | | | |
| less than 30 days | 26 | 10 | 14 | 50 |
| 30 to 90 days | 7 | 4 | 6 | 17 |
| 91 to 180 days | 2 | 0 | 2 | 4 |
| 181 to 360 days | 4 | 0 | 1 | 5 |
| more than 360 days | 5 | 1 | 1 | 7 |
| **Total gross receivables** | **272** | **147** | **95** | **514** |
| Minus expected credit losses (range in %) | 0.25–3.00 | 0.50–2.00 | 0.50–3.25 | |
| Minus expected credit losses | –2 | –1 | –1 | –4 |
| Minus individually assessed allowances | –7 | –1 | –2 | –10 |
| **Trade receivables** | **263** | **145** | **92** | **500** |

Receivables can become impaired if customers do not meet their payment obligations. In the FUCHS Group, supplies are made primarily to commercial customers (B2B customers). In the context of the simplified approach for trade receivables, the lifetime credit losses are always used for impairment.

To calculate expected credit losses the largest part of the gross receivables which are not due, and gross receivables, which are up to 180 days past due, can be combined in a risk class with low credit risk. To calculate expected credit losses for this risk class, discount rates calculated as a percentage are used. They reflect the customer sectors and the economic environment of the respective geographic region on the basis of historical data and future expectations. Furthermore, if there is objective evidence for impairment, an individual valuation adjustment is undertaken.

Gross receivables which are more than 181 to 360 days past due and more than 360 days past due are combined into a second risk class with a higher credit and default risk. Individual value adjustments are made for this risk class if there are objective indications of impairment, e.g. for customers in financial difficulties. In addition, individually assessed allowances are made in line with how past due the receivables are.

## 21 Current tax receivables (income tax)

This relates to tax refund claims, primarily from Italian and Chinese (previous year: Chinese and American) income taxes.

## 22 Other receivables and other assets

### Other current receivables and assets

| in € million | Dec 31, 2024 | Dec 31, 2023 |
|---|---|---|
| Deferred income | 14 | 13 |
| Other taxes | 8 | 10 |
| Receivables due from joint ventures and associates | 3 | 2 |
| Fair value of derivative financial instruments | 1 | 0 |
| Miscellaneous other assets | 14 | 11 |
| | **40** | **36** |

Other taxes primarily relate to VAT receivables amounting to €8 million (8).

The Group's miscellaneous other assets include the current portion of customer loans of €1 million (2) in connection with delivery agreements in France, after deduction of impairments totaling €2 million (2). In addition, miscellaneous other assets include refund claims, deposits, withholdings, and other customer loans and receivables from other sales. For the classification into financial and non-financial assets, please refer to Note 33.
→ 288 Financial instruments

### Other non-current receivables and assets

Non-current other receivables and other assets amount to €8 million (8). This represents essentially the assets of covered pension schemes amounting to €5 million (5).

## 23 Cash and cash equivalents

Cash and cash equivalents amounting to €153 million (175) consist of bank balances, cash on hand, checks not yet deposited, and bills of exchange. Of the cash and cash equivalents, €7 million (2) relates to our subsidiary in Russia, which is subject to capital movement restrictions.

## 24 Assets held for sale

| in € million | Dec 31, 2024 | Dec 31, 2023 |
| --- | --- | --- |
| Assets held for sale | 0 | 1 |
| | **0** | **1** |

Assets held for sale in the previous year amounting to €1 million were sold in the reporting year.

## 25 Total equity

Solid capital resources are indispensable for the company's continued existence as a going concern. Gearing (the ratio of financial liabilities and pension provisions less cash and cash equivalents to shareholders' equity) and the equity ratio are important indicators of the capital structure.

### Subscribed capital

The subscribed and fully paid-up capital of FUCHS SE decreased in the reporting year due to the cancellation of treasury shares in the nominal amount of €8 million, reducing the total to €131 million (139).

The shares of FUCHS SE are registered shares. Each ordinary share carries one vote at the Annual General Meeting. The preference shares carry no voting rights, except in cases prescribed by law. In accordance with the Articles of Association, each preference share receives a share in profits of €0.01 per share compared to an ordinary share.

### Share buyback program

On June 21, 2022, the FUCHS SE Executive Board – with the approval of the Supervisory Board – made use of the authorization provided by the Annual General Meeting of May 5, 2020, to launch a share buyback program for ordinary shares and preference shares. Under this share buyback program, FUCHS SE intends to acquire up to 6 million shares, including up to 3 million ordinary shares and up to 3 million preference shares of the company, from June 27, 2022, to March 29, 2024, at the latest, at a total purchase price of up to €200 million. On December 7, 2023, the Executive Board, with the approval of the Supervisory Board, decided to expand and extend the share buyback program. Under the extended share buyback program, it was expected that in the period from June 27, 2022, until at the latest September 30, 2024, up to 8 million shares, of which up to 4 million ordinary shares and up to 4 million preference shares of the company, will be acquired at a total purchase price of up to €280 million.

The share buyback and the cancellation of acquired shares resulted in a reduction in the number of ordinary and preference shares outstanding. In addition, the capital structure of FUCHS SE has been improved.

Information on transactions related to the share buyback program is made available on a regular basis on the company's website under Investor Relations.
→ www.fuchs.com/group/investor-relations/

In 2024, the company repurchased a total of 2,071,683 treasury shares (previous year: 3,616,776) of its own shares. 1,025,700 (previous year: 1,718,529) ordinary shares with a total value of €35.0 million (52.3) at an average price per share of €34.13 (30.45) and 1,045,983 (previous year: 1,898,247) preference shares were repurchased for a total value of €44.2 million (69.4), at an average price per share of €42.23 (36.58). A total of €79.2 million was deducted from equity for both share classes (ordinary and preference shares) in the current financial year.

Over the entire period of the share buyback program (June 2022 to August 2024), the company repurchased a total of 8 million treasury shares. A total of 4 million ordinary shares were repurchased for a total value of €118.4 million (average price per share €29.62), and 4 million preference shares were repurchased for a total value of €144.4 million (average price per share €36.09). This corresponded to 5.755% (4.265) of the share capital before cancellation and reduction of share capital. The total amount spent, including transaction costs, of €262.8 million was deducted from total equity, and in accordance with the regulations of IAS 33.20, the shares acquired were no longer included in the calculation of earnings per share.

The shares were cancelled by resolution of the Executive Board on September 10, 2024 with the approval of the Supervisory Board on October 16, 2024 and the share capital was reduced from €139 million by €8 million to €131 million, now divided into 65,500,0000 ordinary shares and 65,500,000 preference shares. The corresponding amendment to the Articles of Association was entered into the commercial register on November 15, 2024.

The number of outstanding shares is:

**Number of outstanding shares**

| Number of shares | Dec 31, 2024 | Dec 31, 2023 |
|---|---|---|
| 69,500,000 ordinary shares (at €1.00) | 69,500,000 | 69,500,000 |
| Ordinary share buybacks | –4,000,000 | –2,974,300 |
| 69,500,000 preference shares (at €1.00) | 69,500,000 | 69,500,000 |
| Preference share buybacks | –4,000,000 | –2,954,017 |
| **Total** | **131,000,000** | **133,071,683** |

## Group reserves

This item consists of the capital reserves of FUCHS (agio), the share-based compensation settled with equity instruments, the unappropriated profits and currency reserves as well as the remeasured net debt resulting from the defined pension obligations of the companies included in the consolidated financial statements. The unappropriated profits contain the profits generated in the past to the extent that these were not distributed. The currency reserves include the differences arising from currency translation recognized directly in equity and equity adjustments from indexation for hyperinflation of the financial statements of foreign subsidiaries and of joint ventures and associates accounted for using the equity method.

## Group profits

Group profits correspond to the Group's earnings after taxes and non-controlling interests.

## Proposal for the appropriation of profits at FUCHS SE

The Executive Board proposes to use the retained earnings (HGB) of FUCHS SE from the financial year 2024, amounting to €152,615,000.00, to distribute a dividend of €1.16 per dividend-entitled ordinary share and €1.17 per dividend-entitled preference share. Dividends of €1.10 per ordinary share and €1.11 per preference share were paid in 2024.

## Non-controlling interests

This item contains the equity and earnings of consolidated subsidiaries attributable to non-controlling interests. An amount of €3 million (4) is attributable to co-shareholders in France, Slovenia and Vietnam (previous year: Austria, France and Vietnam).

## 26 Pension provisions

Pension provisions are recognized for obligations arising from entitlements to future benefits and from current benefits paid to former employees of the FUCHS Group and their surviving dependents. The occupational pension plans in place within the Group are financed by provisions and funds and consist of defined contribution and defined benefit plans.

The defined benefit obligation is reduced by the fair value of the plan assets. Changes resulting from the remeasurement of net debt are recognized outside profit or loss in the period in which they occur and are offset against Group reserves. These adjustments are set out in the statement of changes in equity of the Group.
→ 238 Statement of changes in equity

In Germany, measurement is based on the following assumptions:

**Valuation assumptions Germany**

| in % | 2024 | 2023 |
|---|---|---|
| Discount rate | 3.3 | 3.2 |
| Salary level trend | 3.0 | 3.0 |
| Pension level trend | 2.0 | 2.0 |

The obligations of companies outside Germany are determined according to the country-specific accounting regulations and parameters. The mean values are calculated on a weighted basis.

**Valuation assumptions outside Germany**

| in % | 2024 | 2023 |
|---|---|---|
| Discount rate | from 2.3 to 7.3 | from 2.3 to 7.4 |
| Average discount rate | 5.2 | 4.4 |
| Salary level trend | from 2.0 to 9.0 | from 2.0 to 9.0 |
| Average salary level trend | 2.5 | 2.5 |
| Pension level trend | from 2.0 to 12.0 | from 2.1 to 12.0 |
| Average pension level trend | 2.8 | 3.0 |

Taking into account the basis of measurement described above, the funding status of the pension obligations is as follows:

**Funding status of the pension obligations**

| in € million | Dec 31, 2024 | Dec 31, 2023 | Dec 31, 2022 | Dec 31, 2021 | Dec 31, 2020 |
|---|---|---|---|---|---|
| Present value of benefit obligations financed by funds in Germany | 63 | 64 | 56 | 80 | 86 |
| Present value of benefit obligations financed by funds outside Germany | 46 | 47 | 44 | 65 | 66 |
| Present value of benefit obligations financed by provisions in Germany | 2 | 1 | 1 | 1 | 1 |
| Present value of benefit obligations financed by provisions outside Germany | 4 | 4 | 4 | 8 | 9 |
| **Total defined benefit obligations** | **115** | **116** | **105** | **154** | **162** |
| Fair value of plan assets in Germany | 60 | 62 | 57 | 62 | 62 |
| Fair value of plan assets outside Germany | 50 | 50 | 48 | 69 | 58 |
| **Funding status** | **5** | **4** | **0** | **23** | **42** |
| Similar obligations | 1 | 1 | 1 | 1 | 1 |
| Net obligation as of Dec 31 | 6 | 5 | 1 | 24 | 43 |
| **Disclosures in the balance sheet:** | | | | | |
| **Defined benefit assets** | **5** | **5** | **6** | **4** | **0** |
| **Pension provision** | **11** | **10** | **7** | **28** | **43** |

The key pension plan provisions are described below:

In Germany, some of the employees working for German Group companies are covered by defined benefit pension plans. The benefits are generally based on the term of employment and fixed amounts or the final salary of the beneficiary. The benefits comprise an old-age pension, disability pension and survivors' pension. German defined benefit pension plans have been discontinued since 1983. In 2011, the German pension obligations financed by provisions were transferred almost entirely to the external pension provider ALLIANZ. In 2016, €4 million in other German pension obligations that were previously financed with provisions were transferred to the external pension provider ALLIANZ. Since then, they have been reported under pension obligations funded by pension plans. The remaining amount is funded by provisions. The transfer comprised a combined model, made up of transfers of vested benefits in the ALLIANZ pension fund and future benefits yet to be vested in the ALLIANZ relief fund. As of December 31, 2024, there was an excess coverage of €1 million (2) in Germany, but this is not recognized as an asset from overfunded pension plans as the company has no future economic benefit in the form of a reduction in contributions or a refund.

