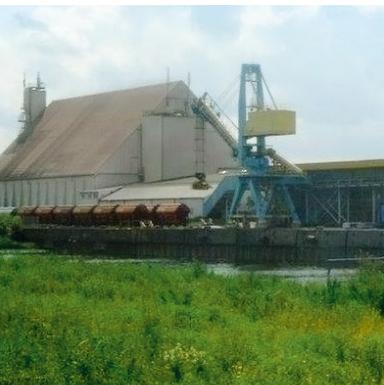




August Töpfer & Co.
(GmbH & Co.) KG

Sustainability Report



December 2022

ATCO Sustainability Report

Table of contents

1. Foreword	5
2. About this report	5
2.1 Methodology	6
2.2 Our stakeholders: identification of material topics for the report	6
3. About the company	8
3.1 History	8
3.2 Group of companies	9
3.3 August Töpfer & Co. (GmbH & Co.) KG	9
3.4 Location of operations	10
3.5 Overview of products	11
3.6 Overview of initiatives, memberships and certifications	12
4. Scope of report	13
5. Inspiration for our values	14
5.1 The Ten Principles of the UN Global Compact / Sustainable Development Goals	14
5.2 Our corporate values	16
6. Our transformation strategy for more sustainability	18
6.1 Integration of employees	18
6.2 Our products / more sustainable products	18
6.3 Sustainable procurement strategy	19
6.3.1 Social audits for suppliers	20
6.3.2 Pilot project: cashew processing in Ivory Coast	20
6.3.3 Pilot project: ATCO Vietnam	20
7. Sustainability targets	21
7.1 Sustainable packaging	21
7.2 Reducing emissions in our supply chain	21
7.3 Working with more Sedex-certified suppliers (SMETA)	21
8. Other initiatives for a more sustainable business	22
8.1 Reducing emissions from our electricity consumption	22
8.2 IT	24
8.3 Our contribution to the circular economy	24

8.4 Packaging materials	24
8.5 Occupational safety	25
8.6 Occupational health	25
9. Corporate responsibility, key figures and current situation	26
9.1 Economic responsibility	26
9.1.1 Economic indicators	26
9.1.2 Anti-corruption	27
9.1.3 Anti-competitive behaviour	27
9.1.4 Conflicts of interest during the reporting period	27
9.2 Environmental responsibility	28
9.2.1 Water, effluents and waste	28
9.2.2 Fuel consumption	30
9.2.3 Greenhouse gas emissions	31
9.3 Corporate social responsibility	35
9.3.1 Minimum wage	35
9.3.2 Working hours	35
9.3.3 Employee data	35
9.3.4 Employees by type	38
9.3.5 Executives	39
9.3.6 Parental leave	39
9.3.7 Employee turnover	40
9.3.8 Occupational health and safety	42
9.3.9 Training and education	42
9.3.10 Overview of benefits	43
9.3.11 Social commitment	43
9.3.12 Non-discrimination	44
9.3.13 Freedom of association and collective bargaining	44
9.3.14 Child labour / forced or compulsory labour	44
9.3.15 Human rights	44
9.3.16 Customer and employee privacy	45
10. Closing words and outlook	45
GRI content index	46
Sources	54
Imprint	55

List of figures

Fig. 1: Materiality matrix (source: own diagram)	7
Fig. 2: History	8
Fig. 3: Organisational chart (source: own diagram)	9
Fig. 4: Product overview (source: https://www.atco.de/produkt/)	11
Fig. 5: Sustainable Development Goals (Source: UN Department of Economics and Social Affairs: Sustainable Development)	14
Fig. 6: Our product flows	19
Fig. 7: Energy saved by LED lighting	23
Fig. 8: Waste volumes in 2020 and 2021	29
Fig. 9: Fleet emissions	32
Fig. 10: ATCO employees by gender in 2020	36
Fig. 11: ATCO employees by gender in 2021	36
Fig. 12: Overview of nationalities	37
Fig. 13: ATCO employees by type in 2020	38
Fig. 14: ATCO employees by type in 2021	38
Fig. 15: Executives by gender in 2020 and 2021	39
Fig. 16: Employee turnover in 2020 and 2021	40
Fig. 17: Employee turnover by gender in 2020 and 2021	41
Fig. 18: Employee turnover by age group in 2020 and 2021	41
Fig. 19: Our benefits at a glance	43

List of tables

Table 1: Energy consumption in kWh	30
Table 2: Number of vehicles by drive type	31
Table 3: Mileage by drive type (in km)	31
Table 4: Fleet CO ₂ emissions in t	32
Table 5: Electricity consumption and resulting CO ₂ emissions	33
Table 6: Bonora Copacking's natural gas consumption and resulting CO ₂ emissions	33
Table 7: Emissions from energy sources	34
Table 8: Training and education	42

1. Foreword

August Töpfer & Co. (GmbH & Co.) KG has been operating for over 100 years. It is currently managed by the third generation of the Ernst family. The company has only been able to thrive for so long because each generation has acted with one eye on the future.

Responsible and sustainable action had been practised by earlier generations within our company long before these concepts became the buzzwords they are today. Of course, the term “responsible action” has developed new meaning over the years.

A trading business like ours can only survive on the market if its business model and processes are regularly reviewed and aligned with current concerns. This is common practice in our company and has driven our commercial success for so long.

In recent years, there has been a great shift in social awareness. Social responsibility, sustainable action, protection of minorities and conservation of limited resources are now common knowledge.

We welcome this change and embrace these modern values as our own.

In order to communicate our values more clearly, at the start of 2022 we waved goodbye to the business policies we had developed for specific departments over the years in favour of a uniform policy for the entire company.

As we want to scrutinise and understand the consequences of our actions, we have prepared our first ever sustainability report.

2. About this report

By publishing our first sustainability report, we – August Töpfer & Co. (GmbH & Co.) KG – want to present our sustainability efforts, identify room for improvement and describe our plans for the future. This report shows how we are dealing with the main economic, ecological and social impacts on the environment, our company and stakeholders, and how we are tackling the challenges in those areas. We have used figures and data from the 2020 and 2021 financial and calendar years. Where possible and appropriate, we have also included data from the current year (2022). Whenever data is presented in this document, the relevant year will be indicated.

In the future, we will publish an updated report every two years. The aim is to offer all our stakeholders a transparent insight into our business activities and show how we are taking responsibility. By constantly updating our report, we will be able to amass a wealth of comparable data and monitor our progress as we strive to become a more sustainable company.

2.1 Methodology

We have prepared this report in line with the guidelines of the Global Reporting Initiative (GRI), specifically the GRI Standard 2016. This allows us to shed light on the material topics concerning our company as well as our stakeholders. A uniform standard also ensures transparency and will help make our data comparable in the years to come.

This report has been prepared according to the “Core” version of the GRI Standards. This ensures that the report covers general information about our business, as well as material issues, the associated impacts and how those impacts are managed. We have examined the main economic, environmental and social impacts – especially those which are important for our stakeholders.

This report will be printed and published electronically in German and English.

In this report, August Töpfer & Co. (GmbH & Co.) KG is referred to as “we” or “ATCO”. In the interest of making this report easier to read, there may be places where we have not distinguished between male, female or other forms of nouns and pronouns. However, all such references to persons apply equally to all genders.

This report has not been reviewed by an external body. However, its content has been checked and approved by the management. All information and data used in this report comes from existing documents or has been compiled and internally validated for this report.

We are committed to continuously improving our sustainability management. You can help us with your feedback. If you have any questions about our methodology or content, or if you have any other comments, please do not hesitate to contact us: sustainability@atco.de.

We welcome any questions and comments.

2.2 Our stakeholders: identification of material topics for the report

Our actions have an impact on various people, groups and organisations that are related to us in a variety of ways, including banks, shareholders, employees, suppliers, customers, authorities, associations and service providers (in short: our “stakeholders”).

We identified ATCO’s stakeholders during in-house workshops with employees from different departments and divisions.

During these workshops, we also considered how to involve our stakeholders in the best possible way to strike a balance between their expectations and our own ideas.

We engage with our stakeholders in various formats, where we discuss a range of topics related to the sustainability of our products and business. As these issues are important to our stakeholders, they play a key role in this report. This not only includes the obvious topic of our supply chain, specifically the effects of the German Supply Chain Act (LkSG), but also other issues such as the CO₂ emissions associated with our actions.

In addition to our constant dialogue with stakeholders outside of our company, we also discussed the material topics for this sustainability report in various in-house formats. This resulted in a form of materiality analysis, which allowed us to concisely identify our key issues and sharpen the focus of our reporting. The analysis can also be used to illustrate which of the GRI Standards have been used and are therefore particularly relevant. The materiality matrix generated from the analysis does not completely represent all of the GRI Standards covered by this report; for the sake of clarity, it has been condensed into a few overarching subject areas.

Materiality analysis

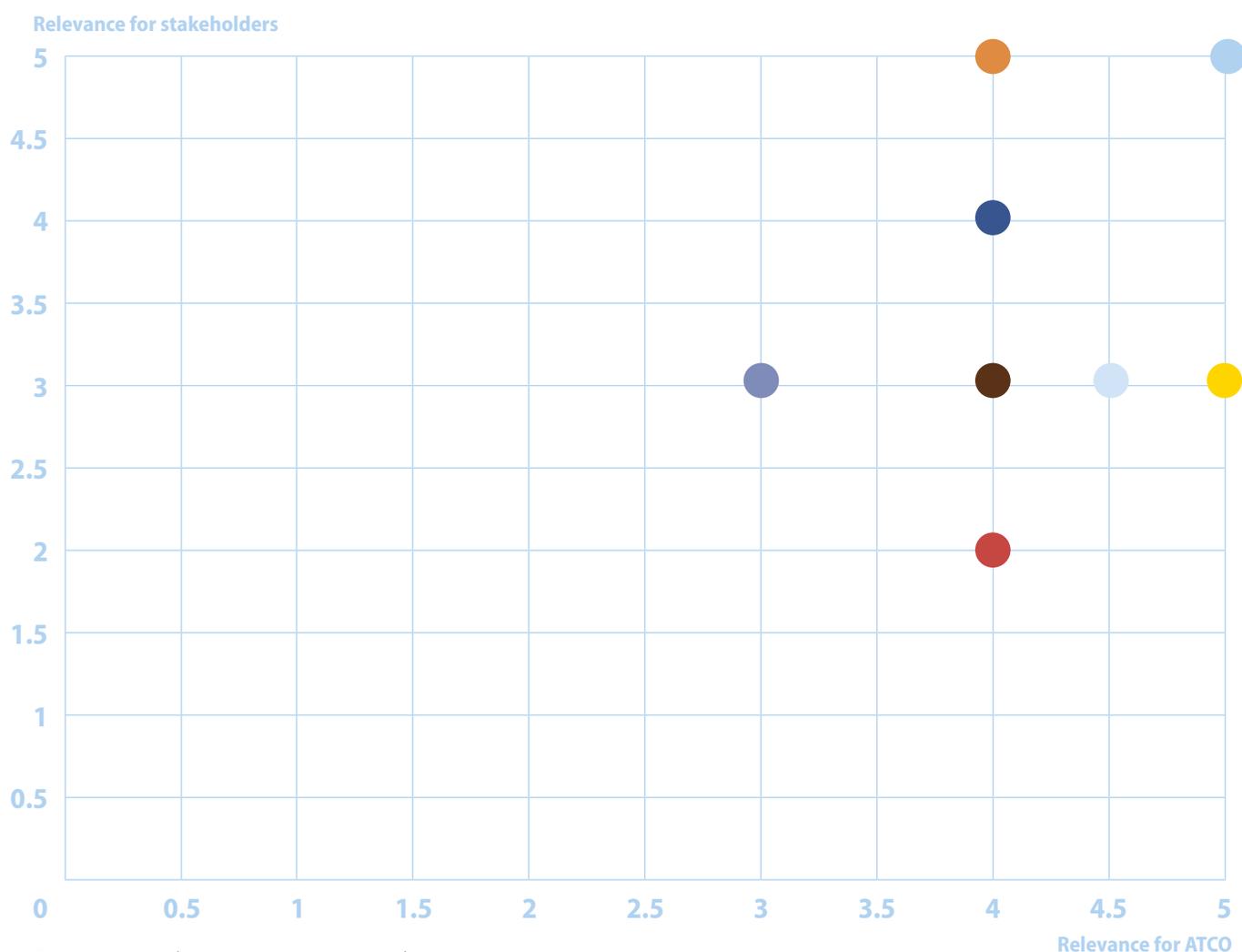


Fig. 1: Materiality matrix (source: own diagram)

- Emissions
- Use of resources
- Labour / management relations
- Privacy
- Health and safety
- Economic efficiency / stability
- Supply chain (environmental protection and social standards)
- Training and education

3. About the company

ATCO is a traditional trading company that was established in 1912. We primarily trade in raw materials for the food industry, especially sugar and dried fruits, and to a lesser extent in related non-foods such as bath salts and gritting salts. Within the scope of this core business, we are continuously adjusting our range of products in line with the market requirements. ATCO currently acts primarily as an importer of raw materials for the European food sector. Over the course of the company's history, however, there have been times at which our exports, especially of sugar, have significantly outweighed our imports. Since 2018, the management board has consisted of Robert Ernst, Rudolf Ernst and Jan Vincent Rieckmann.

Today, ATCO is one of the EU's leading importers of speciality sugars, nut kernels and dried fruits. Many of our products are organic or certified in line with Naturland, Bioland, Demeter or other standards. A considerable percentage of ATCO's imported goods have traditionally been handled via Hamburg. However, large volumes are now also processed via other European ports if they are more conveniently located for our customers. Most of our trade volume is imported in containers and goes straight from the port to the customer.

The core company within the ATCO Group is August Töpfer & Co. (GmbH & Co.) KG, which handles a large part of the trading business and also has various holdings in other companies. The most important shareholding is August Töpfer Zuckerhandelsgesellschaft mbH & Co. KG, which takes care of ATCO's trade in sugar.

