



GUIDELINE

of the management on the topic of sustainability

1. Foreword

Franz Mensch GmbH is an owner-managed family business in the second generation located in Buchloe in the Allgäu region. For over 50 years, we have been producing and trading disposables, hygiene clothing and occupational safety products worldwide. Our products are used in hospitals, by doctors and nursing staff, in the food industry, gastronomy and hotels, as well as in industry and trade – wherever hygiene, cleaning, occupational safety and packaging play an important role. And that worldwide.

As a company, we aim to be among the best. This is also shown by various awards we have received in the recent past, including Focus Top Employer, winner of Bavaria's best 50, nominated for the major SME prize, award as „Heroes in the Crisis“. We follow a mission statement to achieve our goals: To continuously improve, to develop new products that our customers need, to create jobs in the region, and to integrate sustainability and environmental protection into our daily actions.

Especially as a manufacturer of disposables, Franz Mensch is fully aware of its special responsibility for the environment and its protection. And we know: Disposables and sustainability are not mutually exclusive. With the green brand NatureStar, we actively promote more sustainable product alternatives – already since 2016. NatureStar products are produced in an environmentally friendly way and are manufactured exclusively from natural raw materials. They are made from traditionally sustainable materials such as wood or bamboo, as well as innovative raw materials such as kraft paper, corn starch or palm leaf.

But beyond our product portfolio, environmental protection is also a particular concern of ours. This guideline is therefore intended to clarify our efforts and goals for our employees before we publish our first sustainability report in 2023.



2. Engagement until 2022

New building 2017 & extension 2022

Already with the construction of the new building at the Buchloe site, Franz Mensch GmbH wanted to position itself as sustainably and future-oriented as possible and commercially sensible. Thus, in the course of the new building, a 1,500 sqm PV system with an output of approx. 240 kWp was installed.

This plant already enabled us to achieve a degree of self-sufficiency of approx. 25 to 30% and to generate up to 50% of our total electricity requirements annually. In 2022, these values could be improved by adding another 1,500 sqm and 300 kWp of plant capacity. A holistic evaluation will be available in Q1 2023.

Other measures, such as energy-saving office cooling by means of floors, supplied by the self-generated electricity and our heat pump, were also not standard in 2017. Likewise, sufficient compensation and seepage areas on our premises were a particular concern for us.

We are rightly proud of the conclusion of the external auditor within the scope of our energy audit (report Feb. 2022).

„In general, it is positive to mention that due to the new site built in 2017, there is already a very good standard in terms of energy efficiency and sustainability.

[...]

The company's continued excellence in energy efficiency development can be seen as exemplary.“

However, we do not want to rest on our laurels. For example, in the current year we have invested in several temperature measuring points in our logistics in order to be able to control our energy consumption in a more demand-oriented manner without endangering the health of our employees.





Certifications

To give our drive for improvement a structured framework, we are ISO9001 and FSC® certified.



CO₂ balance

We have been CO₂ neutral at the Buchloe location since 2022. This does not yet take into account various measures, but we have already switched to CO₂ neutrality. In this way, all sent packages that leave our location are CO₂ compensated.

In our vehicle fleet, we use electric vehicles or, if this is not possible in some cases, plug-in hybrids to reduce the CO₂ emissions produced by our fleet. All employees can charge their private vehicles free of charge at one of our 24 charging stations.

Other engagement

- Any waste products on the site are returned to the material cycle, if possible, by a certified specialist company.
- In order to give the local birds of prey the opportunity to go foraging for food, we have installed several perches for birds of prey on our premises.
- Franz Mensch GmbH has been supporting rainforest projects for many years and has been able to save more than 6 million square metres of rainforest.
- In order to draw attention to the increasing climate crisis, we have established our own climate foundation and endowed it with sufficient capital to launch targeted information campaigns in cooperation with Fridays for Future.





3. Outlook

A sustainable orientation is important to Franz Mensch GmbH. This means that the unavoidable and important measures for climate protection must always go hand in hand with the commercial reason to remain competitive. Mastering this challenge will be decisive in securing jobs in the region despite climate policy developments. To this purpose, we divide the future orientation into the time horizons short-term, medium-term and long-term.

Short term

Various environmental measures are already being implemented or planned. These include:

- Favourable job bike leasing for our employees starting January 2023
- Storage unit to optimize self-consumption 2023
- Expansion of PV system by approx. 120 kWp 2023 or 2024
- Search for pioneer projects in the field of wind power (site analysis currently underway)
- Search for pioneer projects in the area of Power2Gas, hydrogen storage

Medium term

By 2025, we want to make all activities and consumption directly controllable by us CO₂ neutral. This includes, for example, the shipping of palletized goods, the use of packaging materials, and purchased services.

Initial steps are also planned to offer individual products as „climate neutral products“.

Long term

As an importer of products that come from Asia, among other places, complete CO₂ neutrality is the greatest challenge. This step will be difficult to achieve without technical innovation in the area of freight ship transport and a global rethinking. Nevertheless, we want to do everything we can to successfully master this task. We have set a time horizon of 2030 to 2035 for this.



4. Conclusion

Planning ahead is of paramount importance in order to reconcile economic strength and climate protection. This requires us as a company, but also all employees, to make this guideline available to them so that we can all make our contribution.

Thank you for your support!

Your

A handwritten signature in blue ink, appearing to read 'Achim Theiler'.

Achim Theiler

A handwritten signature in blue ink, appearing to read 'Axel Theiler'.

Axel Theiler