In addition, employee-financed pension obligations from the deferred compensation program are also in place in Germany. As of December 31, 2024, pension obligations amounted to €7 million (5), which were offset against assets of €6 million (4) in the consolidated balance sheet. The €1 million (1) balance made up of obligations and assets is reported in similar obligations.

If occupational pension plans are in place at Group companies outside Germany, these are fund-financed provision systems with defined benefit commitments and, in some cases, defined contribution commitments. Meanwhile, contribution-based systems have been introduced for new pension commitments in the USA and the United Kingdom.

The foreign-funded pension obligations mainly concern our company in the UK, which account for the assets from overfunded pension plans amounting to €5 million (5).

The occupational pension provision schemes based on defined benefit obligations arise from a performance-based provision plan based on years of service and final salary, which is now closed. The benefits comprise an old-age pension and survivors' pension. These are financed via a fund, which is independent from the company. The fund manager is legally obliged to act in the interests of the beneficiaries, and specifics the goals and strategies of the fund, for example the investment policy, premium contributions or indexing. Employers and employees contribute to the fund.

The following table shows the development in the present value of benefits obligations:

**Benefit obligations**

| in € million | 2024 | 2023 |
|---|---|---|
| Present value as of Jan 1 | 116 | 105 |
| Currency effects | 1 | 1 |
| Change in the scope of consolidation | 2 | 0 |
| Current service cost | 2 | 2 |
| Interest expense | 4 | 4 |
| Remeasurements | | |
| Actuarial gains (previous year: losses) from financial assumptions | −6 | 6 |
| Actuarial gains from demographic assumptions | 0 | 0 |
| Actuarial losses from experience adjustments | 3 | 5 |
| Benefits paid | −7 | −7 |
| Past service cost | 0 | 0 |
| **Present value as of Dec 31** | **115** | **116** |
| Netting with plan assets | 110 | 112 |
| **Funding status** | **5** | **4** |
| Similar obligations | 1 | 1 |
| Thereof: | | |
| **Pension provisions as of Dec 31** | **11** | **10** |
| **Defined benefit assets** | **5** | **5** |

## Sensitivity analyses

If all other assumptions remained constant, a change of 0.5 percentage points to the discount rate and a change of 0.25 percentage points to the wage/salary or pension developments would have had the following effects on the present value of pension obligations as of December 31, 2024 (December 31, 2023):

**Sensitivity analyses**

| Effects (in € million) on the present value of defined benefit obligations due to | Germany | International | Total |
|---|---|---|---|
| Change in discount rate | | | |
| Increase by 0.5 percentage points | −4 (−4) | −2 (−2) | −6 (−6) |
| Decrease by 0.5 percentage points | 4 (4) | 3 (3) | 7 (7) |
| Change in anticipated wage/salary developments | | | |
| Increase by 0.25 percentage points | 0 (0) | 0 (0) | 0 (0) |
| Decrease by 0.25 percentage points | 0 (0) | 0 (0) | 0 (0) |
| Change in anticipated pension developments | | | |
| Increase by 0.25 percentage points | 2 (2) | 0 (0) | 2 (2) |
| Decrease by 0.25 percentage points | −2 (−2) | 0 (0) | −2 (−2) |

As of December 31, 2024, the weighted average term of defined benefit obligations was 12 years (12) for plans in Germany and 13 years (14) for plans outside Germany.

Additional life expectancy of one year would lead to an increase in the present value of benefit obligations of €4 million (3); €3 million (2) thereof is attributable to plans in Germany and €1 million (1) to plans outside Germany.

Plan assets developed as follows:

**Development of plan assets**

| in € million | 2024 | 2023 |
|---|---|---|
| Fair value as of Jan 1 | 112 | 105 |
| Currency effects | 3 | 1 |
| Interest income from plan assets | 4 | 4 |
| Current contributions | 2 | 7 |
| Benefits paid | –7 | –7 |
| Remeasurements | | |
| Actuarial gains from financial assumptions | 0 | 2 |
| Actuarial losses from experience adjustments | –4 | 0 |
| **Fair value as of Dec 31** | **110** | **112** |

Net pension provisions developed as follows:

**Development of net pension provisions**

| in € million | 2024 | 2023 |
|---|---|---|
| Net pension provisions as of Jan 1 | 4 | 0 |
| Currency effects | –2 | 0 |
| Change in the scope of consolidation | 2 | 0 |
| Current service cost | 2 | 2 |
| Interest expense | 4 | 4 |
| Interest income from plan assets | –4 | –4 |
| Current contributions | –2 | –7 |
| Remeasurements | 0 | 0 |
| Actuarial gains (previous year: losses) from benefit obligations | –3 | 11 |
| Actuarial losses (previous year: gains) from plan assets | 4 | –2 |
| Benefits paid | 0 | 0 |
| Past service cost | 0 | 0 |
| **Net pension provisions as of Dec 31** | **5** | **4** |
| Similar obligations | 1 | 1 |
| **Pension provisions as of Dec 31** | **11** | **10** |
| **Defined benefit assets** | **5** | **5** |

The fair value of the plan assets is spread over the following asset classes:

German plan assets are financed only with insurance policies provided by ALLIANZ Lebensversicherung. The return on plan assets for the year 2024 was based on the discount rate of 3.2 % (3.8). The actual return on plan assets calculated was 1.83 % (4.43). A limited risk of a supplementary financing requirement can occur due to the selected ALLIANZ insurance tariff (risk / opportunity portfolio) in the event of a decrease in the overall interest rate.

The plan assets in the United Kingdom comprise equity instruments, debt instruments and cash. The return on plan assets was based on an average rate of 4.6 % (4.7). The actual return on plan assets calculated was – 2.1 % (6.3).

Total current contributions of €1 million (1) are budgeted for 2025 in Germany and abroad. Statutory minimum funding requirements are taken into account in the United Kingdom.

**Asset classes of the plan assets**

| in € million | December 31, 2024 | | | December 31, 2023 | | |
|---|---|---|---|---|---|---|
| | Market price quotation in an active market | None Market price quotation in an active market | Total | Market price quotation in an active market | None Market price quotation in an active market | Total |
| Insurance policies | 0 | 62 | 62 | 0 | 64 | 64 |
| Equity instruments | 19 | 0 | 19 | 19 | 0 | 19 |
| Debt instruments | 28 | 0 | 28 | 29 | 0 | 29 |
| Cash and cash equivalents | 1 | 0 | 1 | 0 | 0 | 0 |
| **Fair value of plan assets** | **48** | **62** | **110** | **48** | **64** | **112** |

## Asset-liability matching strategy

The asset-liability matching strategy employed at FUCHS aims for the most congruent financing of pension obligations possible. Key elements are a comparable maturity profile of assets and liabilities, as well as (where technically feasible and financially prudent) coverage of longevity risks. This explains the high proportion of insurance policies. These allow the longevity risk to be covered, coupled with reduced volatility of the assets.

56 % (57) of plan assets are invested in insurance policies. There are no market price quotations for these in an active market. The asset-liability matching strategy for the pension obligations funded by pension plans is reviewed annually by the fund management.

Market prices are available for equity and debt instruments. Around 17 % (17) of plan assets are invested in equity instruments, while a further 26 % (26) are invested in debt instruments (including government bonds) and 1 % (0) in cash and cash equivalents. The fund managers pursue risk reduction strategies through use of swaps and index-linked instruments. The mix of total equity and debt instruments takes into account the maturity profile of the pension obligations. A regular review of the asset-liability matching strategy can potentially also lead to a revision of the asset mix.

Pension expenses arising from the pension plans in place within the FUCHS Group amount to €21 million (20) and are made up of the following components:

**Total pension expenses**

| in € million | 2024 | 2023 |
|---|---|---|
| Current service cost | 2 | 2 |
| Past service cost | 0 | 0 |
| Interest expense | 4 | 4 |
| Interest income from plan assets | –4 | –4 |
| **Expenses for defined benefit pension plans** | **2** | **2** |
| Expenses for defined contribution pension plans | 19 | 18 |
| **Total pension expenses** | **21** | **20** |

The net interest expenses from defined pension obligations amounting to €0 million (0) are the balance resulting from interest expenses of €4 million (4) from the interest accrued on pension obligations less interest income of €4 million (4) from the return on plan assets.

Pension expenses and benefit payments also include the payments for the defined contribution pension plans. At €10 million (11), the share of pension contributions paid by the employer in Germany has been included in expenses for defined contribution pension plans.

## 27 Trade payables

**Trade payables**

| in € million | Dec 31, 2024 | Dec 31, 2023 |
|---|---|---|
| Trade payables | 281 | 260 |
| | **281** | **260** |

## 28 Other provisions

### Current provisions

Current provisions mainly consist of the following:

**Current provisions**

| in € million | Dec 31, 2024 | Dec 31, 2023 |
|---|---|---|
| Restructuring and redundancy payments | 6 | 2 |
| Transaction tax risks | 6 | 6 |
| Warranty | 1 | 0 |
| Costs for preparing the annual financial statements | 1 | 1 |
| Other obligations | 8 | 8 |
| | **22** | **17** |

The current provisions are detailed below:

**Development of current provisions**

| in € million | Dec 31, 2023 | Exchange rate differences | Change in scope of consolidation | Utilization | Additions | Reversals | Dec 31, 2024 |
|---|---|---|---|---|---|---|---|
| Restructuring and redundancy payments | 2 | 0 | 0 | 1 | 5 | 0 | 6 |
| Transaction tax risks | 6 | 0 | 0 | 0 | 0 | 0 | 6 |
| Warranty | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| Costs for preparing the annual financial statements | 1 | 0 | 0 | 1 | 1 | 0 | 1 |
| Other obligations | 8 | 1 | 2 | 7 | 6 | 2 | 8 |
| | **17** | **1** | **2** | **9** | **13** | **2** | **22** |

The provisions for restructuring and redundancy payments particularly contain redundancy payments for employees leaving the company.

The Other obligations include among others outstanding invoices.

Due to the short-term nature of these provisions, no interest has been accrued.

**Other non-current provisions**

The provisions for environmental obligations focus on rehabilitation work at contaminated sites and cover costs associated with the elimination of soil contamination.

Other non-current provisions also include non-current provisions resulting from employee benefit obligations, such as anniversary bonuses.

**Development of non-current provisions**

| in € million | Dec 31, 2023 | Reclassifications | Exchange rate differences | Utilization | Additions | Reversals | Dec 31, 2024 |
|---|---|---|---|---|---|---|---|
| Environmental obligations | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| Other non-current provisions | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | **8** | **0** | **0** | **0** | **0** | **0** | **8** |

Employees in Germany have the option to invest balances in lifetime working accounts. For the long-term accounts set up, the provisions measured at their settlement value of €18 million (16) are netted against the corresponding fair value of assets of €18 million (16) (acquisition costs of €18 million – previous year: €16 million). In the income statement, expenses and income of €2 million (2) each were offset against each other.

## 29 Current tax liabilities

This item includes total liabilities for income taxes of €41 million (32). The increase compared to the previous year is mainly due to the rise in tax liabilities in Germany.

## 30 Financial liabilities

### Non-current financial liabilities

Non-current financial liabilities consist of liabilities from leases with a remaining term of more than one year and interest-bearing liabilities to banks with a remaining term of more than one year.

### Current financial liabilities

Lease liabilities and interest-bearing liabilities to banks with a remaining term of less than one year are reported in current financial liabilities.

For further information, see Note 33 Financial Instruments.

→ 288 Financial instruments

## 31 Other liabilities

### Other current liabilities

Other liabilities are attributable to:

**Other current liabilities**

| in € million | Dec 31, 2024 | Dec 31, 2023 |
|---|---|---|
| Obligations for personnel expenses | 84 | 79 |
| Customer discounts (credit notes and bonuses) | 20 | 16 |
| Advance payments received | 18 | 20 |
| VAT liabilities | 16 | 19 |
| Other tax liabilities | 9 | 12 |
| Social security | 6 | 5 |
| Fair value of derivative financial instruments | 1 | 2 |
| Liabilities to joint ventures and associates | 0 | 0 |
| Supervisory Board compensation | 1 | 1 |
| Contingent consideration from acquisition | 1 | 0 |
| Other liabilities | 20 | 27 |
| | **176** | **181** |

The obligations for personnel expenses mainly relate to ex gratia payments, profit-sharing schemes, commission payments, bonuses, outstanding holiday and overtime, as well as premiums for the employers' liability insurance association.