In the eyes of customers and suppliers, ATCO represents expertise, continuity, reliability and experience.

3.1 History

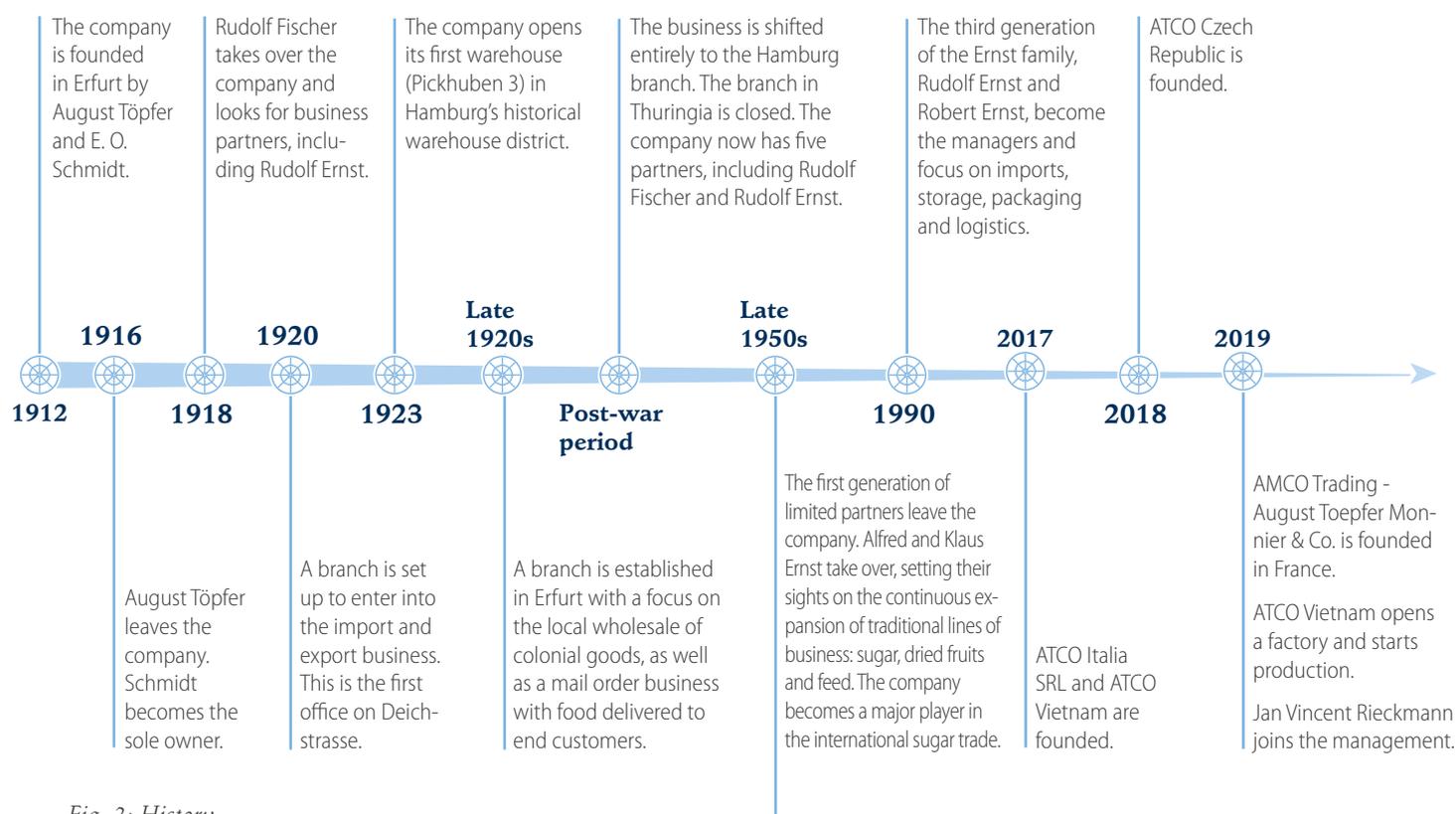


Fig. 2: History

3.2 Group of companies

The following organisational chart shows the shareholders of August Töpfer & Co. (GmbH & Co.) KG and the companies in which August Töpfer & Co. (GmbH & Co.) KG holds shares. These are the companies that form the ATCO group. For the sake of clarity, the limited liability companies (GmbH) belonging to the limited partnership (KG) are not shown.

The shareholders

Elisabeth Ernst

Caroline Ernst

Robert Ernst

Rudolf Ernst

Stephan Ernst

Der Konzern

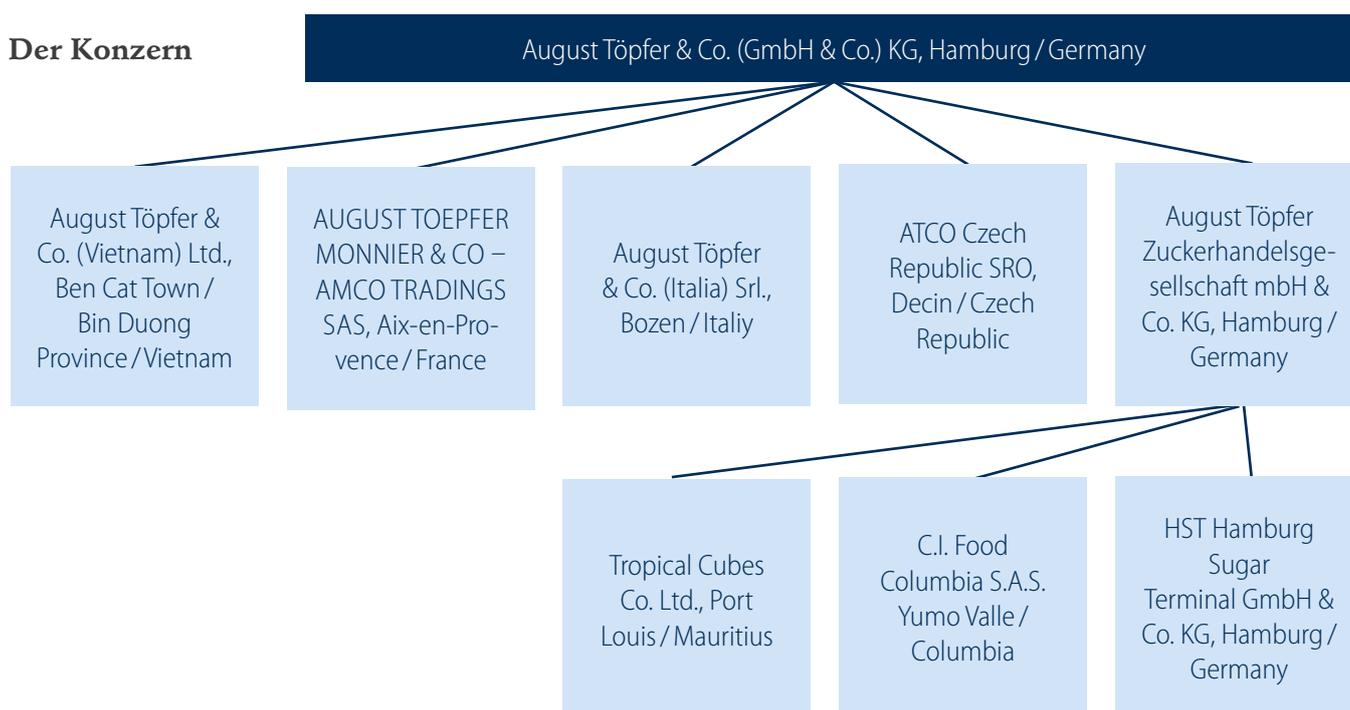


Fig. 3: Organisational chart (source: own diagram)

This sustainability report relates to August Töpfer & Co. (GmbH & Co.) KG, Hamburg / Germany.

3.3 August Töpfer & Co. (GmbH & Co.) KG

August Töpfer & Co. (GmbH & Co.) KG trades in nut kernels and dried fruits, speciality foods and feed. It also carries out contract manufacturing for third parties and provides the other affiliated companies with administrative services, IT and liquidity.

3.4 Location of operations

August Töpfer & Co. (GmbH & Co.) KG currently has two permanent establishments: its head office (Raboisen 58, D-20095 Hamburg) and a production facility (Bonora Copacking, Bullenhuser Damm 41-53, D-20539 Hamburg). Another location for the production of compound feed was put into operation in Bad Dürrenberg (Saxony-Anhalt) over the course of 2022.

Head office (Raboisen 58, Hamburg)

This is the registered office of August Töpfer & Co. (GmbH & Co.) KG.

It is home to the company's trading departments, administration, accounting and IT.

It is also the registered office of August Töpfer Zuckerhandelsgesellschaft mbH & Co. KG, which rents part of the premises.

Bonora Copacking

Bonora Copacking has been a market leader in the automated packing of sugar, nut kernels and dried fruits in bags for over 60 years. One of the very first vertical flow wrapping machines in Germany was used by Bonora Copacking in the 1950s when the technology was still in its infancy. Bonora Copacking works primarily for the ATCO Group, but it also carries out contract manufacturing and contract packaging for third parties.

The main products processed by Bonora Copacking are nut kernels and nut products, dried fruits, sugar, salts and foodstuffs.

Bonora Copacking's range of products is regularly reviewed and adapted in line with the relevant market requirements. In recent years, Bonora Copacking has greatly streamlined its manufacturing portfolio and prioritised the expansion of its core areas of expertise. As a result, we have increased our vertical range of production. In addition to the actual packaging of products, we are increasingly turning our attention to the cleaning, roasting, pasteurisation and grinding of nut kernels and seeds. We have invested heavily in these new activities in recent years.

Bonora Copacking operates 26 production lines, including two roasters, four mills and three mixers, as well as various machines for cleaning nut kernels. We currently have 135 permanent employees. In the high season before Christmas, around 100 temporary workers are deployed to provide extra support. The warehouse can store around 15,000 pallets. Part of this storage space is refrigerated to keep the stored goods fresh.

Bonora Copacking promotes a food safety culture that is communicated to all employees.

Bad Dürrenberg

This is where we have been producing urea-based liquid compound feed since 2022.

Our affiliated companies operate at the following locations:

- August Toepfer Vietnam Co. Ltd. (cashew processing factory)
- ATCO Italia Srl. in Italy (trade in nuts and dried fruits)
- ATCO Czech Republic SRO (trade in nuts and dried fruits / production and sale of industrial feed)
- AMCO Trading - August Toepfer Monnier & Co. SAS in France (trade in nuts and dried fruits)

These international subsidiaries and locations are not examined in this version of our sustainability report.

August Töpfer Zuckerhandelsgesellschaft mbH & Co. KG (ATZU) also has a sugar storage and bagging facility in Lübeck.

ATZU holds shares in Hamburg Sugar Terminal, a company that operates a sugar loading facility at the Port of Hamburg.

3.5 Overview of products

Here is an overview of the most important products traded by August Töpfer & Co.



Fig. 4: Product overview (source: <https://www.atco.de/produkt/>)

Bonora Copacking's range of production activities can be summarised as follows:

Roasting, pasteurisation, cleaning and packaging of foods that are mainly processed as white labels for retailers: whole nut kernels, nut kernel preparations, nut kernel flour, dried fruits (mainly sultanas and currants) coconut flakes, seeds and mixtures (e.g. dried fruits and nut kernels); contract packaging of various foods (e.g. nut products, coconut flakes, dried fruits, sugar, foodstuffs and bath salts); also contract grinding and contract pasteurisation.

During the reporting period, we did not sell any products or services that are not permitted in the relevant target markets or that have been questioned by our stakeholders or the general public.

3.6 Overview of initiatives, memberships and certifications

As an international trading company, we have established networks through our involvement in various associations and initiatives. We actively promote these connections and take on different roles in each group. Our strong market position gives us a sense of responsibility in our industry, and so it is only natural that we get involved.

We are involved in the following initiatives:

- **Chamber of Commerce:** Member and involvement in the Foreign Trade Committee
- **International Nut and Dried Fruit Council (INC):** Member of the Board of Trustees and German Ambassador
- **Lateinamerika Verein e. V.:** Member of the Board
- **Warenverein der Hamburger Börse e. V.:** Member of the Board of the Dried Fruit and Nut Section
- **Ostasiatischer Verein e. V. (OAV):** Member
- **United Nations Global Compact:** Member (joined in 2022)
- **Verein der Getreidehändler:** Member
- **Demeter:** Member
- **Naturland:** Member
- **Vietnamese Cashew Association (VINACAS):** Member
- **National Dried Fruit Trade Association, London, UK (NDFTA):** Member

Our business areas, products and facilities are certified by various institutions, including the following **certification bodies**:

- Good Manufacturing Practice (**GMP+**): in the feed sector
- Quality Assurance (**QA**): in the feed sector
- International Featured Standard (**IFS**) Food: in the food sector
- Verband Lebensmittel ohne Gentechnik (**VLOG**): in the feed sector
- Various **Fairtrade** certifications: in the feed sector
- **Sedex**: in the food sector (B Member)
- **Bio ECOCERT**: eco-certification according to Council Regulation (EC) No. 834/2007 and Commission Regulation (EC) No. 889/2008 for the food and feed sectors
- Rainforest Alliance – **UTZ**: in the food sector

Throughout our company's history, we have also maintained very strong and positive ties to organisations in our countries of origin, such as NGOs, local farmers' or export associations for specific product groups (e.g. Almond Board of California, Walnut Marketing Commission and Cashew Export Promotion Council of India) and government agencies (e.g. ministries of agriculture and economic affairs, embassies, foreign chambers of commerce).