Other tax liabilities include excise taxes, payroll taxes and withholding taxes.

Advance payments received from customers are contractual liabilities that are expected to be recognized as sales revenues over the period in 2025.

Other liabilities include financing liabilities of €4 million (5) related to delivery agreements in France that are reported in other assets. It also includes commission liabilities, receivables and advances. For the breakdown into financial and non-financial liabilities, we refer to Note 33 Financial instruments. → 288 Financial instruments

**Other non-current liabilities**

These primarily include the long-term portion of liabilities from contingent consideration amounting to €4 million (0) from the acquisition in North America and a purchase price retention of €1 million (0) from the acquisition in Switzerland, both due no earlier than twelve months after the end of the financial year.

## 32 Contingent liabilities and other financial obligations

The item "Securing third-party liabilities" refers mainly to "garagiste" loans. Under this procedure, which is common in France, our subsidiary guarantees repayment of loans granted directly by the bank to our contracting partner. This guarantee is part of our supply and financing agreements with our partners. There are contingent liabilities of €3 million (4) from securing third-party liabilities. These are largely secured via credit insurance or collateral from our contracting partners, meaning that the remaining net risk for FUCHS is only €1 million (1). In addition, there are contingent liabilities of €1 million (1) from guarantees in favor of companies in which an equity interest is held.

Contractual obligations for the purchase of property, plant and equipment amounted to €12 million (16) as of December 31, 2024. Compared to the previous reporting date, these liabilities decreased by €4 million and are primarily attributable to our entities in Germany and China (previous year: Germany, China, and South Africa). Contractual obligations as of December 31, 2024, from the global implementation of SAP S/4HANA amount to approximately €25 million (0). The majority of this amount meets the capitalization requirements for intangible assets within fixed assets. The remaining portion will be recorded as a current expense in the year incurred.

## 33 Financial instruments

**a) Carrying amounts and fair values of financial instruments**

The fair value of a financial instrument is the price at which a party would be willing to assume the rights and/or obligations arising from this financial instrument from an independent third party. Due to varying factors, fair values can only be regarded as indicators for values actually realizable on the market.

The fair values of all financial instruments were determined based on the market data available at the end of the reporting period and on the methods and prerequisites specified below.

With the exception of investments in companies and derivative financial instruments, both of which are reported at fair value, as in the previous year all other financial assets are measured at amortized cost with the carrying amount of the financial instrument largely corresponding to the fair value.

As in the previous year, the cash and cash equivalents item is measured at amortized cost. It contains the carrying amounts of the securities due within three months.

The following table shows the carrying amounts and categories of financial instruments as of December 31, 2024:

**Carrying amounts and categories of financial instruments (in € million)**

| Balance sheet items | Dec 31, 2024 | Dec 31, 2023 | Measurement categories |
|---|---|---|---|
| Investments in companies[1] | 6 | 6 | Fair value through other comprehensive income |
| Other loans[1] | 1 | 1 | Amortized cost |
| Other receivables and other assets[2] | 11 | 6 | Amortized cost |
| Trade receivables | 519 | 500 | Amortized cost |
| Derivative financial instruments | 1 | 0 | Fair value through the income statement |
| Cash and cash equivalents | 153 | 175 | Amortized cost |
| **Total of financial assets** | **691** | **688** | |
| Financial liabilities from leases[2] | 54 | 29 | Amortized cost |
| Financial liabilities to banks[2] | 58 | 34 | Amortized cost |
| Trade payables | 281 | 260 | Amortized cost |
| Derivative financial instruments[3] | 1 | 2 | Fair value through the income statement |
| Contingent consideration[3] | 5 | 0 | Fair value through the income statement |
| Other liabilities[3] | 37 | 32 | Amortized cost |
| **Total of financial liabilities** | **436** | **357** | |

[1] Shown in other financial assets.
[2] Current and non-current.
[3] Included in Other liabilities (current and non-current).

## b) Net profit or loss from financial instruments

The following table shows the net profit or loss arising from financial instruments in the income statement.

Net profit or loss from financial assets and liabilities measured at fair value through profit or loss include the expenses for hedging intercompany loans.

Net profit or loss from financial assets measured at cost include the balance of allowances for bad debts recognized and reversed, as well as the derecognition of irrecoverable receivables. These are reported in other operating expenses and income.

**Net profit or loss from financial instruments**

| in € million | 2024 | 2023 |
|---|---|---|
| Financial assets and financial liabilities at fair value through profit and loss | –1 | –3 |
| Financial assets measured at cost | –1 | –3 |
| Financial liabilities measured at cost | 0 | 0 |

## c) Total interest income and expense

Total interest income and expense for financial assets and financial liabilities which were not measured at fair value through profit and loss are as follows:

**Total interest income and expense**

| in € million | 2024 | 2023 |
|---|---|---|
| Total interest income | 3 | 2 |
| Total interest expenses | –8 | –9 |

The interest from these financial instruments is reported in the Group’s financial result.

### d) Information on derivative financial instruments

The objective of using derivative financial instruments is to hedge interest rate and currency risks. Given the Group's low gross financial debt, the Group's strategy does not include fixed-rate notes or other methods of limiting interest rates. For this reason no derivatives were concluded to hedge interest rate risks, as in the previous year. As of the balance sheet date, only the following derivative financial instruments for hedging currency risks existed, categorized by remaining maturities.

The nominal volume is the total of all buying and selling amounts of currency derivatives. The nominal amounts correspond to the volumes of the underlying hedged transactions.

Forward currency transactions concluded by the FUCHS Group are used to hedge receivables and liabilities in foreign currencies. The change in the fair value of the derivative of €0 million (–2) is recognized in profit or loss, as are the changes in the price of the hedged assets and liabilities. The balance of both changes balances out in the income statement.

As of the balance sheet date, foreign exchange forward contracts were generally used to hedge existing underlying transactions (mainly receivables and liabilities from intercompany loans). The intercompany loans were eliminated in the consolidated financial statements through consolidation entries.

The intercompany loans amounting to €105 million (106) as underlying hedged transactions and the related forward currency transactions are short-term. The term is generally less than one year. If necessary, forward currency transactions are concluded again when the intercompany loans are extended.

The fair values of the derivative financial instruments are as follows:

**Fair value as of Dec 31, 2024**

| in € million | Nominal value | Fair value (net) | Recognized in the income statement (net) | Recognized in shareholder's equity |
|---|---|---|---|---|
| Forward currency transactions | 105 | 0 | 0 | 0 |
| **Total derivatives** | **105** | **0** | **0** | **0** |

**Fair value as of Dec 31, 2023**

| in € million | Nominal value | Fair value (net) | Recognized in the income statement (net) | Recognized in shareholder's equity |
|---|---|---|---|---|
| Forward currency transactions | 106 | –2 | 0 | 0 |
| **Total derivatives** | **106** | **–2** | **0** | **0** |

The following average forward rates were used to hedge currency risks from the above-mentioned intercompany loans for the forward currency transactions existing as of the balance sheet date.

**Average forward rate**

| | **2024** |
|---|---|
| AUD/EUR | 1.656 |
| CHF/EUR | 0.921 |
| NOK/EUR | 11.775 |
| RON/EUR | 5.033 |
| SEK/EUR | 11.378 |
| USD/EUR | 1.089 |
| ZAR/EUR | 20.034 |

## Management of risks from financial instruments
Due to its international business activities, the FUCHS Group is exposed to numerous risks from financial instruments. In particular, these include credit risks, e. g. those inherent to trade receivables, and market risks, e. g. changes in foreign exchange rates, interest rates and commodity prices. In addition, liquidity risks may arise due to these risks, due to the operating business and because of sudden fluctuations in the financial markets.

Major financial risks are monitored and controlled by the central treasury department of FUCHS SE. There are detailed guidelines and requirements, approved by the company's Executive Board, specifying how financial risks are to be controlled. Financial and currency risks are reduced by entering into term- and currency-matched financing and by making use of derivatives. We employ these instruments for hedging purposes only. The fair value of the forward currency transactions is calculated on the basis of recognized valuation models and current market data. The models are assigned to Level 2 in the fair value hierarchy. This control is employed strictly according to binding internal guidelines that utilize a two-person principle that guarantees adequate functional separation between trading and processing. The fair value of a non-listed investment is determined using a discounted cash flow method. The valuation model is assigned to Level 3 in the fair value hierarchy. The contingent consideration related to an acquisition, which is dependent on revenue levels for the twelve-month periods ending September 30 of the years 2025 to 2028 and valued at a total fair value of €5 million, will be due in four installments after September 30 for each of the years 2025 to 2028 and has been recognized as a long-term and short-term other liability. The valuation model is assigned to Level 3 in the fair value hierarchy. If expected revenues were 10 % higher, the fair value would remain unchanged at €5 million. If expected revenues were 10 % lower, the fair value of the contingent consideration would decrease by €1 million to €4 million. The maximum possible amount of contingent consideration is capped at €6 million.

For further information, please refer to Notes → 248 Significant discretionary decisions, estimates and assumptions as well as → 56 Acquisitions.

### Credit risks
A credit risk arises if one party of a financial instrument causes a financial loss, thereby damaging the other party by not fulfilling an obligation. Credit risks may result from the investment of cash and cash equivalents and the granting of payment terms for goods and services as well as from other agreements to be fulfilled by the counterparty only at a later date.

### Cash and cash equivalents
The Group usually limits its cash and cash equivalents to the extent required for its operating business. The Group's financial guidelines also require that bank balances be placed only at banks with an excellent credit standing.

### Trade receivables
As a result of the business relations with its customers worldwide, the FUCHS Group has significant trade receivables at all times. The handling of the inherent credit risks is defined in a directive permitting procedures that may differ from one country to another. If the internal credit risk assessment, which is based on external credit information, reveals that a credit risk is too high, credit collateral must be provided, e.g. in the form of bank guarantees or documentary credits. Alternatively, credit insurance is also used. At the end of the reporting period, receivables totaling €2 million (3) were secured.

Bad debt allowances are recorded for the remaining credit risks as soon as they exceed certain limits. Please refer to note 20 for further information.
→ 275 Trade receivables

### Derivative financial instruments and other receivables and assets
When selecting banks with which derivative financial instruments are concluded, FUCHS ensures that the counterparty is sufficiently creditworthy. All derivative transactions are concluded only with banks that have a Moody's

long-term rating in the investment sector. Through these processes, the risk of default by contracting parties (credit risk) is minimized.

The maximum credit risk of the items above is the carrying amount of the receivable or the financial asset, even if the asset relates to derivative financial instruments or cash and cash equivalents. The FUCHS Group is only exposed to limited credit risks thanks to a natural diversification and its credit risk management. No concentration risks can currently be ascertained.

**Liquidity risks**
A liquidity risk arises if a company cannot fully meet its financial obligations.

The funds of the FUCHS Group mainly come from its operating business. Occasionally, revolving funds are employed in the form of bonds or bank loans, for example, primarily to finance working capital and investment projects.

Besides the €48 million (26) in lines of credit already utilized, the Group also had access to other free lines of credit of €253 million (245). Furthermore, the Group has the option to use other financial resources by taking up additional bank loans and/or by issuing promissory note loans, private placements, or bonds.

The following maturity overview shows how the total contractually fixed payments of the Group for repayments and interest on recognized financial liabilities impact the Group's liquidity position (undiscounted):

**Maturities of contractual cash flows from financial liabilities as of December 31, 2024**

| in € million | Total | 2025 | ≥ 2026 |
|---|---|---|---|
| Financial liabilities from leases | 54 | 12 | 42 |
| Financial liabilities to banks | 58 | 48 | 10 |
| Derivative financial instruments | 1 | 1 | 0 |
| Trade payables | 281 | 281 | 0 |
| Contingent consideration | 5 | 1 | 4 |
| Other financial liabilities | 37 | 37 | 0 |
| **Total** | **436** | **380** | **56** |

**Maturities of contractual cash flows from financial liabilities as of December 31, 2023**

| in € million | Total | 2024 | ≥ 2025 |
|---|---|---|---|
| Financial liabilities from leases | 29 | 9 | 20 |
| Financial liabilities to banks | 34 | 27 | 7 |
| Derivative financial instruments | 2 | 2 | 0 |
| Trade payables | 260 | 260 | 0 |
| Contingent consideration | 0 | 0 | 0 |
| Other financial liabilities | 32 | 32 | 0 |
| **Total** | **357** | **330** | **27** |

The financial liabilities from leases correspond to the present value of future lease payments. Of the undiscounted lease payments amounting to €66 million (32), €52 million (22) have a remaining term of more than one year.

The FUCHS Group considers its liquidity situation to be stable and not subject to any significant liquidity risk. The Group has access to cash and cash equivalents of €153 million (175) and €253 million (245) in free lines of credit. In addition, the Group has short-term trade receivables of €519 million (500) and short-term trade payables of €281 million (260) from operating activities.

**Market risks**

As a result of its global business activities, the FUCHS Group faces market risks in the form of foreign exchange risks and interest rate risks. There are no stock market risks since the Group does not hold any freely tradable securities. The assets held by pension funds to meet pension obligations are explained in note 26.
→ **279 Pension provisions**

**Exchange rate risks**

In regard to exchange rate risks, we distinguish between transaction and translation risks.

The Group's transaction risks result in particular from purchases of operating companies in a currency that differs from the one in which sales revenues are generated. Some of the raw materials processed by FUCHS are traded in US dollars. At the same time, companies generate most of the sales revenues on the markets of their respective home country. As a result, all cpmpanies outside the U.S. dollar area are exposed to U.S. dollar transaction risk.

When exporting finished products, the currency used by the exporting company is at the same time its invoicing currency. For this reason, the importing Group companies or third-party customers are exposed to transaction risks.

Because of dividend and license income of FUCHS SE, which is almost always obtained in the currency of the paying company, the holding company is also exposed to a transaction risk. Particularly in relation to the U. S. dollar, this risk is counteracted by the transaction exposure of many operating entities, creating a natural hedge that helps reduce overall transaction risks within the Group.

Exchange rate risks resulting from granting intra-Group foreign currency loans are generally hedged through the agreement of corresponding forward currency transactions.

Due to the structure of the lubricants business, which does not involve long run-up periods or a high level of orders on hand, FUCHS does not hedge currency positions in the context of its operating business on a long-term basis. For the operating companies, the exchange rate is rather one of several price-determining factors which is to be taken into account when calculating prices.

The FUCHS Group includes many Group companies not based in the euro area. As a result, translation risks arise due to fluctuating exchange rates when converting sales revenues and results for the Group's income statement. Significant translation risks for FUCHS arise from all three global regions. These may have a considerable impact on the consolidated income statement.

The Group also faces translation risks when converting the figures of the assets and liabilities held by subsidiaries abroad. To contain these risks, assets to be financed on a short-term basis are usually refinanced in the local currency and only assets needed on a long-term basis are backed by total equity. Changes in this equity item are continuously monitored, but are normally not hedged against fluctuations in the exchange rate.

**Interest rate risks**

In the light of the Group's sound liquidity situation, there are currently no appreciable interest rate risks that require hedging using derivative instruments.

The financial liabilities break down by interest rate agreement as follows. No collateral was provided.

**Financial liabilities by interest rate agreement**

| in € million | Effective interest rate | Fixed interest period | Carrying amount as of Dec 31, 2024 | Carrying amount as of Dec 31, 2023 |
|---|---|---|---|---|
| Brazilian real | Fixed interest rate | < 1 year | 2 | 4 |
| Indonesian rupee | Fixed interest rate | < 1 year | 3 | 2 |
| Polish zloty | Variable interest rate | < 1 year | 1 | 6 |
| US dollar | Fixed interest rate | < 1 year | 15 | 10 |
| South African rand | Variable interest rate | < 1 year | 0 | 0 |
| South Korean won | Fixed interest rate | < 1 year | 1 | 0 |
| Euro | Variable interest rate | < 1 year | 15 | 4 |
| Euro | Fixed interest rate | < 1 year | 10 | 0 |
| Vietnamese dong | Fixed interest rate | < 1 year | 0 | 1 |
| Vietnamese dong | Fixed interest rate | > 1 year | 7 | 7 |
| Chilean peso | Fixed interest rate | < 1 year | 1 | 0 |
| Swiss franc | Fixed interest rate | > 1 year | 3 | 0 |
| | | | **58** | **34** |

## Summary of interest rate hedging periods

**Interest rate hedging periods**

| in € million | 2024 | in % | 2023 | in % |
|---|---|---|---|---|
| Up to 1 year | 48 | 83 | 27 | 79 |
| 1 to 5 years | 7 | 12 | 4 | 12 |
| More than 5 years | 3 | 5 | 3 | 9 |
| | **58** | **100** | **34** | **100** |

## Other price risks

The FUCHS Group is exposed to risks arising from changes in the prices of goods which the Group needs to manufacture its finished products. The company does not hedge these material purchases using derivatives, as the available instruments would not be sufficiently effective. Changes in commodity prices are usually passed on to the market, possibly with a certain delay. Hence, these price risks are limited.

## Sensitivity analyses

Underlying certain assumptions, sensitivity analyses provide an approximation of risks arising when certain influencing factors change. In terms of the interest rate risk and the foreign exchange rate risk we anticipate the following changes:

- An increase of the market interest rates of all currencies by one percentage point (parallel shift of the yield curves),
- A concurrent devaluation of the euro relative to all foreign currencies by 10 %.

When determining the **interest rate risk** at the end of the reporting period, only original financial instruments carrying variable interest are included. Original financial instruments with fixed interest measured at amortized cost do not entail interest rate risks in accordance with IFRS 7. There were no interest rate derivatives which could possibly have an effect on the financial result.

A one-percentage-point increase in market interest rates would have had a negligible negative impact of approximately €0 million (0) on the financial result for the variable-rate financial liabilities reported as of December 31, 2024. It is assumed that the higher interest rate would have been applied for an entire year.

The **foreign currency risk** is determined based on all net foreign currency positions not hedged at the end of the reporting period. A simultaneous depreciation of the euro by 10 % relative to all foreign currencies would have had a positive earnings effect of €4 million (4).

# Further notes to the consolidated financial statements

## 34 Notes to the statement of cash flows

The statement of cash flows shows how the cash and cash equivalents of the FUCHS Group have changed in the year under review as a result of cash inflows and outflows. In accordance with IAS 7 "Statement of Cash Flows", cash flows are classified and presented into operating activities, investing activities, or financing activities.

Cash and cash equivalents as shown in the statement of cash flows comprise the cash and cash equivalents reported in the balance sheet. Beside cash and cash equivalents in the more literal sense, i.e. checks, cash on hand and bank deposits, this item also includes current investments which can be converted into cash amounts at any time and are only subject to insignificant changes in value. Cash and cash equivalents are measured at amortized cost.

Cash flows from operating activities are calculated indirectly based on earnings after tax. With this method, the underlying changes in items in the balance sheet are adjusted for currency translation effects and changes in the basis of consolidation. As a result, these changes in the items of the balance sheet do not directly correspond to the amounts shown in the consolidated balance sheet.

**Reconciliation statement in accordance with IAS 7**

| | Cash | | Non-cash changes | | | |
|---|---|---|---|---|---|---|
| **in € million** | Balance sheet disclosures as of: Dec 31, 2023 (Dec 31, 2022) | in the cash flow from financing activities | Acquisitions/ changes in the scope of consolidation | Currency effects | Effect IFRS 16 | **Balance sheet disclosures as of: Dec 31, 2024 (Dec 31, 2023)** |
| Financial liabilities | 63 (179) | 5 (–133) | 8 (0) | 0 (–1) | 36 (18) | **112 (63)** |

The dividends received from companies consolidated at equity are recognized in cash flows from operating activities. The contribution of companies consolidated at equity is also recognized in EBIT in the income statement. This provides for better transparency of the financial position and results of operations.

The cash flows from/into investing and financing activities are determined on the basis of actual payments, adjusted for effects of currency translation and changes in the scope of consolidation. Insofar as subsidiaries or business activities are acquired or disposed of, the influences of these transactions are disclosed in dedicated items in the statement of cash flows.

Free cash flow is calculated on the basis of cash inflows from operating activities and cash outflows from investing activities.

Free cash flow before acquisitions is calculated with free cash flow adjusted for payments for acquisitions and proceeds from divestments.

## 35 Segment reporting

## Segments

| in € million | EMEA 2024 | EMEA 2023 | EMEA Change | Asia-Pacific 2024 | Asia-Pacific 2023 | Asia-Pacific Change | North and South America 2024 | North and South America 2023 | North and South America Change | Holding/consolidation 2024 | Holding/consolidation 2023 | FUCHS Group 2024 | FUCHS Group 2023 | FUCHS Group Change |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sales revenues by customer location | 1,821 | 1,834 | –13 | 1,028 | 1,024 | 4 | 676 | 683 | –7 | 0 | 0 | 3,525 | 3,541 | –16 |
| Sales revenues by company location | 2,029 | 2,041 | –12 | 986 | 979 | 7 | 678 | 687 | –9 | –168 | –166 | 3,525 | 3,541 | –16 |
| thereof with other segments | 148 | 151 | –3 | 1 | 0 | 1 | 19 | 15 | 4 | –168 | –166 | 0 | 0 | 0 |
| Gross Profit | 650 | 613 | 37 | 302 | 285 | 17 | 267 | 247 | 20 | –4 | 0 | 1,215 | 1,145 | 70 |
| Scheduled amortization and depreciation | 52 | 50 | 2 | 19 | 18 | 1 | 22 | 21 | 1 | 4 | 3 | 97 | 92 | 5 |
| Impairment losses[1] | 0 | 5 | –5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5 | –5 |
| EBIT before income from companies consolidated at equity | 219 | 206 | 13 | 118 | 111 | 7 | 91 | 79 | 12 | –2 | 10 | 426 | 406 | 20 |
| Income from companies consolidated at equity | 8 | 7 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8 | 7 | 1 |
| Segment earnings (EBIT) | 227 | 213 | 14 | 118 | 111 | 7 | 91 | 79 | 12 | –2 | 10 | 434 | 413 | 21 |
| Shares in companies consolidated at equity | 62 | 55 | 7 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 62 | 55 | 7 |
| Additions to non-current assets[2] | 47 | 43 | 4 | 16 | 34 | –18 | 42 | 23 | 19 | 8 | 1 | 113 | 101 | 12 |
| Investments | 37 | 32 | 5 | 14 | 29 | –15 | 21 | 21 | 0 | 8 | 1 | 80 | 83 | –3 |
| Additions from acquisitions[1] | 75 | 0 | 75 | 0 | 0 | 0 | 27 | 0 | 27 | 0 | 0 | 102 | 0 | 102 |
| Employees as at December 31[3] | 4,340 | 3,910 | 430 | 1,116 | 1,059 | 57 | 1,164 | 1,146 | 18 | 161 | 157 | 6,781 | 6,272 | 509 |
| **Performance indicators** | | | | | | | | | | | | | | |
| Gross Profits in % of sales revenues | 32.0 | 30.0 | | 30.6 | 29.1 | | 39.4 | 36.0 | | | | 34.5 | 32.3 | |
| Ratio of EBIT before income from companies consolidated at equity to sales revenues in % | 10.8 | 10.1 | | 12.0 | 11.3 | | 13.4 | 11.5 | | | | 12.1 | 11.5 | |

[1] Relating to property, plant and equipment, goodwill and other intangible assets.
[2] Investments plus additions of rights of use arising from rental and lease contracts – excluding financial instruments, deferred tax assets and assets arising from defined benefit pension plans.
[3] Including trainees.

Within the scope of segment reporting, the operating segments are made up of the geographical regions reflecting the FUCHS Group's internal organization and reporting structure. In accordance with the requirements of IFRS 8 "Operating Segments," this structure is aligned to the Group's internal control system and reflects segment reporting in the Group's management bodies. The individual companies and sub-regions are allocated to the segments according to the regions in which they are located.