4. Scope of report

This report relates to August Töpfer & Co. (GmbH & Co.) KG and the two locations where it operates: its head office (Raboisen 58, D-20095 Hamburg) and the Bonora Copacking production facility (Bullenhuser Damm 41, D-20539 Hamburg). In legal terms, Bonora Copacking is not an independent company, but a department or branch of August Töpfer & Co. (GmbH & Co.) KG. This report does not cover any companies or locations that are not fully owned by August Töpfer & Co. (GmbH & Co.) KG.

As a result, this report covers the company's trade in dried fruits and nut kernels, specialities and feed, as well as the roasting, pasteurisation, grinding and packaging of nuts and dried fruits and the packaging of sugar and salt for its own account and on behalf of third parties.

Our aim is to gradually broaden the scope of our sustainability reporting. Our next sustainability report will cover our sugar division, which is outsourced to August Töpfer Zuckerhandels-gesellschaft mbH & Co. KG. In the long term, we would like to establish sustainability reporting for the entire group.

5. Inspiration for our values

Developments such as climate change, the global decline in biodiversity and soil acidification show that our society has to use the resources available to us more responsibly – and we are obviously no exception. On the contrary, we appreciate that our status as a global company gives us a special responsibility towards the environment, our customers, our employees and those who work for our suppliers. We not only have a direct impact through our actions, but also an indirect impact through the products we buy and sell. That's why our aim is not only to be economically successful in the long term, but also to make a positive contribution to environmental conservation and social issues. In this regard, we are guided by the internationally recognised Sustainable Development Goals and the Ten Principles of the UN Global Compact (UNGC).

5.1 The Ten Principles of the UN Global Compact / Sustainable Development Goals

The 2030 Agenda, adopted by all UN Member States, sets binding Sustainable Development Goals (SDG) for the creation of sustainable structures. While national governments are largely responsible for ensuring the achievement of these goals, business and civil society are also called upon to play their part in driving sustainable development. With this in mind, we have identified the most relevant goals for us and would like to be guided by them. As an international trading company in the food sector, the following goals are particularly important to us:



Fig. 5: Sustainable Development Goals (source: UN Department of Economics and Social Affairs: Sustainable Development)

As the SDGs are rather general in nature, we are also guided by the Ten Principles of the UN Global Compact. These form the basis of our own Code of Conduct, which must be observed by both our suppliers and all employees. That's why we joined the United Nations Global Compact in 2022. In doing so, we effectively underlined the fact that we have incorporated respect for fundamental human and workers' rights, environmental protection and anti-corruption practices into our business activities and are willing to take steps to improve the current state of affairs. Our commitment will be recorded in an annual progress report, which will be publicly accessible on the UNGC website.

We are committed to observing the following principles of responsible action as part of the UN Global Compact:

Human rights:

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2: Businesses should make sure that they are not complicit in human rights abuses.

Labour:

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4: The elimination of all forms of forced and compulsory labour.

Principle 5: The effective abolition of child labour.

Principle 6: The elimination of discrimination in respect of employment and occupation.

Environment:

Principle 7: Businesses should support a precautionary approach to environmental challenges.

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.

Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption:

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

5.2 Our corporate values

We consider it our duty to promote the sustainable and responsible development of our business. For this purpose, our Company Policy includes a set of values that have to be observed throughout the company and workforce. Our values are based on the SDGs and the Ten Principles of the UN Global Compact. They can be summarised as follows: legal compliance, adherence to contracts, quality, reliability and sustainability.



In the interest of avoiding mistakes, we organise regular training courses and educational activities to ensure our continuous learning and development.

We establish long-term business relationships with our suppliers to ensure compliance with our principles along the supply chain.

When manufacturing and packaging our food products, we take all the preventive and control measures necessary to produce and supply safe and high-quality items.



Quality

We supply our products in the agreed quality and ensure the product safety of our raw materials, finished products and services.

We cultivate and promote a food safety culture.

Our business philosophy revolves around the identification and satisfaction of customer requests and requirements. We see this as an opportunity to ensure our constant development.



Reliability

It is our duty to comply with all legal requirements.



Legal compliance

We reject all forms of corruption.

6. Our transformation strategy for more sustainability

ATCO's shareholders and executives want to make the company fit for the future by placing a greater focus on sustainability. The importance of this topic is reflected in the fact that one of our managing directors acts as CSO. As part of our strategic approach, we want to start by promoting a targeted set of sustainable initiatives in individual business areas. This will allow us to hone our skills and get to grips with the processes involved. We will then be able to transfer these skills to other business areas. We will ideally be able to work on different tasks in each business area. Our ultimate goal is to bring these individual skills together so that the company as a whole can act more sustainably.

6.1 Integration of employees

We have set up an in-house team to deal with various sustainability issues that are relevant to our business. This emerged from an existing team that was responsible for evaluating our social performance. Our aim is to continually expand this working group and to ensure constant communication with all our employees. We want to give them the opportunity to help increase sustainability within our business and processes, because this is an issue that concerns everyone. We have created a platform for ideas and suggestions, so that everyone can get involved. For this purpose, we have expanded our existing feedback system to provide employees with a central point of contact for such issues.

6.2 Our products / more sustainable products

As part of our further commitment, we have created our first ever risk analysis for sustainability issues related to our dried fruits, nut kernels and feed. For example, there are environmental and social risks associated with dried fruits and nut kernels due to various factors in countries of origin (e.g. in Africa, South America and Asia), some of which are largely beyond our control. Based on this analysis, we want to set up focus groups to develop measures aimed at reducing or controlling the identified risks. As a trading company, our supply chain is very important to us. By purchasing certified products or trading with certified suppliers, we can help ensure compliance with environmental and social standards within the supply chain. That's why we want to buy more from certified suppliers in the future. We will be more proactive in approaching suppliers and requesting the relevant certificates. In fact, this is one of our formal sustainability targets (see Section 7.3).

We have expanded our range of certifications in the feed sector, completing a Demeter audit for the first time in 2021. As most of the products traded in this sector are manufactured in Europe, however, the overall risks are significantly lower. Nevertheless, we want to sharpen our focus on sustainability issues in this segment as well.

6.3 Sustainable procurement strategy

As an international trading company, we source products from many different countries of origin and supply them to customers around the world. The diagram below presents the way in which our goods flow from countries of origin to sales markets via processing countries. Our customers include the food and feed industry, European wholesalers, retailers and discounters, and raw materials traders around the world.

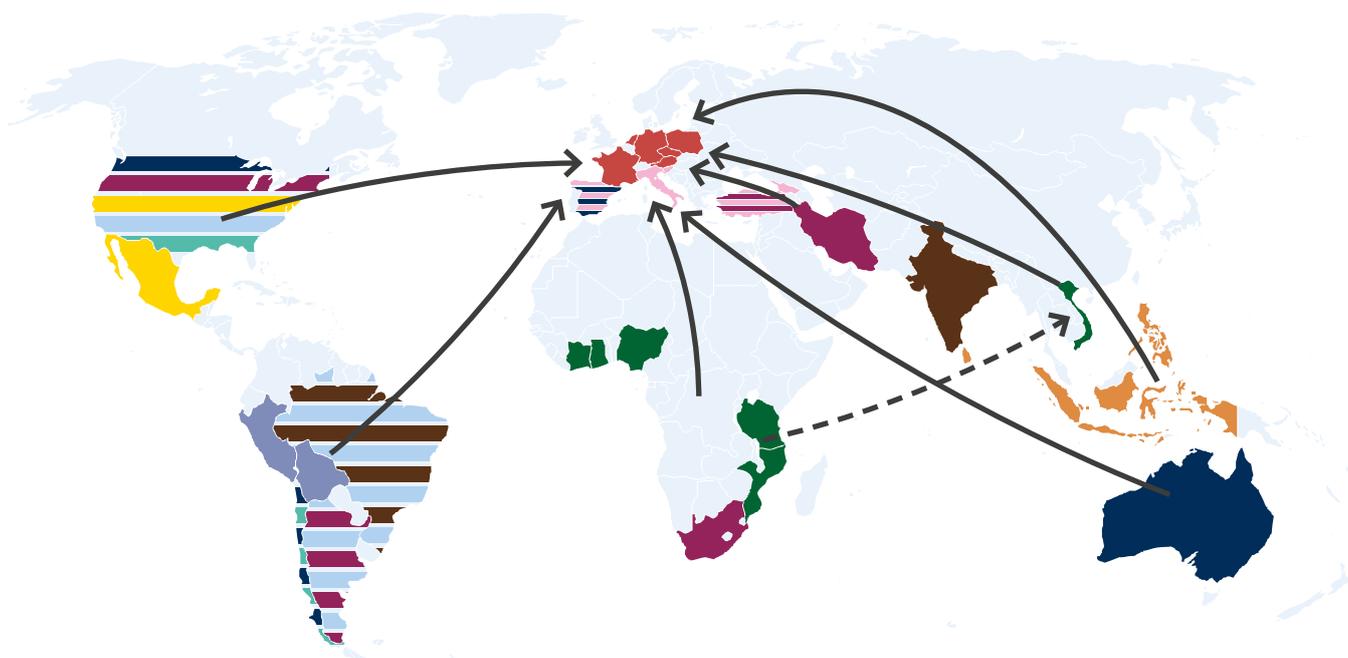


Fig. 6: Our product flows

■ Almonds	■ Cashews	■ Coconut	■ Walnuts	■ Hazelnuts	■ Peanuts
■ Raisins / sultanas	■ Brazil nuts	■ Pecans	■ Dry feed	■ Liquid feed	--- Processing

We maintain very close and personal ties to our suppliers, many of whom have been working with us for decades. As we have grown together over the years, we have successfully come to terms with increasing demands on food safety, certifications and the responsible use of raw materials.

Our ethical and moral principles and requirements are specified in our Code of Conduct, which forms the basis for all business with our suppliers and can be found in the appendix to this report.

We want to understand the risks in our supply chains and then use this information to shape our working and production conditions, hygiene standards, and food safety and quality. We do this by conducting audits (with our own employees and/or external certification bodies), on-site visits and cooperative projects, some of which will be presented in the following sections.

6.3.1 Social audits for suppliers

We actively encourage our suppliers to undergo social audits and have launched a range of projects involving various stakeholders, including customers as well as suppliers. When it comes to social standards, we primarily use the solutions offered by Sedex, an organisation that is committed to improving ethical conduct in supply chains. Our suppliers are invited to register with Sedex and then to undergo an audit (SMETA Audit). All new suppliers are evaluated based on social criteria as part of our approval process.

6.3.2 Pilot project: cashew processing in Ivory Coast

We would like to present a project from the Ivory Coast as an example of our sustainable procurement strategy.

Around 60% of the cashew nuts produced around the world are grown in Africa but are not processed locally from “raw cashew nuts” (RCN) into cashew nuts. Instead, this is done in Asia and South America (e.g. in India, Vietnam and Brazil). The intercontinental maritime transport involved in this supply chain causes significant emissions and logistical delays. In addition, this established practice shifts a considerable amount of potential value added from Africa to other countries / continents. As it stands, there are only a few processing companies in Africa that can produce large quantities of cashews in the right quality for the European market.

In 2021, the construction of a new, state-of-the-art RCN processing factory was completed in the Ivory Coast. We have started distributing these goods, because we see great potential in the idea of processing nuts fairly in the country of origin in a way that saves resources.

By purchasing cashew nuts that have been processed in Africa, we are shifting the value added back to the country of origin.

As part of this cooperative project, our partner in the Ivory Coast is trying to improve the quality of life for the local population. A number of wells and water treatment plants are being built to provide access to clean drinking water. In the course of 2023, we will sponsor our first well in a village. We want to work with our customers to expand this initiative in the future.

In the long term, we would like to take our experience gained during the project in the Ivory Coast and launch similar initiatives for other products and producers.

6.3.3 Pilot project: ATCO Vietnam

We are continuously deepening our understanding of the cashew supply chain thanks to our own processing plant in Vietnam. This modern factory provides secure employment for our local employees. We pay fair wages and offer a variety of allowances. The factory features the latest technology. All communal areas and workspaces have been designed in a way that ensures hygienic and safe working conditions without any occupational health risks. All relevant quality audits (e.g. BRGCS) have been passed. As we find it so important to ensure compliance with social standards, ATCO VN is a Sedex member and was successfully audited by the organisation in April 2022, which is a rare occurrence in cashew processing at the moment.

We cultivate trusting relationships with local growers in Vietnam. Our aim is to source as many raw materials as possible from the local area to minimise the CO₂ emissions generated by intercontinental maritime transport. From 2020 to 2022, we sourced an average of 50% of our raw materials from the local area.

If we have to purchase raw materials from Africa for the factory, we will pay closer attention to social aspects when selecting our business partners and suppliers in the future.

Our procurement strategy is intended to promote fairness and transparency for producers, thereby minimising various risks in our supply chain.

All in all, the project in Vietnam has given us a variety of teachings that we will be able to apply to other product groups beyond the cashew nut trade.

7. Sustainability targets

We believe that progress can and should be measurable. That's why we have developed sustainability targets in the form of key performance indicators (KPIs). These are quantifiable goals that provide measurable evidence to prove that we are on the right track and encourage us to keep going. We have deliberately chosen our KPIs to cover the areas in which we see the greatest opportunities and challenges in terms of sustainability. We have set the following targets: reducing CO₂ emissions from maritime transport, developing more sustainable packaging, and increasing our number of Sedex-certified suppliers. As the targets affect different departments, all relevant areas are learning how to use the KPIs as a sustainability tool.

In view of the current events, we have also decided to reduce gas consumption at our production facility through heat recovery. This target has not been quantified for the time being, because it is difficult to calculate the impact of warmer or colder winters on our gas consumption.

7.1 Sustainable packaging

We have set ourselves the goal of making our packaging more sustainable. We have a specific target in mind, which we will begin to implement in the coming year. We would like to switch our packaging from plastic to paper if possible, or at least to recyclable plastics.

7.2 Reducing emissions in our supply chain

With a view to reducing emissions in our supply chain, we want to start by making greater use of low-emission or zero-emission means of transport for our goods. This can be achieved, for example, by using EcoFuel in maritime transport or by offsetting our carbon emissions in other areas.

7.3 Working with more Sedex-certified suppliers (SMETA)

Our social sustainability goal is to significantly increase our number of socially audited or certified suppliers in the future. In concrete terms, we want to significantly increase our number of nut and dried fruit suppliers who are Sedex members.

8. Other initiatives for a more sustainable business

As we were keen to develop more sustainable processes and workflows, it was important for us to firstly determine the areas in which our actions have a particularly strong impact. Once we had ascertained this, we identified ways in which we could make a difference and developed concrete measures for more sustainable action. In the following section, we would like to present a selection of focus topics to highlight the extent to which we have improved in various areas during the reporting period. At the same time, we would like to introduce some of the measures intended to make our actions even more sustainable in the future.

For the time being, we have focused primarily on the areas in which we see great potential for change or room for improvement. Those are the areas in which we can exert direct influence.

8.1 Reducing emissions from our electricity consumption

After installing 100% green electricity at our head office in Hamburg back in 2020, our Bonora Copacking production facility was also converted to green electricity at the start of 2022. This measure is expected to reduce our CO₂ emissions by around 635,125 kg. Due to the high amount of electricity consumed at our Bonora Copacking production facility (around 2 MWh per year), we will be able to reduce our carbon footprint to a large extent here.

In 2020, we noticed the first positive effects of the intelligent control system used for our compressed air supply at Bonora Copacking. If we compare the results with previous years, we can see that this technology enables us to reduce our electricity consumption by around 350,000 kWh per year. This equates to a 20% reduction per machine-hour.

We have started to switch our compressed air supply to compressors featuring heat recovery technology. One compressor with heat recovery has been in operation since 2018. A second heat recovery unit will be installed in 2022 on a compressor that we bought in a pre-equipped state.

Since commissioning optimised control technology, we have reduced the energy consumption of our pasteurisation process by 5% (based on the tonnage produced). This saves around 60,000 kWh of electricity per year.

Since the beginning of 2020, we have been working hard to install LED lighting throughout our Bonora Copacking production facility. We not only want to reduce our electricity consumption, but also to significantly improve the quality of lighting in our workspaces and factory floors, in order to create a better and safer working environment. Due to the complexity of this task (good lighting without glare), we are consulting a lighting designer. From January 2020 to August 2022, we disconnected around 37,000 W of light output from the mains. In the renovated areas of our facilities, we managed to reduce our required light output by over 60% while improving the quality of lighting.

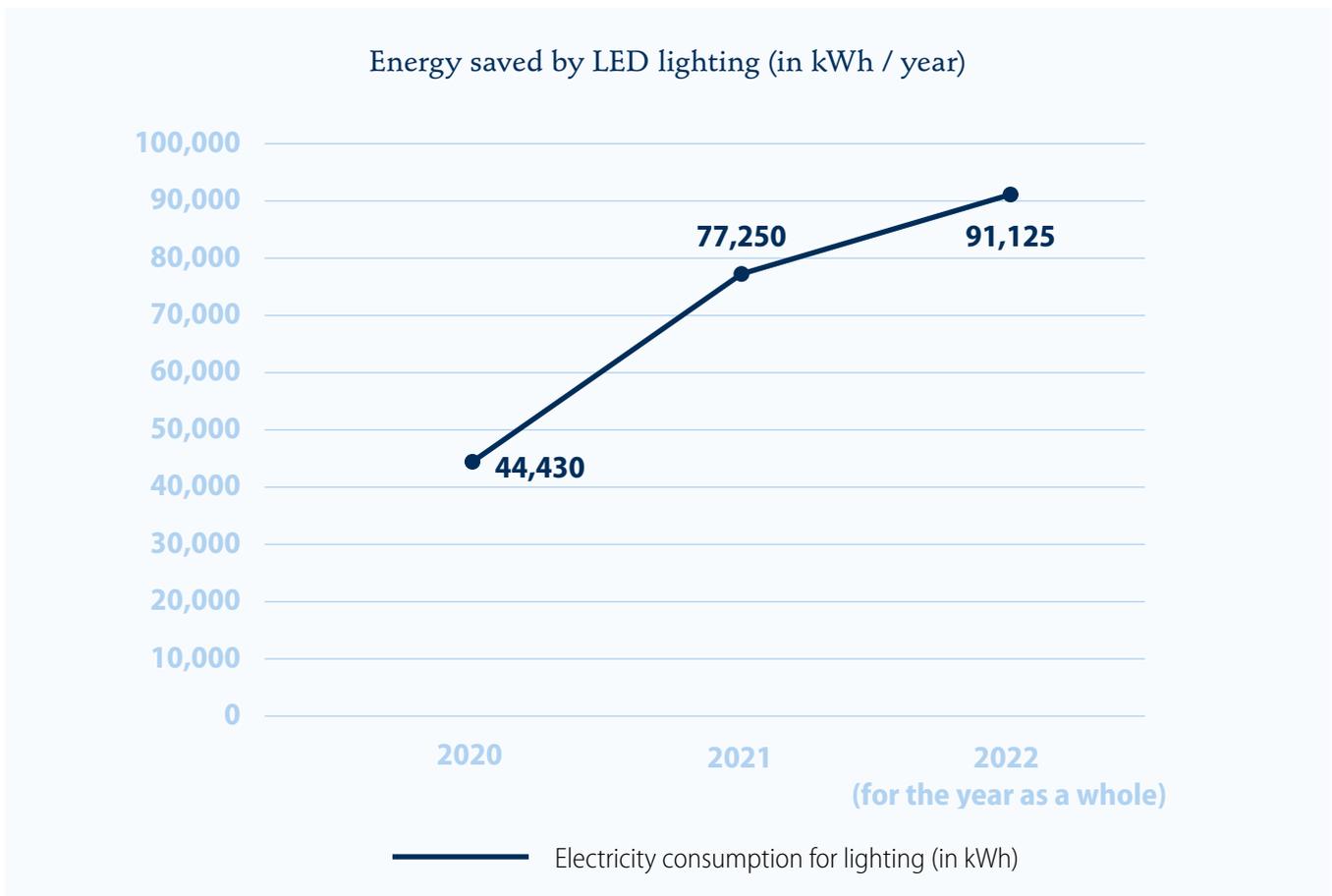


Fig. 7: Energy saved by LED lighting

By the end of 2021, we had reduced our electricity consumption by around 77,000 kWh per year through the use of LED lighting. This figure will increase to around 91,000 kWh per year by the end of 2022.

Bonora Copacking has ordered a photovoltaic system that will be operational in the second quarter of 2023. We expect this system to generate around 130,000 kWh of electricity per year, most of which will be used by our company.

8.2 IT

The initiatives intended to streamline our resources also extend to our IT infrastructure. We have replaced our core servers and purchased devices that ensure greater performance, economy and security. We have reduced the number of servers we need from ten to three. These measures reduce our electricity consumption by around 450 kWh per year, which is partly due to the fact that less waste heat is generated and therefore less cooling is required. At the beginning of 2022, two servers were combined into one at our production site (Bonora Copacking). We pass on discarded devices to a specialist dealer or, where possible, to employees so that they can be reused or at least recycled for spare parts.

8.3 Our contribution to the circular economy

A circular economy is a system in which products and raw materials are used for as long as possible. As part of our commitment to this structure, we sort our waste and recycle materials. This also means reusing or at least recycling discarded equipment (see Section 8.2 above) and scrap metal as best we can.

We have been promoting the best possible recycling of waste and materials at our Bonora Copacking production facility for several decades. It is imperative that our waste disposal practices do not result in any form of contamination (microbiological, physical, biological or chemical). We have established a waste management system based on the principles of the German Recycling Act (KrWG). We currently differentiate between 16 varieties of waste and recyclable materials. The largest and most important sort is waste paper, which we supply to a paper mill in very high quality. With around 637 tons of waste paper recycled in 2020 and 609 tons recycled in 2021, we enabled 57.3 tons of CO₂ to be avoided in 2020 and 54.8 tons in 2021.¹ This material flow alone accounts for over 50% of our waste volume. The next largest portion is “waste for recycling”, which is sorted and processed by a specialist company. The most important product resulting from this processing is alternative fuel, which can be used in places such as cement factories. We also collect and sort scrap metal into several categories. We only produce very small amounts of residual waste (less than 5% of our waste stream). You can find more detailed data relating to our waste volumes in Section 9.2.1 below.

In future, we also want to rethink our waste management practices at our head office by providing more waste paper recycling containers. We will also make it easier to sort waste in our offices.

8.4 Packaging materials

A number of retail chains have launched schemes to reduce the plastic consumption associated with their products. We have joined this trend by initiating various pilot projects to meet their requirements and reduce the amount of plastic that goes into our packaging.

As retailers are adjusting their policies in line with sustainability considerations, they are now demanding a reduction in the use of packaging materials (usually by 30%). We welcomed this initiative from the start; in recent years, we have reduced our use of packaging plastics by over 100 tons per year.

¹Source: Interseroh (2008), p. 6.

When it comes to our packaging, we are looking to move away from composite films in favour of more recyclable combinations known as “monocomposites”. Where possible, we are replacing aluminium with EVOH as an oxygen barrier.

After testing paper-based packaging films in various trials, we should be able to use and offer them in the future and even ordered a specially equipped packaging line for this purpose in 2021.

In general, there is a clear trend towards more sustainable or better recyclable packaging. We are in the process of expanding our expertise in this area and trialling various forms of packaging to reduce our consumption of resources in the short term.

8.5 Occupational safety

Occupational safety is very important to us. One of our most important QA goals in production is to reduce the average number of accidents at work in the long term. We have already enjoyed a great deal of success in this regard. Over the past few years, we have almost halved the absolute number of annual work-related accidents at our Bonora Copacking production facility (from 13 to 7). From 2018 to 2020, this figure was even brought down to 6, which is the lowest level recorded to date. Unfortunately, the number of work-related accidents rose back up to 9 in 2021. None of these accidents were related to machinery, which reflects the safety of our equipment. When assessing and evaluating the situation, we found that the increase in accidents was due to the fact that the masks worn to curb the spread of COVID-19 had restricted our employees’ vision in production. It is worth pointing out that there were no serious or very serious accidents during the reporting period, which is a trend that has been observed since 2015. Our employees in production attend regular training courses on the topic of occupational safety, some of which are offered in both German and Polish. After the training courses have been held, we check whether the learning objectives have been met.

As part of our efforts to raise awareness of occupational safety, it is also important to cover the topic of hygiene, not least during a pandemic. With this in mind, we hold annual hygiene training courses to ensure food safety and the highest possible hygiene standards.

8.6 Occupational health

We take care of our employees’ health. If anyone is suffering from back pain or similar complaints, we are happy to set up ergonomic office workspaces with height-adjustable desks and provide occupational medical care where necessary. Whenever we restructure our facilities or purchase new furniture, we take ergonomic design into account. We pay allowances for aids such as computer glasses or reading glasses.

We are also keen on improving the working conditions for our employees in production, including a set of palletising robots that we have developed to take some of the workload off our machine operators. In the past, they had to palletise up to 12 tons of finished goods during a single shift. We started to commission two more palletising robots in the fourth quarter of 2021, which means that three of these specially developed robots are now in use. The construction of three more robots followed in the first quarter of 2022. We are currently trying to automate various auxiliary tasks involved in our production processes, such as those required to rotate boxes or mechanically attach separate lid components. These changes will reduce the physical and mental strain on our employees and will allow us to staff our modernised workplaces more easily and flexibly.

9. Corporate responsibility, key figures and current situation

In the following sections, we will present key figures and the current state of affairs with regard to various economic, environmental and social issues that are relevant to ATCO.

9.1 Economic responsibility

When it comes to sustainability, it is important to consider economic aspects in addition to social and environmental factors. The main economic issues are presented below.

9.1.1 Economic indicators

Economic indicators for the entire group:

The group's revenue amounted to € 372.6 million in 2020 and € 344.2 million in 2021.

The group's modified equity was € 32.8 million in 2020 and € 41.41 million in 2021.

The group's debt amounted to € 79.2 million in 2020 and € 88.5 million in 2021.

The group's total capital was € 121.3 million in 2020 and € 120.6 million in 2021. *

Economic indicators for August Töpfer & Co. (GmbH & Co.) KG:

Its revenue amounted to € 284.0 million in 2020 and € 258.3 million in 2021.

Its modified equity was € 37.4 million in 2020 and € 46.4 million in 2021.

Its debt amounted to € 68.8 million in 2020 and € 80.3 million in 2021.

Its total capital was € 103.9 million in 2020 and € 116.0 million in 2021.

* This report relates to August Töpfer & Co. (GmbH & Co.) KG; however, these figures have been collected for the entire group and include all companies.

9.1.2 Anti-corruption

As legal compliance is one of our company's core values, we do not tolerate any form of corruption and do not partake in such activities.

In this respect, our employees and suppliers are guided mainly by our Company Policy and our Code of Conduct.

As part of our initial risk assessment for our supply chain, we used the risk classification system proposed by BSCI Amfori to determine which of our countries of origin harboured an increased risk of corruption. As of the reporting date, we have not been confronted with corruption in our day-to-day business. This is ultimately due to the fact that we are very meticulous when it comes to selecting our business partners and business areas.

There were no confirmed cases of corruption during the reporting period. As we would like to make it easier to report suspected breaches in the future, we have set up an email address: heinze@consultant.com. All incoming messages will be viewed by a trustworthy individual (external lawyer) and forwarded to the appropriate departments within our company while safeguarding the whistleblower's anonymity in each case. The email address is available to employees, stakeholders and the general public. It provides a platform for us to implement the EU Whistleblower Protection Directive and the German Whistleblower Protection Act (HinSchG).

Our next step is to develop a Compliance Policy with the help of an external consultant. This will be communicated to our employees over the course of 2023.