Segment information is based on the same recognition and measurement methods as the consolidated financial statements. Receivables and liabilities, income and expenses, and profits between the segments are eliminated in the consolidation process. The reconciliation of segment data to the total amounts for the Group is shown in the column entitled "Holding including consolidation." In addition to the depreciation, amortization and earnings of the holding companies, this also includes intersegment eliminations with regard to sales revenues. Intragroup sales revenues and transfers are transacted at prices and terms of independent business partners.

Segment earnings comprise all direct segment costs as well as indirect costs to a limited degree.

The sales revenues and non-current assets of Group companies break down as follows:

**Sales revenues and non-current assets of Group companies**

| in € million | 2024 | 2023 |
|---|---|---|
| **Sales revenues** | | |
| Companies in Germany | 726 | 754 |
| Companies in North America (mainly in the USA) | 582 | 595 |
| Companies in China | 564 | 564 |
| Other companies | 1,653 | 1,628 |
| **Total** | **3,525** | **3,541** |
| **Non-current assets (intangible assets and property, plant and equipment)** | | |
| **Goodwill** | | |
| Companies in Germany (and Switzerland and Benelux) | 78 | 48 |
| Companies in North America (mainly in the USA) | 197 | 167 |
| Other companies | 34 | 34 |
| **Total** | **309** | **249** |
| **Other intangible assets and property, plant and equipment** | | |
| Companies in Germany | 286 | 258 |
| Companies in North America (mainly in the USA) | 197 | 164 |
| Companies in China | 102 | 101 |
| Other companies | 315 | 300 |
| **Total** | **900** | **823** |

The overall development of the segments in the Note shows the values for the reporting year and the corresponding comparative figures for the previous year.

The statement shows sales revenues and the respective segment earnings (EBIT) as key performance indicators for each geographic region.

The total from holding companies including consolidations is broken down as follows for the key performance indicators:

**Holding companies including consolidations**

| in € million | 2024 | 2023 |
|---|---|---|
| **Holding companies** | | |
| Sales revenues by customer location | 0 | 0 |
| Sales revenues by company location | 0 | 0 |
| Segment earnings (EBIT) | – 1 | 7 |
| Investments | 8 | 2 |
| **Consolidations** | | |
| Sales revenues by customer location | 0 | 0 |
| Sales revenues by company location | – 168 | – 166 |
| Segment earnings (EBIT) | – 1 | 3 |
| Investments | 0 | – 1 |

The decrease in sales revenues by company location of –€168 million (–166) relates exclusively to the consolidation segment due to the elimination of intersegment intercompany sales revenues. The holding companies do not engage in operational business activities involving the sale of lubricants. The segment result (EBIT) of –€2 million (10) consists of the result of the holding companies amounting to –€1 million (7) and consolidation effects of –€1 million (3). Investments or additions to long-term assets totaling €8 million (2) relate to the holding companies.

The total of segment earnings is to be transferred to consolidated earnings after tax as follows:

**Transfer total of segment earnings to consolidated earnings after tax**

| **in € million** | **2024** | 2023 |
|---|---|---|
| Total segment earnings (EBIT) | 434 | 413 |
| Financial result | –6 | –10 |
| Income taxes | –126 | –120 |
| **Consolidated earnings after tax** | **302** | **283** |

The segment reporting also includes gross profit from sales, scheduled depreciation, impairments, EBIT before at-equity accounted companies, results from at-equity accounted companies (EMEA region), shares in at-equity accounted companies, additions from acquisitions, the number of employees (including trainees) in the segments as of the balance sheet date, and the respective margins based on gross profit and EBIT before at-equity accounted companies.

Sales revenues by product groups are disclosed in note 1 to the income statement. → 259 Sales revenues

## 36 Relationships with related parties

The related parties of the FUCHS Group as defined by IAS 24 are:

- directly and indirectly held subsidiaries and companies consolidated at equity of FUCHS SE,
- Executive Board and Supervisory Board of FUCHS SE,
- RUDOLF FUCHS GMBH & CO. KG, through which most of the Fuchs family's ordinary shares are held,
- its full partner FUCHS VERWALTUNGSGESELLSCHAFT MBH and its management,
- RUDOLF FUCHS KAPITALANLAGEGESELLSCHAFT MBH,
- BLITZ 24-894 SE (in future: RUDOLF FUCHS VERWALTUNGS SE)
- and pension funds benefiting the Group's employees.

The controlling company is RUDOLF FUCHS GMBH & CO. KG.

For the affiliated companies RUDOLF FUCHS GMBH & CO. KG, RUDOLF FUCHS KAPITALANLAGEGESELLSCHAFT MBH, FUCHS VERWALTUNGSGESELLSCHAFT MBH und BLITZ 24-894 SE (in future: RUDOLF FUCHS VERWALTUNGS SE) provides FUCHS SE services that are settled through an administrative cost allocation. The scope of these services is not material.

Furthermore, there are intercompany transactions (such as loans, provision of goods and services) between the holding company, FUCHS SE, and its consolidated subsidiaries. All intercompany transactions and balances have been eliminated in the consolidated financial statements. The same applies to FUCHS SE's sureties for the liabilities of its subsidiaries included in the consolidated financial statements. License fees are charged to the subsidiaries for the tasks performed by the holding company in the areas of research and development, product marketing, brand management, advertising, etc., depending on their sales revenues. Fees are also allocated for management and similar services. Services provided to related parties are charged on the same basis as those for independent business partners.

As of December 31, 2024, the FUCHS Group had receivables of €8 million (10) relating to supplies and services in addition to other receivables of €3 million (2) from companies consolidated at equity. Other current liabilities amount to €0 million (0). There are also contingent liabilities from guarantees in the amount of €1 million (1).

The value of goods delivered in 2024 to companies consolidated at equity was €35 million (39), while other operating income was €1 million (1).

The compensation of the members of the Executive Board is made up of the following benefits:

**Compensation of the Executive Board in accordance with IAS 24**

| in € thousand | 2024 | 2023 |
|---|---|---|
| Short-term benefits | 8,269 | 6,989 |
| Share-based remuneration | 1,773 | 1,405 |
| Post-employment benefits | 1,105 | 975 |
| **Total compensation** | **11,147** | **9,369** |

The total compensation of the Supervisory Board is €768 thousand (768) and consists of short-term benefits of €640 thousand (640) and share-based compensation of €128 thousand (128).

The staff representatives of the Supervisory Board were granted €0.2 million (0.2) for their work as employees in addition to their Supervisory Board compensation.

In addition, there are no consultant contracts with the members of the Executive Board and the Supervisory Board.

For further information on the compensation of members of the Executive Board and Supervisory Board, please refer to note 37 and to the compensation report published on our website.
→ 300 Information on the company's executive bodies
→ www.fuchs.com/group/the-company/compensation-systems/

For more information on pension plans, please refer to note 26. → 279 Pension provisions

A dependent company report has been prepared on relationships with affiliated companies pursuant to Section 312 of the German Stock Corporation Act (Aktiengesetz – AktG) with the concluding declaration: "In the legal transactions listed in the report on relationships with affiliated companies and according to the circumstances that were known to us when those legal transactions were performed, our company received an appropriate consideration in each legal transaction. No measures subject to disclosure occurred on the instruction or in the interest of the controlling company or any affiliated company associated with it." As the independent auditor of FUCHS SE, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft audited this dependent company report and issued an audit opinion.

## 37 Information on the company's executive bodies

### Supervisory Board

**Dr. Christoph Loos**
Chairman of the Board of Directors
Hilti AG
First appointment: 2020
Appointed until: 2025

**Chairman**
Comparable supervisory committees:
- Hilti AG

**Dr. Susanne Fuchs**
Managing Director of FUCHS VERWALTUNGSGESELLSCHAFT MBH and RUDOLF FUCHS KAPITALANLAGE-GESELLSCHAFT MBH
First appointment: 2017
Appointed until: 2025

**Deputy Chairwoman**
Comparable supervisory committees:
- BLITZ 24-894 SE (in future: RUDOLF FUCHS VERWALTUNGS SE)

**Jens Lehfeldt**
Chairman of the Works Council of the FUCHS LUBRICANTS GERMANY GMBH, located in Mannheim
Chairman of the Group Works Council of FUCHS LUBRICANTS GERMANY GMBH
Chairman of the Group Works Council of FUCHS SE
Chairman of the SE Works Council
First appointment: 2019
Appointed until: 2025

**Member**
**(Employee representative)**
Group mandate:
- FUCHS LUBRICANTS GERMANY GMBH

**Ingeborg Neumann**
Managing Partner,
Peppermint Holding GmbH
First appointment: 2015
Appointed until: 2025

**Member**
Supervisory Board mandates:
- SGL Carbon SE

Comparable supervisory committees:
- Berliner Wasserbetriebe AöR

**Cornelia Stahlschmidt**
Chairwoman of the Works Council and representative for disabled persons at FUCHS LUBRICANTS GERMANY GMBH, Kaiserslautern and Dohna
Deputy Chairwoman of the Group Works Council
First appointment: 2020
Appointed until: 2025

**Member**
**(Employee representative)**

**Dr. Markus Steilemann**
Chairman of the Executive Board of COVESTRO AG
First appointment: 2022
Appointed until: 2025

**Member**

## Executive Board

**Stefan Fuchs**
First appointment: 1999
(Chairman since 2004)
Appointed until: June 2026
28 years at FUCHS

**Chairman of the Executive Board**
Areas of responsibility:
Group Development, Human Resources, Corporate Marketing & Communications, Strategy

Supervisory Board mandate:
- TRUMPF GmbH + Co. KG

Comparable supervisory committees:
- BLITZ 24-894 SE (in future: RUDOLF FUCHS VERWALTUNGS SE)

**Dr. Sebastian Heiner**
First appointment: 2023
Appointed until: December 2025
4 years at FUCHS

**Member of the Executive Board; Chief Technical Officer**
Areas of responsibility:
Research & Development, Technology, Product Management, Purchasing, Operations, Sustainability, EH&S, Integrated Management Systems

**Dr. Timo Reister**
First appointment: 2016
Appointed until: December 2028
15 years at FUCHS

**Deputy Chairman of the Executive Board**
Areas of responsibility:
Asia-Pacific, North and South America, Automotive Aftermarket Division, Mining Division, OEM Division

**Dr. Ralph Rheinboldt**
First appointment: 2009
Appointed until: December 2028
26 years at FUCHS

**Member of the Executive Board**
Areas of responsibility:
Europe, Middle East and Africa, Specialty Division, Industry Division

Group mandate:
- FUCHS LUBRICANTS GERMANY GMBH (Chairman)

**Isabelle Adelt**
First appointment: 2022
Resignation of the mandate:
June 30, 2025
2 years at FUCHS

**Member of the Executive Board; Chief Financial Officer**
Areas of responsibility:
Finance, Controlling, Investor Relations, Governance, Digitalization, Legal, Compliance, Taxes

Group mandate:
- FUCHS LUBRICANTS GERMANY GMBH

## Compensation for members of the Executive Board

**Compensation of the Executive Board**

| in € thousand | 2024 | 2023 |
|---|---|---|
| **Compensation of the Executive Board** | **10,041** | **8,394** |
| thereof fixed compensation | 3,626 | 3,312 |
| thereof variable compensation | 6,415 | 5,082 |
| Pension expenses for pension commitments to active members of the Executive Board | 1,105 | 975 |
| thereof expenses for defined benefit plans | 313 | 315 |
| thereof expenses for defined contribution plans | 792 | 660 |
| Pension obligations | 9,307 | 8,944 |
| Plan assets | 8,052 | 7,323 |
| Balance of pension obligations and plan assets | 1,255 | 1,621 |
| **Former members of the Executive Board** | | |
| Total compensation of former board members | 1,432 | 650 |
| Pension obligations | 13,931 | 14,016 |
| Plan assets | 13,205 | 13,483 |
| Balance of pension obligations and plan assets | 726 | 534 |

The current compensation system for the members of the Executive Board of FUCHS SE has been in place since financial year 2024. Following preparation by the Personnel Committee, it was adopted by the Supervisory Board at its meeting on March 11, 2024 with retroactive effect from January 1, 2024 and approved by the Annual General Meeting on May 8, 2024. In its key aspects, it aligns with the previous compensation system. The existing regulations on compensation structure have been simplified, and the rules on variable compensation have been adjusted to reflect standard market practices.