9.1.3 Anti-competitive behaviour

There were no legal proceedings due to anti-competitive behaviour, anti-trust or monopoly practices during the reporting period. If we want to continually ensure this in the future, some of our most important tools will be our Company Policy, our Code of Conduct (which also applies to our suppliers) and our Compliance Policy. We are constantly scrutinising our processes and are committed to developing in this area.

9.1.4 Conflicts of interest during the reporting period

In order to avoid conflicts of interest, the articles of association of August Töpfer & Co. (GmbH & Co.) KG prohibit shareholders from simultaneously holding shares in competing companies. This continues to apply for a period of two years after their departure.

In order for the management to be able to act in day-to-day business within the group structure of the company, the managing directors have been exempted from the prohibition on self-contracting referred to in Section 181 of the German Civil Code (BGB). This exemption also applies to affiliated enterprises with a similar but not identical shareholder structure, such as the transport specialist Alfred Ernst GmbH & Co. KG. This cooperation with affiliated enterprises is desired by the respective shareholders and boosts the performance of the group of companies.

A shareholders' meeting was held every year during the reporting period; there was no misconduct to be reported. The applicable laws have been observed.

9.2 Environmental responsibility

In addition to economic issues, sustainability is about overcoming the environmental challenges of our time. We want to help ensure that our environment is preserved for future generations.

9.2.1 Water, effluents and waste

In view of the fact that water is a scarce and precious resource, we use it responsibly. At the same time, we have been promoting sustainable waste management practices at our production site for decades.

Water and effluents

Interactions with water as a shared resource

Most of the water used at our production site is needed for washing and cleaning purposes. As suds have to be kept out of the public sewage system, they are collected by specialist companies for disposal.

Grease separators have been integrated into the design of our new roasting plant and will be used when necessary.

A very small percentage of the water we use (approx. 100 m³) is added as process water during pasteurisation. This water is then dried out of the product during the cooling process.

We monitor our consumption so that any pipe bursts caused by subsidence can be detected at an early stage. The sewage network is regularly checked to prevent any pollution that could be caused by leaks.

Bonora Copacking: water consumption

From 2020 to 2021, our water consumption decreased slightly from 4,874 m³ to 4,365 m³.

Water withdrawal

We do not take any cooling water or service water from public bodies of water or groundwater.

Water discharge

We do not discharge any service water or cooling water from production into public or private bodies of water.

Management of water discharge-related impacts

Since 1986, we have been authorised to discharge any rainwater that collects on the roofs and paved areas of our Bonora Copacking site into the River Bille, which flows alongside the company premises. This relieves the public sewage system and downstream sewage treatment plants, which is particularly important in the event of heavy rainfall.

Waste

Waste generation and significant waste-related impacts

Buying, selling and processing different products results in a considerable amount of waste. However, we have established a sophisticated waste management system to ensure that it is handled responsibly.

The waste materials generated in production are collected separately and recycled. The waste disposal process can be tracked at any time using the dates and quantities specified in delivery notes and invoices.

Waste generated

Waste diverted from disposal

The following fractions of waste are generated during production: waste paper / corrugated cardboard, waste for recycling, waste wood, used flexible intermediate bulk containers (FIBC). This waste is reused or recycled (>95%) (see Section 8.3). There is sometimes a limited amount of hazardous waste (suds and leftovers from cosmetics bottling). We hand this over to a specialist service provider for disposal or reuse.

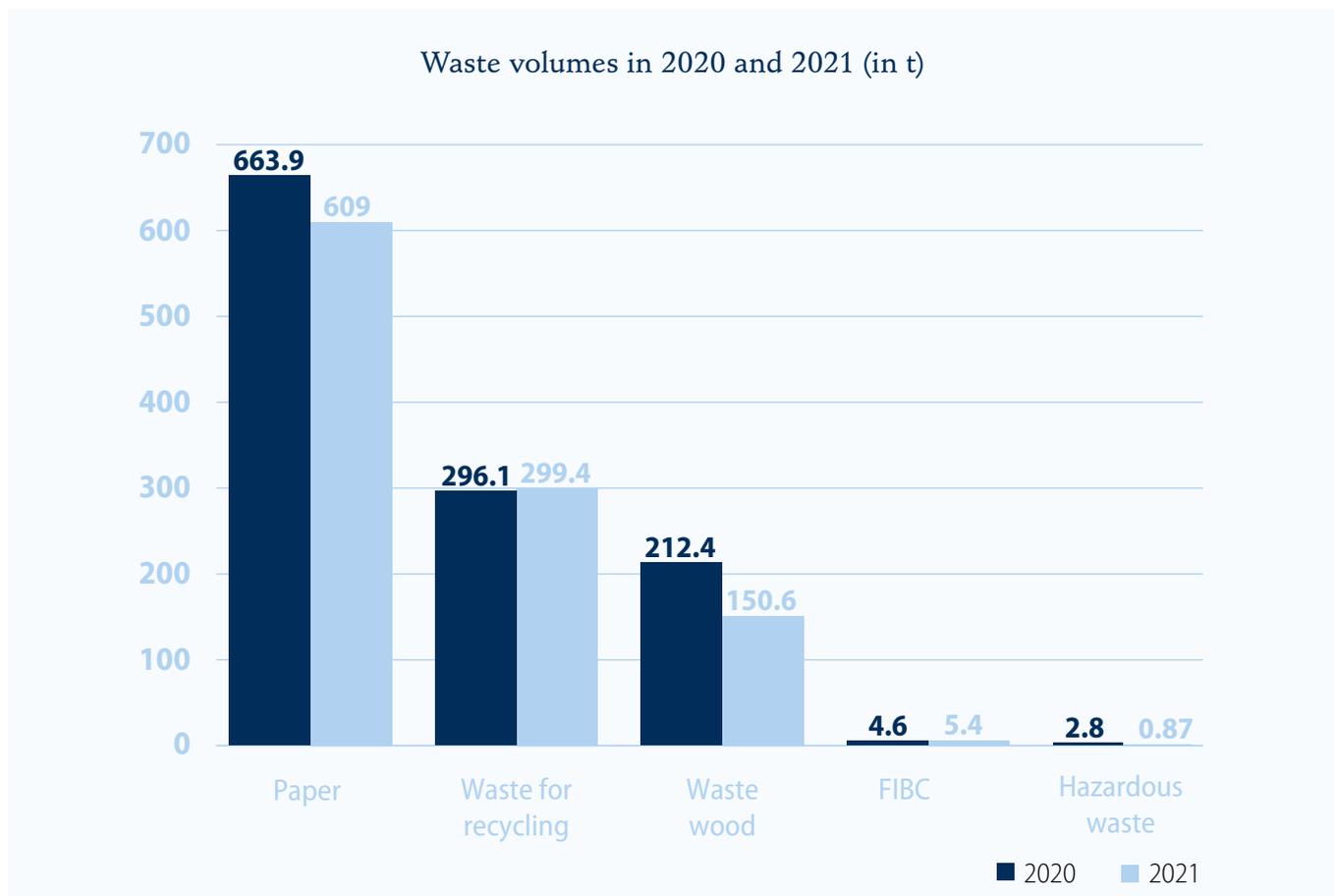


Fig. 8: Waste volumes in 2020 and 2021

9.2.2 Fuel consumption

The following section shows the amount of fuel consumed at our head office and production facility in 2020 and 2021.

Table 1: Energy consumption in kWh

	Energy source	Use	Consumption in kWh	Consumption in MJ	Percentage from renewable sources	Percentage from non-renewable sources
Head Office in 2020	Coal, waste heat and natural gas	Heating and hot water	226,907	816,865	20.2%* (165,007 MJ)	79.8% (651,858 MJ)
Head Office in 2021	Coal, waste heat and natural gas	Heating and hot water	265,230	954,828	20.2%* (192,875 MJ)	79.8% (761,953 MJ)
Bonora Copacking in 2020	Natural gas	Heating and hot water	775,263	2,790,947	0%	100%
Bonora Copacking in 2021	Natural gas	Heating and hot water	1,105,907	3,981,265	0%	100%

Bonora Copacking's fuel consumption increased significantly from 2020 to 2021 due to the fact that the average outdoor temperatures in the 2019/20 heating period were higher than those recorded in the 2020/21 heating period (5.6°C in 2020 and 2.6°C in 2021).

* Source: Wärme Hamburg.

9.2.3 Greenhouse gas emissions

In this section, we present the carbon emissions associated with our electricity and gas consumption; our calculations include the emissions generated at our operating locations in Hamburg, since this data has been recorded in full. We have chosen to calculate our emissions using the equity share approach. The calculations relate to the 2020 and 2021 reporting years.

Three different types of emissions are defined in the Greenhouse Gas Protocol, which we have used as the basis for calculating our emissions.

Scope 1: Direct emissions generated by the company from owned or controlled sources, e.g. emissions generated by company vehicles and heating systems.

Scope 2: Indirect emissions from the generation of energy purchased by the company.

Scope 3: Indirect upstream or downstream emissions from activities such as business trips, waste management or the production of additional materials purchased by the company.²

All information has been determined using the Greenhouse Gas Protocol calculation tool and the latest emission factors.

Scope 1: Direct emissions from owned or controlled sources

Fleet:

Table 2: Number of vehicles by drive type

	2020	2021
Electric	0	1
Diesel	15	8
Petrol	3	6
Hybrid	3	4
Total	21	19

Table 3: Mileage by drive type (in km)

	2020	2021
Electric	0	829
Diesel	350,038	208,493
Petrol	66,071	85,848
Hybrid	29,678	89,315
Total	445,787	384,485

² Source: WRI, The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard, p. 25.

Emission factors: *Petrol: 1.938 kg CO₂ / litreDiesel: 2.2472 kg CO₂ / litreHybrid: 1.9412 kg CO₂ / litreTable 4: Fleet CO₂ emissions in t

	2020	2021
Electric	0	0
Diesel	98.7	58.8
Petrol	16	20.8
Hybrid	5.2	15.6
Total	119.9	95.2

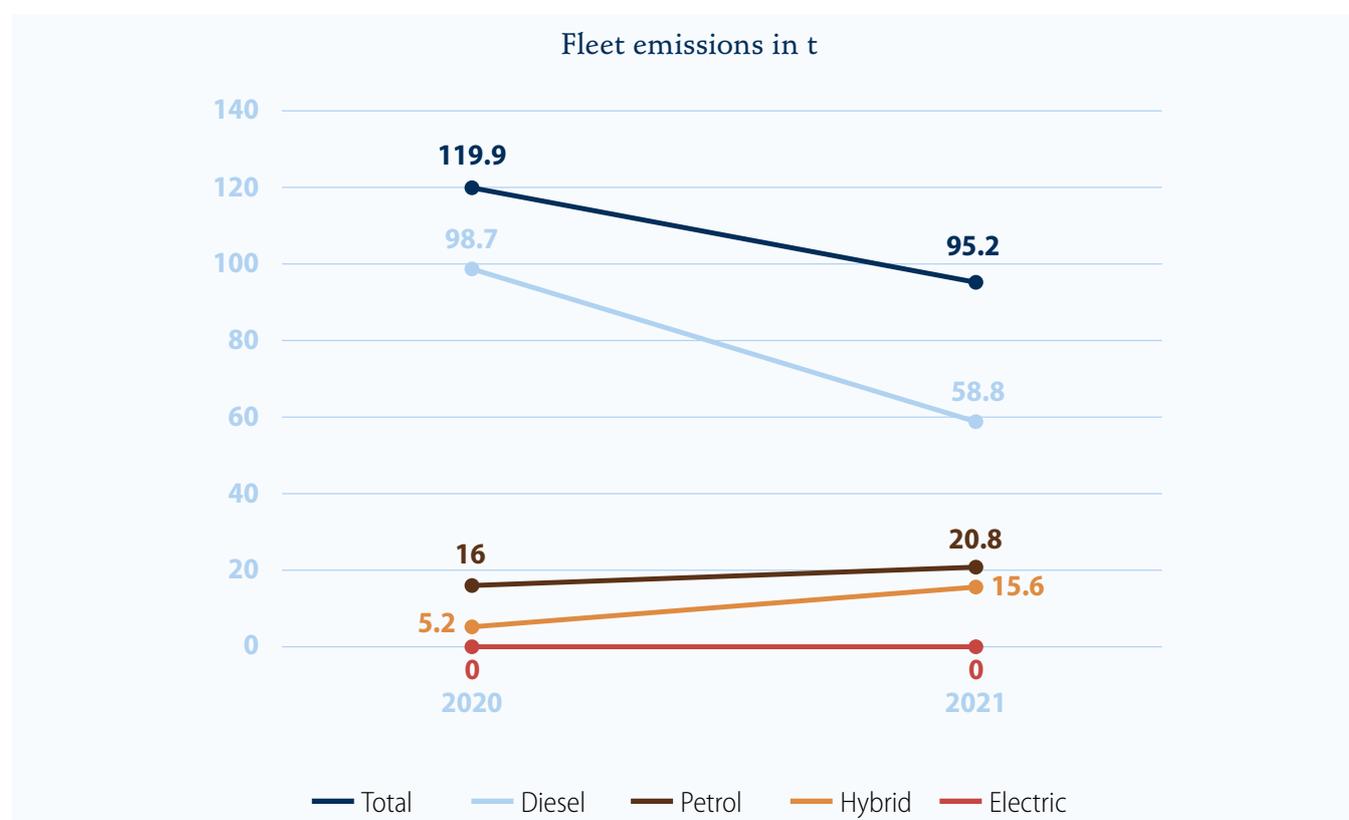


Fig. 9: Fleet emissions

Scope 2: Emissions from our purchased energy

Electricity:

Emission factor for electricity: *

0.58883 kg CO₂ / kWh

Table 5: Electricity consumption and resulting CO₂ emissions

	2020	2021
kWh	2,541,834	2,891,400
CO ₂ emissions (in t)	1,497	1,703

Source: European Residual Mixes 2020 (published 2021) – Table 2, Direct GWP

The fact that we are consuming an increasing amount of electricity can be attributed to our increased vertical range of production. At the end of 2020, we launched a set of operations for the electrical roasting and pasteurisation of nut kernels. Unlike gas-based roasting with fossil fuels, this process is more sustainable when green electricity is used.