The Executive Board's fixed compensation includes, in addition to the fixed compensation element, monetary benefits from private use of the company car and from accident insurance. The Executive Board's variable compensation consists of 45% Short-Term Incentive (STI) and 55% Long-Term Incentive (LTI). Performance-based compensation is calculated on the same basis for the STI and LTI using the following formula: FVA × Sustainability Factor × Individual Share

For the financial year 2024, the individual share of a regular executive board member is 0.35%. The CEO receives an individual share of 0.70%. If the Supervisory Board has appointed a Deputy Chair of the Executive Board, he or she will receive an Individual Share of 0.525%. Effective January 1, 2024, Dr. Timo Reister was appointed Deputy Chair of the Executive Board, and his compensation was adjusted accordingly under the current system. In the previous year, the Chairman of the Executive Board received an individual share of 0.64%, and the other board members each received an individual share of 0.32%. Performance-based compensation is paid in March after the Supervisory Board meeting to approve the previous financial year's annual financial statements.

The members of the Executive Board are obliged to invest more than half of the LTI as part of their performance-related remuneration in preference shares of FUCHS SE within two weeks of payment. This ensures that variable compensation is predominantly share-based, taking into account the respective tax burden. The preference shares acquired are subject to a four-year lock-up period. The vesting period begins when they are posted to the individual securities accounts and must be observed in full even if the Executive Board contract is terminated prematurely. In this period, the shares held by members of the Executive Board are exposed to all the risks and rewards of capital market performance. The preference shares are acquired on a uniform basis for all members of the Executive Board in order to ensure standard acquisition terms.

The portion of variable compensation of €1,773 thousand (1,405) invested in preference shares is classified as share-based compensation with equity instruments in accordance with IFRS 2. This portion of the variable compensation recognized as an expense was shown in total equity at the end of the reporting period. The remaining share of variable compensation amounting to €4,642 million (3,677) was recorded as other liabilities as of the balance sheet date.

As part of variable remuneration 2023 (LTI), 32,516 preference shares were acquired by the Executive Board at the purchase price of €42.99 per share on March 14, 2024. This amounted to the equivalent of €1,405 thousand, and taking account of incidental acquisition costs. The portion of the variable compensation of €1,773 thousand for the financial year 2024 will be invested in preference shares of FUCHS SE in the financial year 2025 within two weeks of payment. The variable remuneration associated with the share-based remuneration is the fair value at the date of award. As of December 31, 2024, a number of 42,564 preference shares should have been acquired at a market price of €41.66 per preference share. As at December 31, 2024, a total of 121,691 shares are subject to a freeze period.

**Compensation for members of the Supervisory Board**
Total compensation of Supervisory Board was € 768 thousand (768).

The compensation of the Supervisory Board is definitively pursuant to Section 16 of the Articles of Association of FUCHS SE. Since financial year 2021, members of the Supervisory Board receive a pure fixed compensation, of which at least 20% must be invested in preference shares of the company. It is paid after the meeting of the Supervisory Board at which it is decided to approve the annual financial statements for the immediately preceding financial year. The obligation to purchase preference shares with a vesting period of four years takes effect thereafter. The freezing period also applies even if the Supervisory Board contract is terminated.

Until the financial year 2019 (share acquisition 2020), the vesting period was five years, with this freezing period expiring upon leaving the Supervisory Board.

The portion of the compensation of €128 thousand (128) invested in preference shares is classified as share-based compensation with equity instruments in accordance with IFRS 2. This portion of compensation recognized as an expense was shown in total equity at the end of the reporting period and the remainder of the compensation as other liabilities.

The portion of the remuneration of €128 thousand (128) for the share-based remuneration, which corresponds to the fair value at the grant date, must be invested in preference shares. On March 14, 2024, 2,989 preference shares were acquired by the Supervisory Board at a purchase price of €42.73 per share as part of the variable compensation for the 2023 financial year under the preference share program described above. This amounted to the equivalent of €128 thousand, and taking account of incidental acquisition costs. The portion of the variable compensation of €128 thousand for the financial year 2024 that is invested in preference shares will not be paid in the financial year 2025 until after the Supervisory Board meeting at which it is decided to approve the annual financial statements for the immediately preceding financial year. As at December 31, 2024, a number of 3,083 preference shares should have been purchased at a market price of €41.66 per preference share. As at December 31, 2024, a total of 13,685 shares are subject to a freeze period.

For further information on the remuneration of members of the Executive Board and Supervisory Board, please refer to the compensation report published on our website.
→ www.fuchs.com/group/the-company/compensation-systems/

## 38 Declaration on the German Corporate Governance Code as per Section 161 of the German Stock Corporation Act (AktG)
The Executive Board and Supervisory Board at FUCHS SE submitted the Declaration of Compliance required pursuant to Section 161 of the German Stock Corporation Act (AktG). A copy can be found on page 217 and is publicly available on the company's website at
→ www.fuchs.com/group/the-company/corporate-governance/declaration-of-corporate-governance/

## 39 Fees and services of the auditor in accordance with Section 315e in conjunction with Section 314 (1) No. 9 of the German Commercial Code (HGB)
FUCHS Group companies have used the following services from the PricewaterhouseCoopers GmbH auditing company and its legally independent network companies worldwide:

**Global fees and services of the auditor**

| in € million | 2024 | 2023 |
|---|---|---|
| Audit fees | 2.2 | 2.0 |
| Other certification services | 0.2 | 0.1 |
| Tax fees | 0.1 | 0.1 |
| All other fees | 0.0 | 0.0 |
| **Total** | **2.5** | **2.2** |

Of this, fees of €0.5 million (0.6) for audit services were recognized as expenses for audits of financial statements in Germany for PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft. These services related to the audit of the consolidated financial statements of FUCHS SE and the statutory annual financial statements of FUCHS SE and the subsidiaries included in the consolidated financial statements. Additionally, other attestation services of €0.2 million (0.1) were provided domestically for the audit of non-financial reporting, including sustainability-related disclosures and the content review of the compensation report. Other services amounting to €0.0 million (0.0) were provided domestically for support related to CSRD reporting obligations. No tax consulting services were provided domestically, as in the previous year.

## 40 Shareholding in accordance with Section 315e in conjunction with Section 313 (2) of the German Commercial Code (HGB)

As of December 31, 2024

| Name and registered office of the company (in € million) | Share in equity (in %) [1] | Total equity [2] | Sales revenues 2024 [2] | Consolidation [3] |
|---|---|---|---|---|
| **I. AFFILIATED COMPANIES** | | | | |
| **GERMANY** | | | | |
| BLITZ F24-520 GMBH, Frankfurt | 100 | 0 | 0 | F |
| BREMER & LEGUIL GMBH, Duisburg [4] | 100 | 0 | 44 | F |
| FUCHS FINANZSERVICE GMBH, Mannheim [4] | 100 | 441 | 0 | F |
| FUCHS LUBRICANTS GERMANY GMBH, Mannheim [4] | 100 | 252 | 1,005 | F |
| FUCHS SMART SERVICES GMBH, Mannheim [4] | 100 | 1 | 0 | F |
| LUBCON SERVICE + SYSTEMS GMBH, Maintal | 100 | 3[7] | 3[7] | F |
| LUBRICANT CONSULT GMBH, Maintal | 100 | 27[7] | 29[7] | F |
| STRUB DEUTSCHLAND GMBH i. L., Mannheim | 100 | 0 | 0[8] | F |
| **EMEA (EXCLUDING GERMANY)** | | | | |
| FUCHS LUBRICANTS BENELUX N.V./S.A., Huizingen/Belgium | 100 | 15 | 46 | F |
| FUCHS LUBRICANTS DENMARK ApS, Hellerup/Denmark | 100 | 4 | 13 | F |
| FUCHS LUBRICANTS ESTONIA OÜ, Tallinn/Estonia | 100 | 1 | 2 | F |
| FUCHS OIL FINLAND OY, Vantaa/Finland (formerly Vaasa/Finland) | 100 | 2 | 10 | F |
| FUCHS LUBRIFIANT FRANCE S.A., Nanterre/France | 99.8 | 15 | 153 | F |
| LUBCON FRANCE S.A.R.L., Montmélian/France | 100 | 0[7] | 1[7] | F |

| Name and registered office of the company (in € million) | Share in equity (in %)[1] | Total equity[2] | Sales revenues 2024[2] | Consolidation[3] |
|---|---|---|---|---|
| FUCHS HELLAS S.A., Athens/Greece | 100 | 3 | 8 | F |
| CENTURY OILS INTERNATIONAL LTD., Stoke-on-Trent/United Kingdom | 100 | 1[5] | 0[5] | F |
| FUCHS LUBRICANTS (UK) PLC., Stoke-on-Trent/United Kingdom (subgroup) | 100 | 76 | 198 | F |
| FUCHS LUBRITECH INTERNATIONAL (UK) LTD., Stoke-on-Trent/United Kingdom | 100 | 0 | 0 | F |
| FUCHS LUBRITECH (UK) LTD., Stoke-on-Trent/United Kingdom | 100 | 0 | 0 | F |
| LUBCON LUBRICANTS UK LTD., Ilkley/United Kingdom | 100 | 1 | 1[8] | F |
| FUCHS LUBRIFICANTI S.P.A., Buttigliera d'Asti/Italy | 100 | 27 | 106 | F |
| LUBCON LUBRIFICANTI S.R.L., Milan/Italy | 100 | 0[7] | 1[7] | F |
| FUCHS MAZIVA D.O.O., Samobor/Croatia | 100 | 3 | 12 | F |
| FUCHS LUBRICANTS LATVIA SIA, Riga/Latvia | 100 | 1 | 2 | F |
| FUCHS LUBRICANTS LITHUANIA UAB, Vilnius/Lithuania | 100 | 1 | 4 | F |
| FUCHS MAK DOOEL, Skopje/Macedonia | 100 | 1 | 1 | F |
| FUCHS LUBRICANTS NORWAY AS, Oslo/Norway | 100 | 7 | 26 | F |
| FUCHS AUSTRIA SCHMUERSTOFFE GMBH, Thalgau/Austria | 100 | 4 | 30 | F |
| FUCHS OIL CORPORATION (PL) SP. Z O.O., Gliwice/Poland | 100 | 62 | 175 | F |
| LUBCON POLSKA SP. Z O.O., Swidnik/Poland | 100 | 6[7] | 6[7] | F |
| FUCHS LUBRIFICANTES UNIPESSOAL LDA., Moreira-Maia/Portugal | 100 | 3 | 15 | F |
| FUCHS LUBRICANTS ROMANIA SRL, Bucharest/Romania | 100 | 4 | 15 | F |
| OOO FUCHS OIL, Moscow/Russia | 100 | 28 | 55 | F |
| FUCHS LUBRICANTS SWEDEN AB, Stockholm/Sweden | 100 | 18 | 117 | F |
| LUBCON LUBRICANT CONSULT AG, Spreitenbach/Switzerland | 100 | 4 | 4[8] | F |
| STRUB & CO. AG, Reiden/Switzerland | 100 | 0 | 10[8] | F |
| FUCHS OIL CORPORATION (SK) SPOL. S. R.O., Brezno/Slovak Republic | 100 | 3 | 11 | F |
| FUCHS MAZIVA LSL D.O.O., Krško/Slovenia | 100 | 1 | 4 | F |
| LUBCON D.O.O., Novo Mesto/Slovenia | 70 | 1[7] | 1[7] | F |
| FUCHS LUBRICANTES S.A.U., Castellbisbal/Spain | 100 | 30 | 82 | F |
| FUCHS OIL CORPORATION (CZ) SPOL. S. R.O., Říčany/Czech Republic | 100 | 4 | 17 | F |
| LUBCON S.R.O., Slavičín/Czech Republic | 100 | 0[7] | 1[7] | F |