Bonora Copacking has been using 100% green electricity since 1 January 2022. According to our energy provider, this allows us to avoid around 635,125 kg of CO₂ emissions a year (our green electricity form is included in the appendix to this report). Our head office had already switched to 100% green electricity on 1 January 2020.

Fuel:

Emission factor for gas:

53.1145 kg CO₂ / mmBtu

Table 6: Bonora Copacking's natural gas consumption and resulting CO₂ emissions

	2020	2021
Bonora Copacking's natural gas consumption (in kWh)	775,263	1,105,907
CO ₂ emissions (in t)	140	200

Source: EPA, "Emission Factors for Greenhouse Gas Inventories", Table 1 Stationary Combustion Emission Factors, 9 March 2018 (<https://www.epa.gov/climateleadership/center-corporate-climate-leadership-ghg-emission-factors-hub>).

Fuel at head office:**Emission factors mixed: ***Coal: 300g CO₂ / kWhWaste heat: 40g CO₂ / kWhNatural gas: 180g CO₂ / kWh**Energy sources used for district heating:**

49 % coal

35 % waste heat

16 % natural gas

Table 7: Emissions from energy sources

	2020	2021
District heating from coal (in kWh)	111,184	129,963
CO ₂ emissions from coal (in t)	33.4	38.9
District heating from waste heat (in kWh)	79,418	92,831
CO ₂ emissions from waste heat (in t)	3.2	3.7
District heating from natural gas (in kWh)	36,305	42,436
CO ₂ emissions from natural gas (in t)	6.5	7.6
Total district heating (in kWh)	226,907	265,230
Total CO ₂ emissions (in t)	43.1	50.2

Outlook for Scope 3: Indirect upstream or downstream emissions

These emissions were not recorded in detail during the reporting period. However, we want to carry out pilot projects to introduce the relevant recording mechanisms in the future. For example, we want to precisely record the upstream emissions generated along the supply chain for our products. This will initially form part of our sustainability target involving the low-emission transport of goods. In our next report, we would like to cover the topic of business trips in more detail and disclose the emissions generated for such purposes.

* Source: Annex 9 to Section 85 of the German Building Energy Act (GEG) – Federal Law Gazette (Bundesgesetzblatt) | 2020, pp. 1788 - 1789.

9.3 Corporate social responsibility

Our employees are instrumental in ensuring the economic success of our company. They also play a key role in making our company more sustainable. In the following sections, we would like to present data about our employees and comment on some of the topics that are relevant to them.

9.3.1 Minimum wage

All permanent employees (full-time and part-time) are generally paid above the pay scale stipulated in the relevant collective bargaining agreements. Whenever temporary workers are employed in production, this is obviously done in accordance with the relevant legal provisions and applicable collective bargaining agreements. As a result, our wages and salaries are usually well above the minimum wage and never below it.

9.3.2 Working hours

The coronavirus pandemic presented us with tremendous challenges in the reporting period. Nevertheless, all employees were able to continue working full-time throughout the period; there were no short-time working arrangements.

ATCO offers a variety of working time models. Most employees work full-time (38.5 hours / week at the head office; 40 hours / week at the Bonora Copacking production facility). We also have part-time models with fewer daily working hours or a reduced number of working days per week. These models have become increasingly popular in recent years. As an employer, we find it important to consider the interests of our company and employees in equal measure and to strike a healthy balance between the two.

9.3.3 Employee data

All our employees are permanently employed, usually for an indefinite period. We do not force anyone into bogus self-employment. For this reason, we only resort to freelance work in exceptional cases and ensure that our freelancers are commissioned and paid fairly and appropriately at an hourly rate. This freelance work tends to involve consulting services.

ATCO usually enters into permanent employment contracts. We only agree on fixed terms of employment in exceptional cases, for example if someone wishes to continue working after retirement (currently 2 cases).

A small number of fixed-term employment contracts are used in production, mostly to cover seasonal peaks.

The amount of temporary work in production fluctuates, because our sales are well above the annual average during the peak season in the run-up to Christmas.

Temporary workers do not enjoy the same benefits as our permanent employees (e.g. train pass, allowances, company pension scheme). However, they have the same promotion opportunities as our own employees with the same qualifications. Furthermore, we comply with the equal pay regulations applicable in Germany.

Our employee data collected for the reporting period is presented below. It is expressed as “full-time equivalent” (FTE), i.e. the equivalent number of full-time employees required to cover the total hours worked within the company, irrespective of individual working hours. Only seasonal and temporary workers have been excluded.

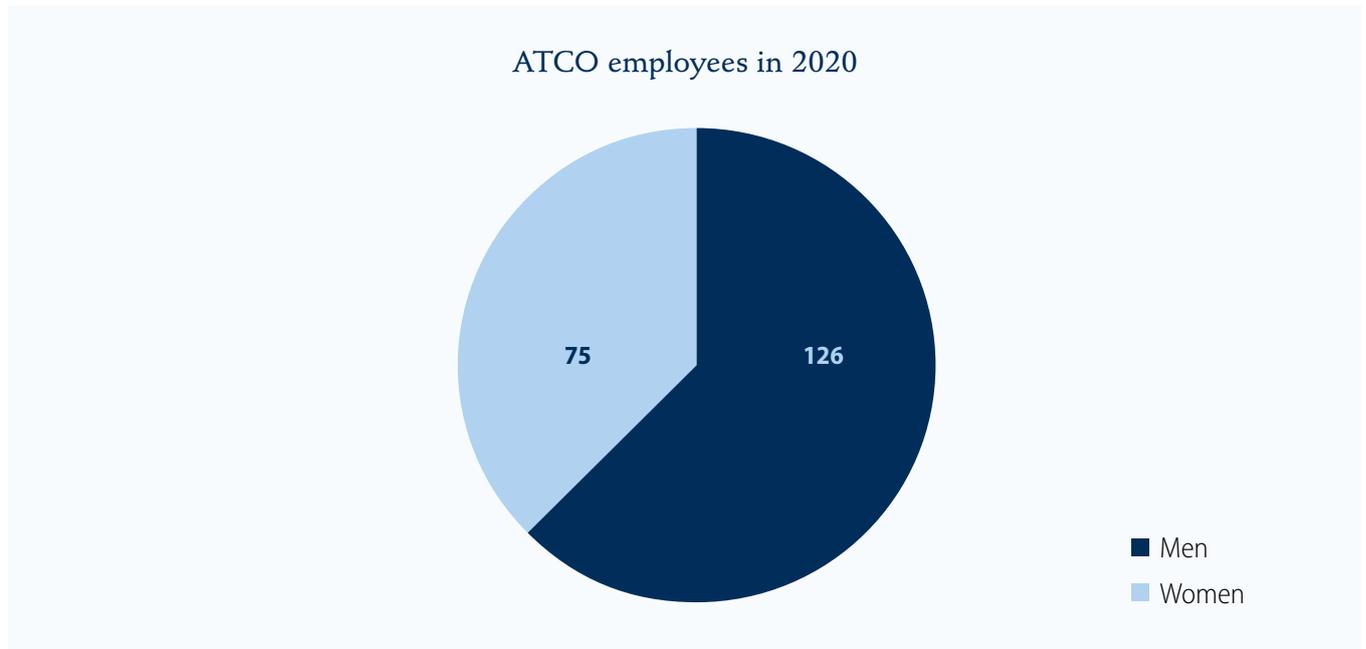


Fig. 10: ATCO employees by gender in 2020*



Fig. 11: ATCO employees by gender in 2021*

* Of which 183 full-time and 18 part-time (2020).

* Of which 179 full-time and 24 part-time (2021).

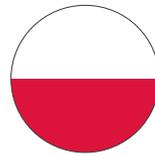
Where do our employees come from?



Germany



Russia



Poland



Macedonia



Ghana



India



Pakistan



Afghanistan



Cape Verde



Sweden



Portugal



Turkey



Honduras



Philippines



Togo



Nigeria



Croatia



Vietnam



Italy



Kazakhstan



Kyrgyzstan



Austria



Ukraine



Bulgaria

Fig. 12: Overview of nationalities*

9.3.4 Employees by type

The majority of our employees are in full-time employment. We mainly employ blue-collar workers in production. We also deploy temporary workers in production to adapt to fluctuations in workload.

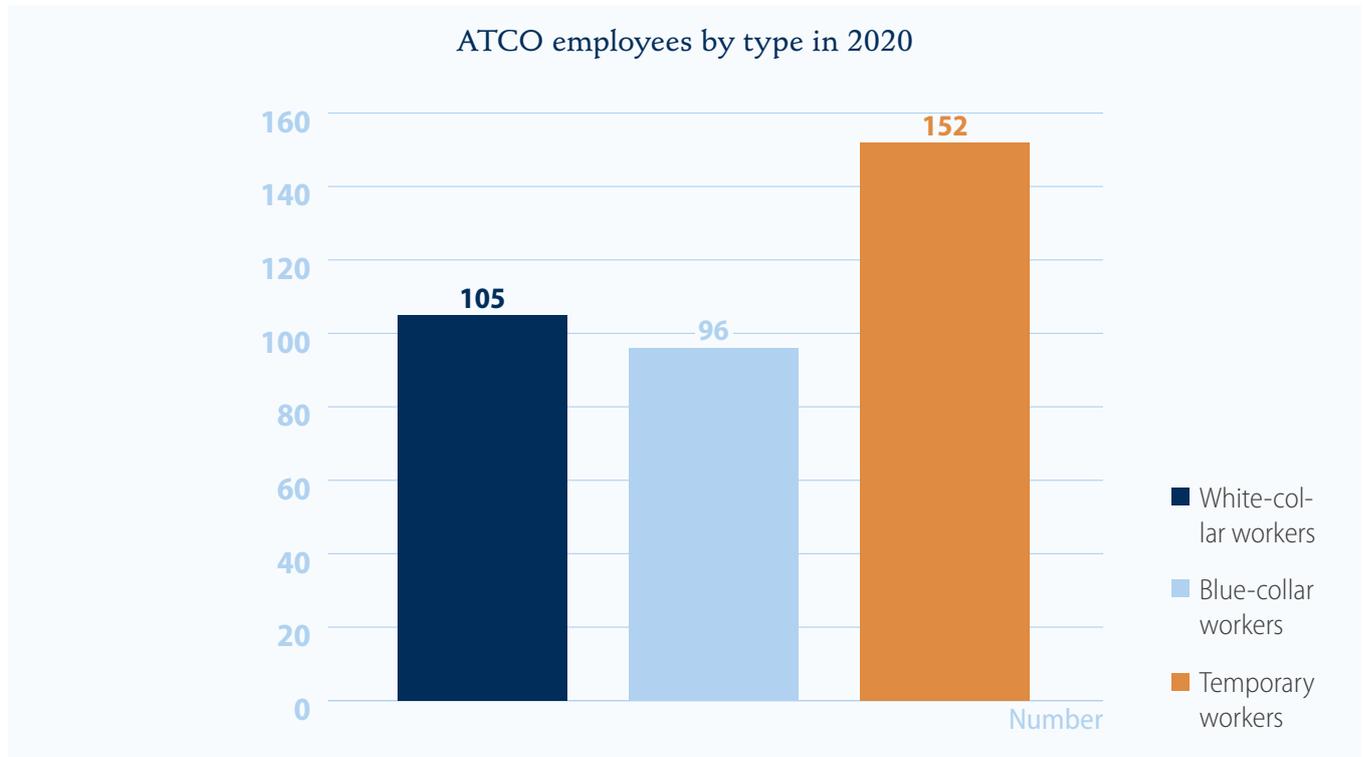


Fig. 13: ATCO employees by type in 2020

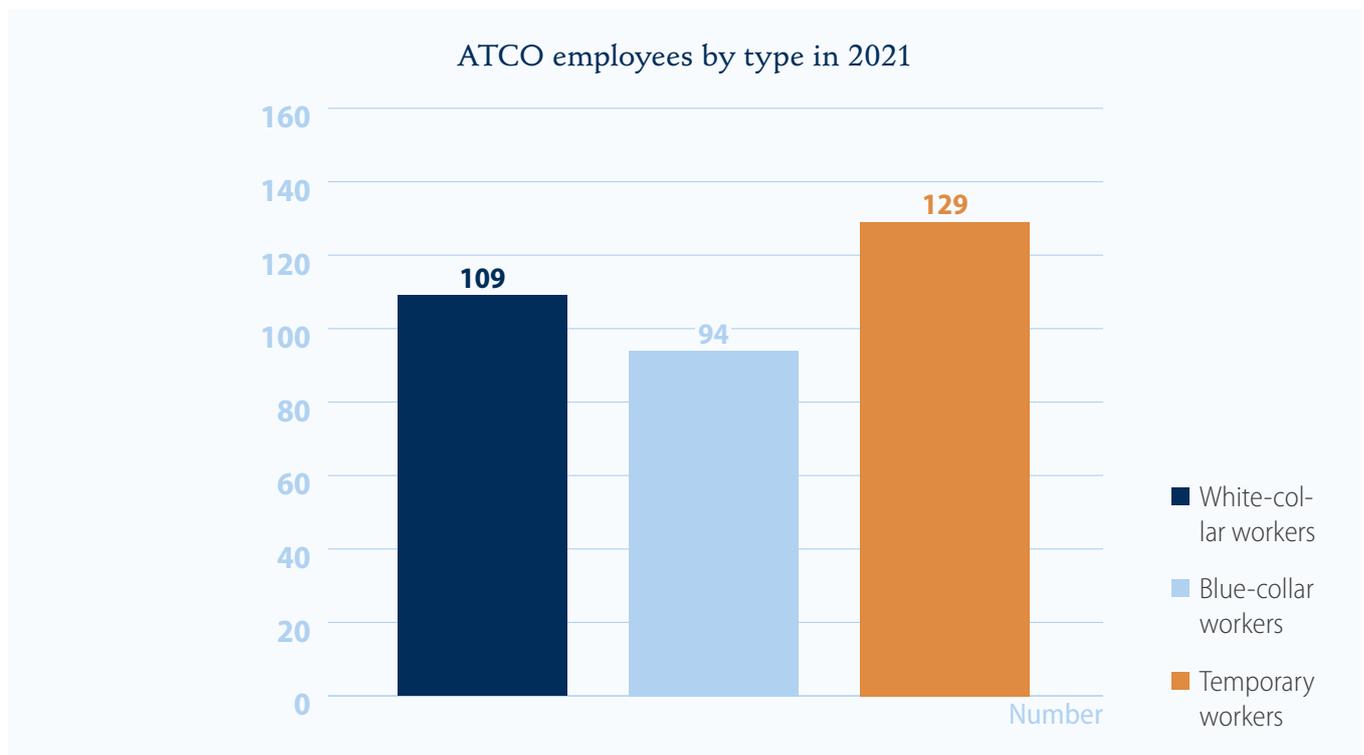


Fig. 14: ATCO employees by type in 2021

9.3.5 Executives

We define “executives” as heads of department, division managers or group leaders who have authority over other employees. Most of our executives were trained within our company. This highlights the quality of our training. We believe that gender equality should be standard practice. In the future, we want to correct the existing imbalance (only around a quarter of our executives are women) by increasing the percentage of female executives with the relevant qualifications. In 2022, we appointed a long-standing female employee as our Equal Opportunities Officer. She will start her work in early 2023.

In the years under review, employee turnover amongst executives was zero.

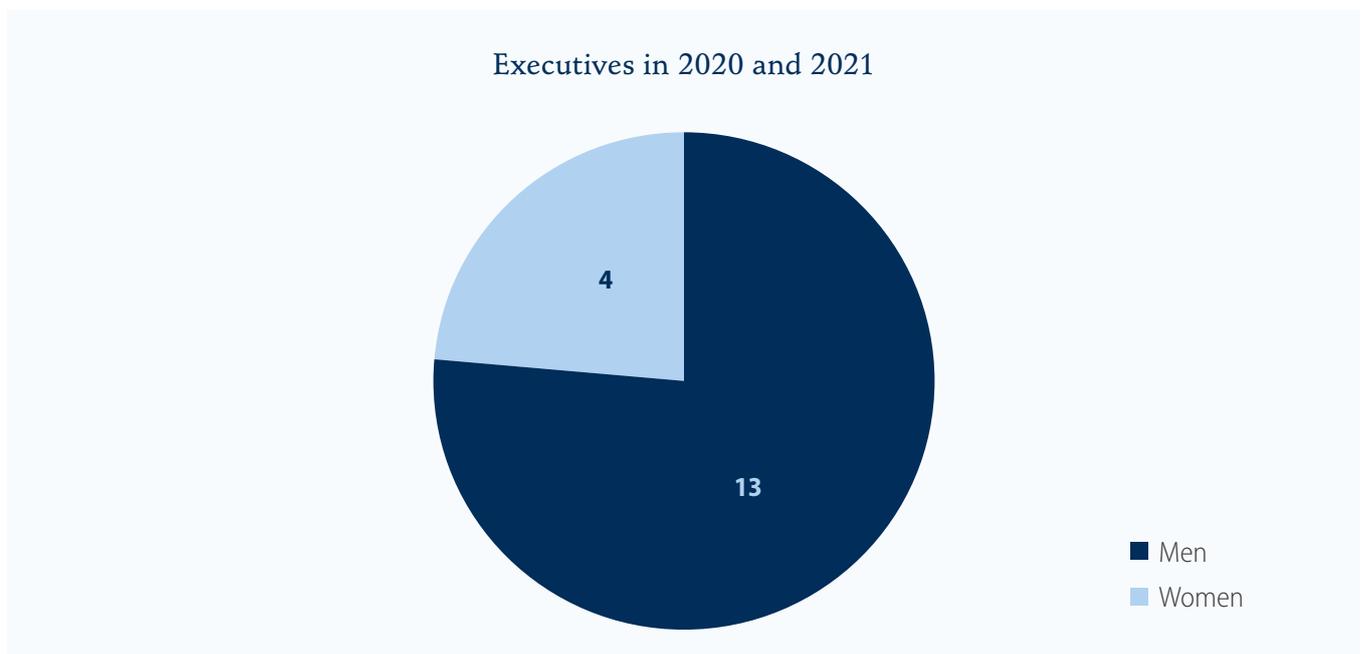


Fig. 15: Executives by gender in 2020 and 2021

9.3.6 Parental leave

During the reporting period, four women were on maternity leave. Two of them have since returned to work, while the other two are still on maternity leave. In addition, two men took parental leave and have since returned to work. Four women are currently on maternity leave.

9.3.7 Employee turnover

Our company welcomed 42 new employees in the reporting period. During the same period, 49 employees left the company for various reasons. This put the turnover rate at 14.4% of employees in 2020 and at 9.9% in 2021. If we compare the two reporting years, we can see that employee turnover decreased over time.