| Name and registered office of the company (in € million) | Share in equity (in %)[1] | Total equity[2] | Sales revenues 2024[2] | Consolidation[3] |
|---|---|---|---|---|
| TOV FUCHS MASTYLA UKRAINA, Lviv/Ukraine | 100 | 10 | 28 | F |
| FUCHS OIL HUNGÁRIA KFT, Budaörs/Hungary | 100 | 2 | 11 | F |
| FUCHS AFRICA (PTY.) LTD., Johannesburg/South Africa (formerly FUCHS SOUTHERN AFRICA (PTY.) LTD.) | 100 | 39 | 35 | F |
| FUCHS LUBRICANTS SOUTH AFRICA (PTY.) LTD., Johannesburg/South Africa | 74.9 | 17 | 118 | F |
| LUBCON SOUTH AFRICA (PTY) LTD., Germiston/South Africa | 100 | 0[7] | 0[7] | F |
| **ASIA-PACIFIC** | | | | |
| FUCHS LUBRICANTS (AUSTRALASIA) PTY. LTD., Sunshine-Melbourne/Australia | 100 | 65 | 238 | F |
| NULON PRODUCTS AUSTRALIA PTY. LTD., Sydney/Australia | 100 | 6 | 26 | F |
| FUCHS LUBRICANTS (CHINA) LTD., Shanghai/People's Republic of China | 100 | 37 | 297 | F |
| FUCHS LUBRICANTS REGIONAL HEADQUARTER (EAST ASIA) LTD., Shanghai/People's Republic of China | 100 | 15 | 69 | F |
| FUCHS LUBRICANTS (SUZHOU) LTD., Wujiang/People's Republic of China | 100 | 60 | 252 | F |
| FUCHS LUBRICANTS (YINGKOU) LTD., Yingkou City/People's Republic of China | 100 | 85 | 270 | F |
| FUCHS LUBRICANTS (INDIA) PVT. LTD., Mumbai/India | 100 | 22 | 53 | F |
| LUBCON LUBRICATION INDIA PRIVATE LTD., Taluk, Bangalore/India | 99.9 | 1[7] | 1[7] | F |
| STRUB INDIA PRIV. LTD., Pune/India | 74 | 0 | 1[9] | F |
| PT FUCHS INDONESIA, Jakarta/Indonesia | 100 | 4 | 13 | F |
| PT FUCHS LUBRICANTS INDONESIA, Jakarta/Indonesia | 100 | 0 | 10 | F |
| FUCHS JAPAN LTD., Tokyo/Japan | 100 | 6 | 21 | F |
| FUCHS LUBRICANTS (KOREA) LTD., Seoul/South Korea | 100 | 7 | 32 | F |
| FUCHS LUBRICANTS MALAYSIA SDN. BHD., Petaling Jaya/Malaysia (formerly Shah Alam/Malaysia) | 100 | 2 | 6 | F |
| FUCHS LUBRICANTS (NEW ZEALAND) LTD., Auckland/New Zealand | 100 | 1 | 17 | F |
| NULON NZ LTD., Auckland/New Zealand | 100 | 0 | 2 | F |
| LUBCON LUBRICANTS ASIA PACIFIC INC., Manila/Philippines | 100 | 1[7] | 2[7] | F |
| FUCHS LUBRICANTS PTE. LTD., Singapore/Singapore | 100 | 3 | 13 | F |
| FUCHS LUBRICANTS TAIWAN CORP., Taipei/Taiwan | 100 | 1 | 7 | F |

| Name and registered office of the company (in € million) | Share in equity (in %) [1] | Total equity [2] | Sales revenues 2024 [2] | Consolidation [3] |
|---|---|---|---|---|
| FUCHS LUBRICANTS (THAILAND) CO., LTD., Bangkok/Thailand | 100 | 3 | 13 | F |
| FUCHS THAI HOLDING LTD., Bangkok/Thailand | 100 | 0 | 0 | F |
| FUCHS LUBRICANTS VIETNAM COMPANY LTD., Ho Chi Minh City/Vietnam | 70 | 7 | 8 | F |
| **NORTH AND SOUTH AMERICA** | | | | |
| FUCHS ARGENTINA S.A., El Talar de Pacheco/Argentina | 100 | 3 | 14 | F |
| FUCHS LUBRIFICANTES DO BRASIL LTDA., City of Barueri, State of São Paulo/Brazil | 100 | 20 | 61 | F |
| FUCHS LUBRICANTS SpA, Santiago de Chile/Chile | 100 | 0 | 2 | F |
| FUCHS LUBRICANTS CANADA LTD., Cambridge, Ontario/Canada | 100 | 12 [6] | 34 [6] | F |
| LUBCON MÉXICO S.A., Guadalajara/Mexico | 100 | 0 [7] | 0 [7] | F |
| LUBRICANTES FUCHS DE MEXICO S.A. DE C.V., Querétaro/Mexico | 100 | 30 [6] | 128 [6] | F |
| FUCHS CORPORATION, Dover, Delaware/USA (subgroup) | 100 | 433 | 602 | F |
| FUCHS LUBRICANTS CO., Harvey, Illinois/USA | 100 | 249 [6] | 370 [6] | F |
| LUBCON TURMO LUBRICATION INC., Grand Rapids, Michigan/USA | 100 | 3 [7] | 4 [7] | F |
| NYE LUBRICANTS INC., Fairhaven, Massachusetts/USA | 100 | 138 [6] | 85 [6] | F |
| ULTRACHEM INC., New Castle, Delaware/USA | 100 | 22 [6] | 25 [6] | F |
| **II. JOINT VENTURES** | | | | |
| E-LYTE INNOVATIONS GMBH, Kaiserslautern/Germany | 33.2 | 8 | 2 | E |
| FUCHS EGYPT LLC, Cairo/Egypt | 50 | 0 | 1 | E |
| FUCHS EGYPT LUBRICANTS LLC, Cairo/Egypt | 50 | 4 | 7 | E |
| FUCHS LUBRICANTS IRANIAN COMPANY (PJS), Tehran/Iran | 50 | 13 | 15 | E |
| FUCHS MOZAMBIQUE LDA, Tete/Mozambique | 50 | 2 | 4 | E |
| FUCHS OIL MIDDLE EAST LTD., British Virgin Islands, Sharjah branch/United Arab Emirates | 50 | 9 | 26 | E |
| FUCHS ZAMBIA LIMITED, Lusaka/Zambia | 50 | 2 | 10 | E |
| FUCHS ZIMBABWE (PVT) LTD., Harare/Zimbabwe | 50 | 3 | 18 | E |
| OPET FUCHS MADENI YAG SANAYI VE TICARET A.S., Cigli-Izmir/Turkey | 50 | 24 | 115 | E |

| Name and registered office of the company (in € million) | Share in equity (in %) [1] | Total equity [2] | Sales revenues 2024 [2] | Consolidation [3] |
|---|---|---|---|---|
| **III. ASSOCIATES** | | | | |
| ALHAMRANI-FUCHS PETROLEUM SAUDI ARABIA LTD., Jeddah/Saudi Arabia | 32 | 44 | 159 | E |
| FUCHS LUBRICANTS TANZANIA LIMITED, Dar Es Salaam/Tanzania | 48 | 1 | 4 | E |
| **IV. OTHER COMPANIES IN WHICH THE GROUP HOLDS AN INTEREST (PERCENTAGE OF SHARES HELD > 5%)** | | | | |
| GVÖ Gebinde-Verwertungsgesellschaft der Mineralölwirtschaft mbH, Hamburg/Germany | 11.4 | | | |
| Consortium of Refined Oils, Jedlicze/Poland | 6 | | | |
| NIPPECO LTD., Tokyo/Japan | 11.1 | | | |

[1] Share of FUCHS SE including indirect shareholdings.
[2] Equity and sales revenues are reported at 100%. The figures at German companies are based on the German annual financial statements (HB I), while the figures at companies domiciled outside Germany, are based on the IFRS financial statements (HB II) prior to consolidation. The conversion of total equity into the Group’s currency (euro) was performed using the closing rate as of December 31, 2024, while the accumulated average annual exchange rate of 2024 was used when converting sales revenues.
[3] Inclusion in the consolidated financial statements: F = Full consolidation as per IFRS 10, E = Equity method as per IAS 28.
[4] Company with profit/loss transfer agreement.
[5] Included in the subgroup financial statements (HB II) FUCHS LUBRICANTS (UK) PLC., UK.
[6] Included in the subgroup financial statements (HB II) FUCHS CORPORATION, USA.
[7] Included in the subgroup financial statements (HB II) LUBRICANT CONSULT GMBH, Germany. Revenue figures refer to the period 01/01–12/31/2024.
[8] Revenue figures refer to the period 01/01–12/31/2024.
[9] Revenue figures refer to the period 04/01/2023–03/31/2024.

## 41 Events after the reporting period

Effective January 9, 2025, the FUCHS Group acquired the German lubricant company BOSS LUBRICANTS GMBH & CO. KG, Albstadt / Germany. The company develops, produces, and distributes specialty lubricants used in medical technology, security technology, metal processing, and mechanical engineering. With this acquisition, the FUCHS Group aims to complement its existing specialty business and create new, internationally scalable growth opportunities. As of December 31, 2024, the company had 17 employees and generated revenue of approximately €7 million in the financial year 2024.

The financial effects of the acquisition are not yet reflected in the consolidated financial statements as of December 31, 2024. Assets and liabilities, as well as income and expenses, are included in the consolidated financial statements at the time control is obtained. The accounting treatment of the acquisition is still in progress. In particular, the fair values of the acquired assets and liabilities are not yet available.

Also, in January 2025, the FUCHS Group strengthened its presence in South America by establishing a subsidiary in Peru with its long-standing distribution partners. The lubricant business of the distribution partners, including employees, was transferred to the newly established company FUCHS PERU S.A.C. The company employs twelve people, most of whom work in sales and application technology. The FUCHS Group holds 60% of the shares in the new company, while the distribution partners hold the remaining 40%.

Beyond this, no significant events occurred after the balance sheet date.

Mannheim, March 19, 2025

FUCHS SE
Executive Board

S. Fuchs Dr. T. Reister I. Adelt Dr. S. Heiner Dr. R. Rheinboldt

# 3.3 Declaration and Assurance of the Executive Board pursuant to Section 297(2), Section 315(1) of the German Commercial Code (HGB)

We declare to the best of our knowledge that, in accordance with the applicable accounting principles, the consolidated financial statements give a true and fair view of the assets, financial position and earnings of the Group and that the management report, which is combined with the management report of FUCHS SE, includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Mannheim, March 19, 2025

FUCHS SE
Executive Board

S. Fuchs Dr. T. Reister I. Adelt Dr. S. Heiner Dr. R. Rheinboldt

# 3.4 Independent Auditor's Report

**To FUCHS SE, Mannheim**

***Report on the Audit of the Consolidated Financial Statements and of the Group Management Report***

**Audit Opinions**

We have audited the consolidated financial statements of FUCHS SE, Mannheim, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2024, and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of FUCHS SE for the financial year from 1 January to 31 December 2024. In accordance with the German legal requirements, we have not audited the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (the IFRS Accounting Standards) as adopted by the EU and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2024, and of its financial performance for the financial year from 1 January to 31 December 2024, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

**Basis for the Audit Opinions**

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). We performed the audit of the consolidated financial statements in supplementary compliance with the International Standards on Auditing (ISAs). Our responsibilities under those requirements, principles and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

**Key Audit Matters in the Audit of the Consolidated Financial Statements**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matter of most significance in our audit was as follows:

1 Recoverability of Goodwill

Our presentation of this key audit matter has been structured as follows:

1 Matter and issue
2 Audit approach and findings
3 Reference to further information

Hereinafter we present the key audit matter:

1 Recoverability of Goodwill

1 In the Company's consolidated financial statements goodwill amounting in total to € 249 Mio (10.3 % of total assets or 13.8 % of equity) is reported under the "Goodwill" balance sheet item. Goodwill is tested for impairment by the Company once a year or when there are indications of impairment to determine any possible need for write-downs. The impairment test is carried out at the level of the groups of cash-generating unit to which the relevant goodwill is allocated. The carrying amount of the relevant cash-generating units, including goodwill, is compared with the corresponding recoverable amount in the context of the impairment test. The recoverable amount is generally using the value in use. The present value of the future cash flows from the respective group of cash-generating units normally serves as the basis of valuation. Present values are calculated using discounted cash flow models. For this purpose, the adopted medium-term business plan of the Group forms the starting point which is extrapolated based on assumptions about long-term rates of growth. Expectations relating to future market developments and assumptions about the development of macroeconomic factors are also taken into account. The discount rate used is the weighted average cost of capital for the respective group of cash-generating units. The impairment test determined that no writedowns were necessary. The outcome of this valuation is dependent to a large extent on the estimates made by the executive directors with respect to the future cash inflows from the respective group of cash-generating units, the discount rate used, the rate of growth and other assumptions, and is therefore subject to considerable uncertainty. Against this background and due to the complex nature of the valuation, this matter was of particular significance in the context of our audit.