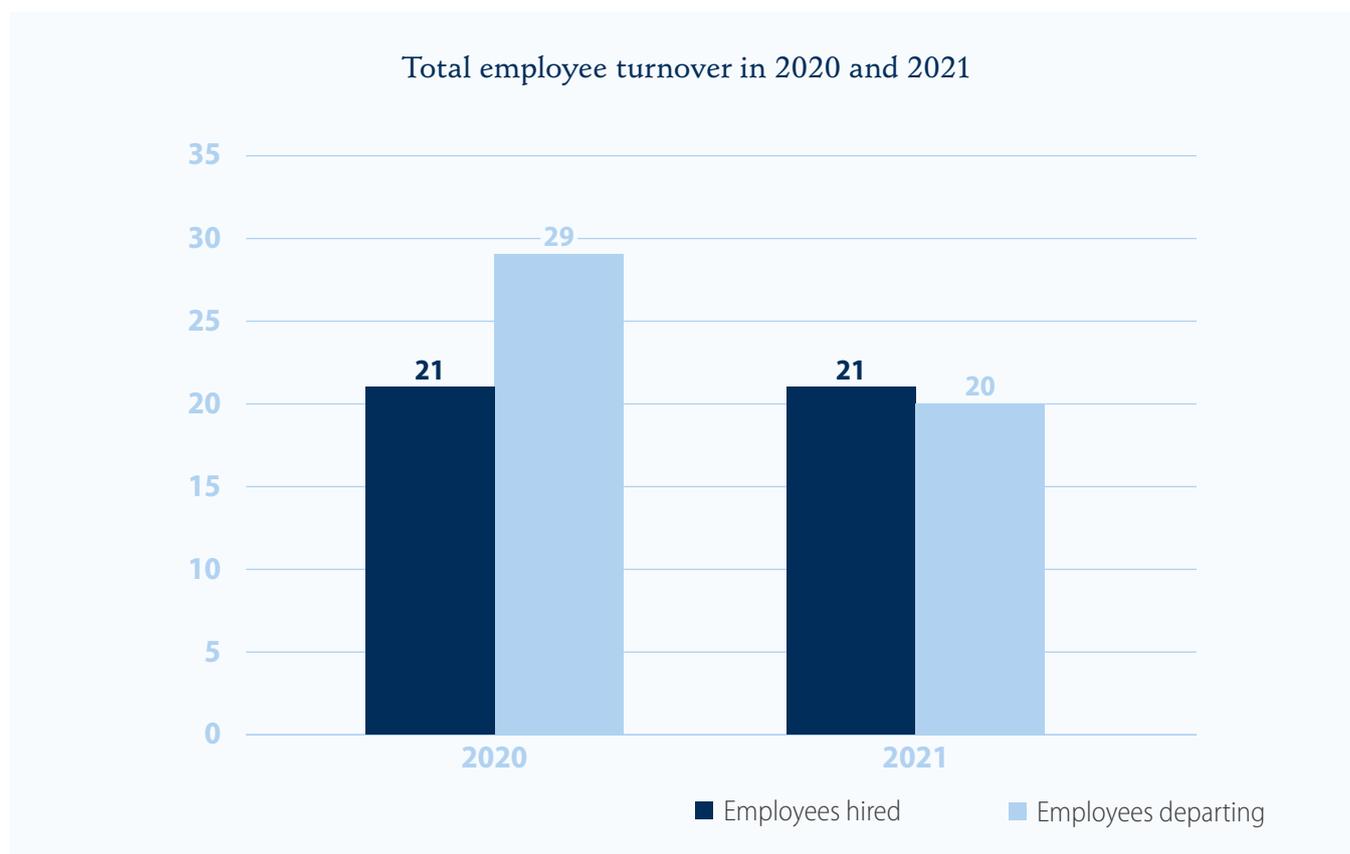


Fig. 16: Employee turnover in 2020 and 2021

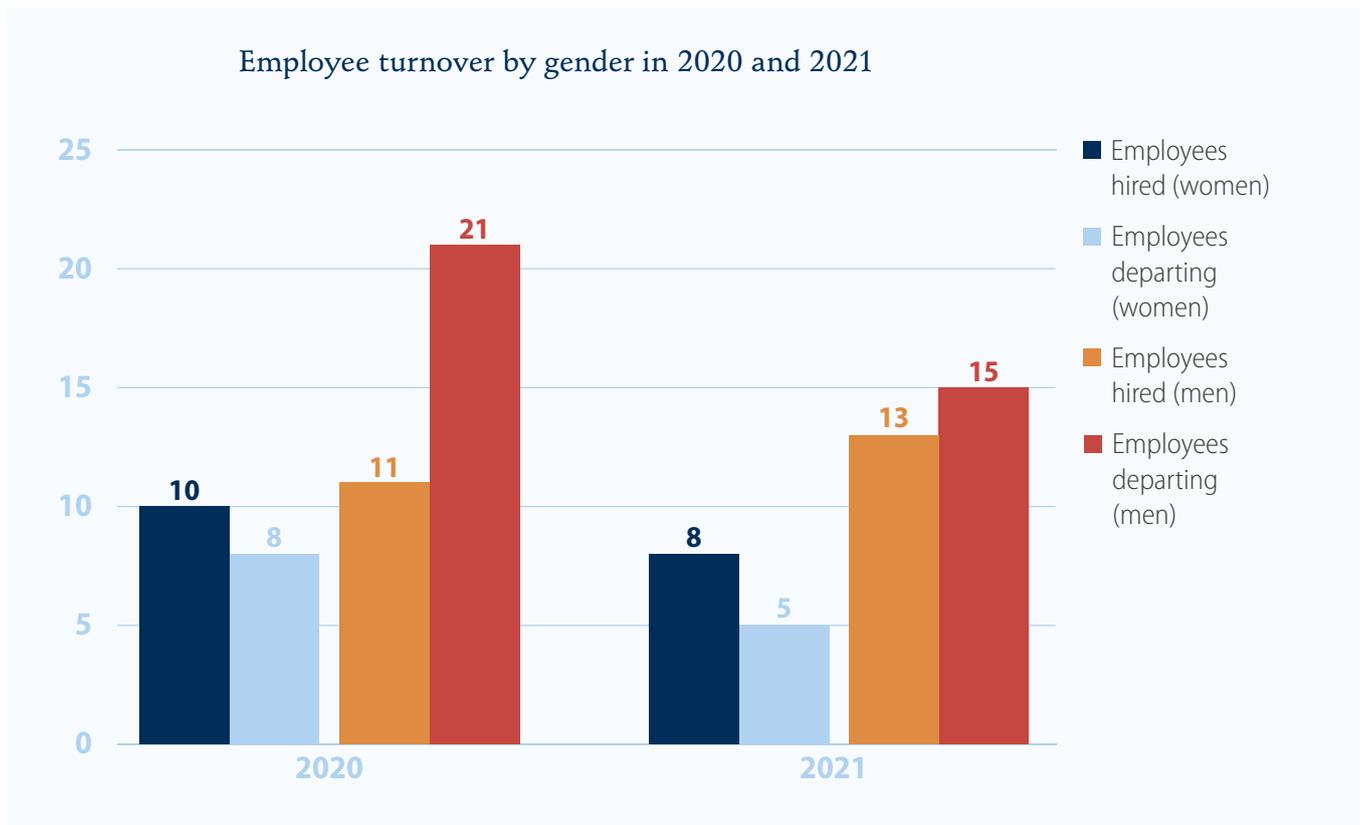


Fig. 17: Employee turnover by gender in 2020 and 2021

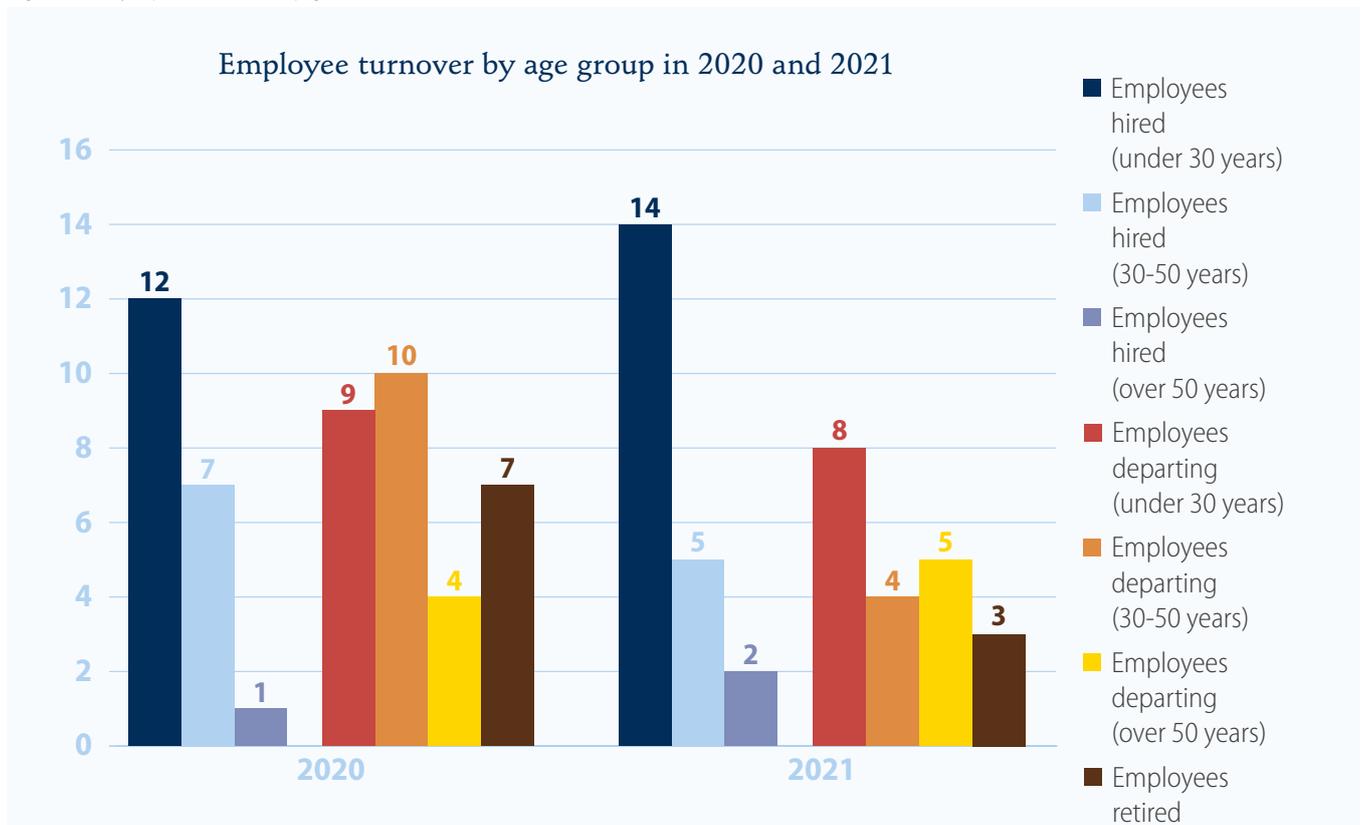


Fig. 18: Employee turnover by age group in 2020 and 2021

9.3.8 Occupational health and safety

Occupational health and safety goals have been firmly anchored in our QA targets in production since 2013. There are various measurable criteria that are continuously pursued, developed and monitored.

In 2020, there were six work-related accidents at our Bonora Copacking production facility. Unfortunately, this number increased to nine in 2021. None of the accidents were related to machinery.

During the reporting period, no work-related accidents were reported at our head office (Raboisen 58). A total of six reportable accidents at work have been recorded there since 2007. However, only two of those occurred during working hours; the rest were commuting accidents.

9.3.9 Training and education

We are recognised as a company that takes on trainees. During the reporting period, we had an average of eight trainees a year. We regularly promote and fund further training initiatives for our employees (e.g. commercial training, language courses, IT courses and part-time degree programmes). In addition, we regularly organise internal and external training courses on a range of topics (e.g. quality control, product knowledge, law, taxes, customs, IT).

Number						Duration (in hours)			
Duration (in hours)	of which women	of which men	Trainees	Executives	Employees	Total	∅ hours per employee	∅ hours per female employee	∅ hours per male employee
465	220	245	2	20	443	3464	17.2	19.3	16

9.3.10 Overview of benefits

Our benefits at a glance



Fig. 19: Our benefits a glance

When it comes to these company benefits, no distinction is made between full-time and part-time employees. Only temporary workers are excluded.

9.3.11 Social commitment

Whenever our employees are going through a difficult situation, we try to help as best we can (e.g. by offering any legal assistance that may be required). We also have a non-bureaucratic system for offering interest-free employee loans to any permanent employees who find themselves in a financial emergency. In addition, we help our employees find a place to live – some accommodation is even provided by our shareholders themselves. There are five company apartments at our production site.

9.3.12 Non-discrimination

As an international company with a high degree of diversity, non-discrimination is part of our everyday business practice. We were not alerted to any cases of discrimination during the reporting period. We provide a mailbox for employees to contact in case of discrimination. All information remains strictly confidential and anonymous. We have weekly consultation hours for employees at our Bonora Copacking production facility. In the future, we want to improve and expand our existing mechanisms to prevent any form of discrimination.

9.3.13 Freedom of association and collective bargaining

The right to freedom of association is respected at all locations of our operations. As most of our employees are paid above the standard pay scale, collective bargaining agreements are usually irrelevant within our company. The right to freedom of association and collective bargaining is also enshrined in our Code of Conduct, which all our suppliers agree to observe. During the reporting period, there were no operations or suppliers in which the right to freedom of association and collective bargaining may have been at risk.

9.3.14 Child labour / forced or compulsory labour

By acknowledging our Code of Conduct, all suppliers confirm that they do not engage in any form of child, forced or compulsory labour. Our own business premises are located in Germany, where all forms of child, forced or compulsory labour are prohibited by law and are not practised. No cases of child, forced or compulsory labour were recorded during the reporting period. However, some of the countries where we source our raw materials do pose a certain risk – especially in the areas further along the supply chain. We minimise this risk by establishing long-term partnerships with our suppliers, who agree to observe our Code of Conduct. We have conducted an internal risk assessment to identify the specific risks arising along our supply chain. We will use this information to develop further measures in the future.

9.3.15 Human rights

As a key aspect of our Company Policy, we ensure respect for basic human rights. This is also required under our Code of Conduct, which has to be acknowledged by all suppliers. When evaluating suppliers, we also adhere to the ILO standards and disqualify them if they are found to have violated social standards or human rights. This effectively rules out any form of cooperation with the suppliers concerned. In the years under review, employees from our QA department participated in external training courses on the topic of human rights and then shared what they had learned within our company. This topic was also covered during in-house training courses within our Purchasing department.

9.3.16 Customer and employee privacy

We have established various mechanisms to protect all (especially confidential) data.

Our employees are granted access to the data stored in our “Pro Alpha” ERP system based on their group membership. We comply with the GDPR when processing personal data. Our employees are taught how to handle passwords.

All data contained in paper documents (e.g. staff files) is kept in closed offices with strict access rules. As soon as files no longer have to be stored, they are disposed of by a certified specialist company.

During the reporting period, there were no complaints related to data breaches and the loss of customer or employee data.

10. Closing words and outlook

Our first sustainability report shows that the past two years have not only brought about a certain amount of success, but have also presented quite a few challenges as we look to become a more sustainable business. We will take a critical approach to make the best possible use of our results and findings.

By establishing the current state of affairs, we have already identified room for improvement and taken the necessary action. We look forward to applying our knowledge to other areas in the future. We will take what we have learned from our ongoing pilot projects to launch even more sustainability projects. Our sustainability targets will act as specific reference points, enabling us to measure and compare our progress. As transparency is such an important issue for us, we want to continue using these reports in the future to share our achievements and challenges in relation to sustainability with all our stakeholders and anyone else who might be interested. They are also an important tool for us to reflect on our business activities and gather valuable feedback.

As this report only relates to the operating locations of August Töpfer & Co. (GmbH & Co.) KG, we have set ourselves the goal of expanding the scope of our sustainability reporting over the next two years to ultimately include all group companies.

GRI-Inhaltsindex

GRI Standard	Disclosure	Page	Omission	Comment
GRI 102: General Disclosures 2016	102-1: Name of the organisation	5		
	102-2: Activities, brands, products, and services	5, 9-12		
	102-3: Location of headquarters	10		
	102-4: Location of operations	9-11		
	102-5: Ownership and legal form	9-11		
	102-6: Markets served	19		
	102-7: Scale of the organisation	9-12, 26, 35-36		
	102-8: Information on employees and other workers	10, 35-42		All data on our employees and workers is collected in our HR department, which helped to compile the data used in this report.
	102-9: Supply chain	19		
	102-10: Significant changes to the organisation and its supply chain	10-11, 19-20		
	102-11: Precautionary principle or approach	5, 14-18		
	102-12: External initiatives	12-13		
	102-13: Membership of associations	13-14		

	102-14: Statement from senior decision-maker	5		
	102-16: Values, principles, standards, and norms of behaviour	14-17		
	102-18: Governance structure	9,18		
	102-25: Conflicts of interest	27		
	102-40: List of stakeholder groups	6		
	102-41: Collective bargaining agreements	44		Our operating locations are not bound by collective bargaining agreements (0%).
	102-42: Identifying and selecting stakeholders	6-7		
	102-43: Approach to stakeholder engagement	6-7		
	102-44: Key topics and concerns raised	6-7		
	102-45: Entities included in the consolidated financial statements	13		
	102-46: Defining report content and topic boundaries	6-7		
	102-47: List of material topics	7		
	102-48: Restatements of information			This is our first report.
	102-49: Changes in reporting			This is our first report.
	102-50: Reporting period	5		
	102-51: Date of most recent report			This is our first report.

	102-52: Reporting cycle	5-6		
	102-53: Contact point for questions regarding the report	6, 55		
	102-54: Claims of reporting in accordance with the GRI Standards	6		
	102-55: GRI content index	46-54		
	102-56: External assurance	6		
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its boundary	18-29, 32-34, 39-42, 44-45		
	103-2: The management approach and its components	18-29, 32-34, 39-42, 44-45		
	103-3: Evaluation of the management approach	18-29, 32-34, 39-42, 44-45		
GRI 205: Anti-Corruption 2016	205-1: Operations assessed for risks related to corruption			There is currently no documented procedure for inspecting our operating locations. However, we are in the process of drawing up a risk assessment that will be used as the basis for targeted inspections in the future.
	205-2: Communication and training on anti-corruption policies and procedures	27		
	205-3: Confirmed incidents of corruption and actions taken	27		
GRI 206: Anti-Competitive Behaviour 2016	206-1: Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	27		

GRI 302: Energy 2016	302-1: Energy consumption within the organisation	30-34		
	302-2: Energy consumption outside of the organisation	34		
	302-4: Reduction of energy consumption	22-24		
	302-5: Reductions in energy requirements of products and services	22-24		
GRI 303: Water and Effluents 2018	303-1: Interactions with water as a shared resource	28		
	303-2: Management of water discharge-related impacts	28		
	303-3: Water withdrawal	28		
	303-4: Water discharge	28		
	303-5: Water consumption	28		
GRI 305: Emissions 2016	305-1: Direct (Scope 1) GHG emissions	31-32		
	305-2: Energy indirect (Scope 2) GHG emissions	33-34		
	305-3: Other indirect (Scope 3) GHG emissions	34		
	305-4: GHG emissions intensity		At the moment, we cannot give up the GHG emissions intensity in relation to our products. However, we would like to launch pilot projects for this.	
	305-5: Reduction of GHG emissions	22-23, 33		

	305-6: Emissions of ozone-depleting substances (ODS)			ODS are not used in any of our processes, services or products.
	305-7: Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions			These substances are not used in any of our processes, services or products.
GRI 306: Waste 2020	306-1: Waste generation and significant waste-related impacts	29		
	306-2: Management of significant waste-related impacts	24, 29		
	306-3: Waste generated	29		
	306-4: Waste diverted from disposal	29		
	306-5: Waste directed to disposal	29		
GRI 401: Employment 2016	401-1: New employee hires and employee turnover	40-41		
	401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	35, 43		
	401-3: Parental leave	39		
GRI 402: Labour / Management Relations 2016	402-1: Minimum notice periods regarding operational changes		At the moment, there is no uniform approach to operational changes due to our manageable number of employees and the associated direct communication channels.	
GRI 403: Occupational Health and Safety 2018	403-1: Occupational health and safety management system	25, 42		

	403-2: Hazard identification, risk assessment, and incident investigation	25, 42		
	403-3: Occupational health services	25		
	403-4: Worker participation, consultation, and communication on occupational health and safety	25, 42		
	403-5: Worker training on occupational health and safety	25, 42		
	403-6: Promotion of worker health	25, 42		
	403-7: Prevention and mitigation of occupational health and safety impacts directly linked to business relationships			Whenever our employees undertake business trips, we make sure that they are not exposed to any risks or health hazards. The same applies to trade fairs and other events.
	403-8: Workers covered by an occupational health and safety management system	25		All 135 permanent employees and temporary workers in production (100%).
	403-9: Work-related injuries	25		
	403-10: Work-related ill health	25		
GRI 404: Training and Education 2016	404-1: Average hours of training per year per employee			
	404-2: Programmes for upgrading employee skills and transition assistance programmes	25, 42-43		

	404-3: Percentage of employees receiving regular performance and career development reviews		There is currently no documented procedure for performance reviews, which are conducted and recorded separately by each department. For the next report, we will establish a procedure for recording performance reviews centrally so that they can be better documented.	
GRI 406: Non-Discrimination 2016	406-1: Incidents of discrimination and corrective actions taken	44		
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1: Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	44		
GRI 408: Child Labour 2016	408-1: Operations and suppliers at significant risk for incidents of child labour	44		
GRI 409: Forced or Compulsory Labour 2016	409-1: Operations and suppliers at significant risk for incidents of forced or compulsory labour	44		
GRI 412: Human Rights Assessment 2016	412-1: Operations that have been subject to human rights reviews or impact assessments	44		
	412-2: Employee training on human rights policies or procedures	44		

	412-3: Significant investment agreements and contracts that include human rights clauses or that have undergone human rights screening		None to date, as this has never been an issue.	
GRI 414: Supplier Social Assessment 2016	414-1: New suppliers that have been screened using social criteria	20		All new suppliers are also evaluated based on social criteria (100%).
	414-2: Negative social impacts in the supply chain and actions taken	19-20		
GRI 418: Customer Privacy 2016	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	45		

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