2 As part of our audit, we assessed the methodology used for the purposes of performing the impairment test, among other things. After matching the future cash inflows used for the calculation against the adopted medium-term business plan of the Group, we assessed the appropriateness of the calculation, in particular by reconciling it with general and sector-specific market expectations. In addition, we assessed the appropriate consideration of the costs of Group functions. In the knowledge that even relatively small changes in the discount rate and growth rate applied can have a material impact on the value of the entity calculated in this way, we focused our testing in particular on the parameters used to determine the discount rate applied, and assessed the calculation model. In order to reflect the uncertainty inherent in the projections, we evaluated the sensitivity analyses performed by the Company. We verified that the necessary disclosures were made in the notes to the consolidated financial statements relating to groups of cash-generating units for which a reasonably possible change in an assumption would result in the recoverable amount falling below the carrying amount of the cash-generating units including the allocated goodwill. Overall, the valuation parameters and assumptions used by the executive directors are in line with our expectations and are also within the ranges considered by us to be reasonable.

3 The Company's disclosures on impairment testing and on goodwill are contained in section "Accounting policies" in note 14 "Goodwill and other intangible assets" of the notes to the consolidated financial statements.

**Other Information**

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the group management report:

- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB included in section "2.12" of the group management report
- the non-financial statement to comply with §§ 289b to 289e HGB and with §§ 315b to 315c HGB included in section "2.11 Non-financial Group declaration" of the group management report

The other information comprises further all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report.

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report**

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) and supplementary compliance with the ISAs will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the internal control and these arrangements and measures (systems), respectively.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

## Other legal and regulatory requirements

### *Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB*

**Assurance Opinion**

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file **[FSE_KA_LB_2024-12-31.zip]** and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January to 31 December 2024 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

**Basis for the Assurance Opinion**
We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

**Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents**
The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

**Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents**
Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

**Further Information pursuant to Article 10 of the EU Audit Regulation**

We were elected as group auditor by the annual general meeting on 8 May 2024. We were engaged by the supervisory board on 17 July 2024. We have been the group auditor of the FUCHS SE, Mannheim, without interruption since the financial year 2018.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

## Reference to an other matter – use of the auditor's report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

## German public auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Christina Erkmen.

Mannheim, March 19, 2025

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

| | |
|---|---|
| Christina Erkmen | Matthias Böhm |
| Wirtschaftsprüferin | Wirtschaftsprüfer |

# 3.5 Proposal for the appropriation of profits

The Executive Board proposes to allocate the unappropriated profits of FUCHS SE from the past financial year 2024 amounting to €152,615,000.00 as follows:

| | |
|---|---|
| Distribution of a dividend of €1.16 per each dividend-entitled ordinary share as of the balance sheet date, totaling 65,500,000 shares | 75,980,000.00 |
| Distribution of a dividend of €1.17per each dividend-entitled preference share as of the balance sheet date, totaling 65,500,000 shares | 76,635,000.00 |
| **Unappropriated profit** | **152,615,000.00** |

# Ten-year overview

**FUCHS Group**

| Amounts in € million | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Results of operations** | | | | | | | | | | |
| Sales revenues (by company location) | 3,525 | 3,541 | 3,412 | 2,871 | 2,378 | 2,572 | 2,567 | 2,473 | 2,267 | 2,079 |
| Germany | 726 | 754 | 728 | 627 | 540 | 611 | 637 | 633 | 631 | 569 |
| International | 2,799 | 2,787 | 2,684 | 2,244 | 1,838 | 1,961 | 1,930 | 1,840 | 1,636 | 1,510 |
| Cost of sales | 2,310 | 2,396 | 2,358 | 1,906 | 1,524 | 1,682 | 1,668 | 1,591 | 1,416 | 1,288 |
| Gross profit | 1,215 | 1,145 | 1,054 | 965 | 854 | 890 | 899 | 882 | 851 | 791 |
| in % of sales revenues | 34.5 | 32.3 | 30.9 | 33.6 | 35.9 | 34.6 | 35.0 | 35.7 | 37.5 | 38.1 |
| Earnings before interest and tax (EBIT) | 434 | 413 | 365 | 363 | 313 | 321 | 383 | 373 | 371 | 342 |
| in % of sales revenues | 12.3 | 11.7 | 10.7 | 12.6 | 13.2 | 12.5 | 14.9 | 15.1 | 16.4 | 16.5 |
| Earnings after tax | 302 | 283 | 260 | 254 | 221 | 228 | 288 | 269 | 260 | 236 |
| in % of sales revenues | 8.6 | 8.0 | 7.6 | 8.8 | 9.3 | 8.9 | 11.2 | 10.9 | 11.5 | 11.4 |
| **Assets / equity and liabilities** | | | | | | | | | | |
| Balance sheet total | 2,610 | 2,423 | 2,523 | 2,311 | 2,120 | 2,023 | 1,891 | 1,751 | 1,676 | 1,490 |
| Shareholders' equity | 1,900 | 1,804 | 1,841 | 1,756 | 1,580 | 1,561 | 1,456 | 1,307 | 1,205 | 1,070 |
| Equity ratio (in %) | 72.8 | 74.5 | 73.0 | 76.0 | 74.5 | 77.2 | 77.0 | 74.6 | 71.9 | 71.8 |
| Cash and cash equivalents | 153 | 175 | 119 | 146 | 209 | 219 | 195 | 161 | 159 | 119 |
| Financial liabilities [1] | 112 | 63 | 179 | 49 | 30 | 26 | 4 | 1 | 13 | 18 |
| Net liquidity | 41 | 112 | –60 | 97 | 179 | 193 | 191 | 160 | 146 | 101 |
| Pension provisions | 11 | 10 | 7 | 28 | 43 | 36 | 25 | 26 | 35 | 33 |
| **FUCHS Value Added (FVA)** | **245** | **212** | **172** | **205** | **165** | **174** | **251** | **250** | **257** | **246** |
| **Cash Flow** | | | | | | | | | | |
| Cash inflow from operating activities | 390 | 543 | 128 | 169 | 360 | 329 | 267 | 242 | 300 | 281 |
| Cash outflow from investing activities | –185 | –82 | –69 | –108 | –236 | –167 | –108 | –102 | –136 | –219 |
| thereof acquisitions [2] | –101 | –4 | –2 | –29 | –114 | –13 | 12 | –2 | –41 | –170 |
| Free cash flow | 205 | 461 | 59 | 61 | 124 | 162 | 159 | 140 | 164 | 62 |
| Free cash flow before acquisitions [2] | 306 | 465 | 61 | 90 | 238 | 175 | 147 | 142 | 205 | 232 |
| Cash Conversion Rate Factor [3] | 1.01 | 1.64 | 0.23 | 0.35 | 1.08 | 0.77 | 0.51 | 0.53 | 0.79 | 0.98 |

## FUCHS Group

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Investments / research and development** | | | | | | | | | | |
| Investments | 80 | 83 | 79 | 80 | 122 | 154 | 121 | 105 | 93 | 50 |
| Additions to non-current assets[4] | 113 | 101 | 91 | 92 | 127 | 185 | 121 | 105 | 93 | 50 |
| Depreciation (scheduled)[5] | 97 | 92 | 93 | 86 | 80 | 73 | 58 | 53 | 47 | 39 |
| Research & development expenses | 79 | 71 | 69 | 59 | 54 | 55 | 52 | 47 | 44 | 39 |
| **Employees**[6] | | | | | | | | | | |
| Number of employees (average) | 6,559 | 6,205 | 6,067 | 5,858 | 5,786 | 5,573 | 5,339 | 5,147 | 4,990 | 4,368 |
| Germany | 1,868 | 1,726 | 1,715 | 1,687 | 1,679 | 1,657 | 1,572 | 1,521 | 1,488 | 1,314 |
| in % | 28.5 | 27.8 | 28.3 | 28.8 | 29.0 | 29.7 | 29.4 | 29.6 | 29.8 | 30.1 |
| International | 4,691 | 4,479 | 4,352 | 4,171 | 4,107 | 3,916 | 3,767 | 3,626 | 3,502 | 3,054 |

## FUCHS Shares

| **Amounts in €** | | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Earnings per share[7] | Ordinary | 2.29 | 2.08 | 1.87 | 1.82 | 1.58 | 1.63 | 2.06 | 1.93 | 1.86 | 1.69 |
| | Preference | 2.30 | 2.09 | 1.88 | 1.83 | 1.59 | 1.64 | 2.07 | 1.94 | 1.87 | 1.70 |
| Dividend per share[7, 8] | Ordinary | 1.16 | 1.10 | 1.06 | 1.02 | 0.98 | 0.96 | 0.94 | 0.90 | 0.88 | 0.81 |
| | Preference | 1.17 | 1.11 | 1.07 | 1.03 | 0.99 | 0.97 | 0.95 | 0.91 | 0.89 | 0.82 |
| Dividend distribution (in € million)[8] | | 153 | 146 | 144 | 142 | 137 | 134 | 131 | 126 | 123 | 113 |
| Share buyback (in € million) | | 79 | 122 | 62 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Stock exchange prices on December 31[7] | Ordinary | 31.80 | 32.45 | 27.80 | 30.88 | 37.85 | 39.95 | 35.00 | 40.37 | 36.95 | 37.69 |
| | Preference | 41.66 | 40.30 | 32.74 | 39.92 | 46.44 | 44.16 | 35.98 | 44.25 | 39.88 | 43.50 |

[1] From 2019 on incl. financial liabilities from leasing.
[2] Including divestments.
[3] Free cash flow before acquisitions divided by earnings after tax.
[4] From 2019, investments plus additions of rights of use from rental and lease agreements – excluding financial instruments, deferred tax assets and assets from defined benefit pension plans.
[5] From 2019, scheduled depreciation including amortization of rights of use.
[6] From 2016 on including trainees.
[7] Prior-year figures adjusted for capital measures (bonus shares, share splits, increases in capital stock) to provide better comparability.
[8] For 2024, proposal for the appropriation of profits

# Financial calendar

**Dates 2025**

| | |
|---|---|
| March 21 | Annual Report 2024 |
| April 30 | Quarterly Statement as at March 31, 2025 |
| May 7 | Annual General Meeting |
| July 31 | Half-year Financial Report as at June 30, 2025 |
| October 31 | Quarterly Statement as at September 30, 2025 |

The financial calendar is updated regularly. You can find the latest dates on the webpage at

→ www.fuchs.com/financial-calendar

## Annual General Meeting 2025

The Annual General Meeting takes place on Wednesday, May 7, 2025, at 10:00 am in the Mozart Room of the Rosengarten Congress Center, Rosengartenplatz 2, Mannheim. Shareholders will also receive an invitation and the agenda via their depository banks.

## Disclaimer

This annual report contains statements about future developments that are based on assumptions and estimates by the management of FUCHS SE. Statements about future developments are all statements that do not refer to historical facts and events and contain such forward-looking formulations as “believes,” “estimates,” “assumes,” “expects,” “anticipates,” “forecasts,” “intends,” “could,” “will,” “should,” or similar formulations. Even if the management is of the opinion that these assumptions and estimates are accurate, future actual developments and future actual results may differ significantly from these assumptions and estimates due to a variety of factors. These factors can, for example, include changes in the overall economic climate, changes in the political environment, changes in procurement prices, changes to exchange rates and interest rates, and changes within the lubricants industry. FUCHS SE provides no guarantee that future developments and the results actually achieved in the future will match the assumptions and estimates set out in this annual report and assumes no liability for such. We do not assume any obligation to update the future-oriented statements made in this annual report.

## Note on rounding

Due to rounding, numbers presented in this annual report may not add up exactly to totals provided, and percentages stated may not precisely reflect the absolute figures to which they refer.

## Note regarding the annual report

In case of deviations between this English translation and the original German version of this annual report, the original German version takes precedence. In line with our sustainability activities we have resigned from printing the annual report and have published it exclusively in digital form since 2020.

# Imprint

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