

# Communication on Progress 2021





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# Statement of continued support

19. 01.2022

To our stakeholders:

I am pleased to confirm that AGLUKON Spezialdünger GmbH & Co. KG reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,



Dr. Benjamin Klug  
Managing Director

## Company profile

AGLUKON Spezialdünger GmbH & Co. KG („AGLUKON“) founded in 1931, is a manufacturer of high quality specialty fertilizers, predominantly in liquid and suspension form, located in the center of chemical industry in the western part of Germany. As AGLUKON is active in about 70 countries and has an impact on global trade of fertilizer goods we actively want to support the 10 principles of Global Compact and incorporate them into our philosophy. We offer our services and products on a B2B level and act as a manufacturer and marketer of highly efficient, environmentally friendly solutions.



# 1931

founded

# 50

years specialists in foliar nutrition

# 70

countries

# 90

years B2B specialists

# Description of actions

## Human Rights Principles

### **01** AGLUKON respects human rights.

At AGLUKON, as a German company, human rights are deeply embedded in the company policy. The German legislation „Grundgesetz“ fully safeguards human rights in its very first article: „Human dignity is inviolable. It is the duty of all state authorities to respect and protect them.“ It is therefore obvious that every employee inside and outside the company is of high importance for its success in every respect.

### **02** AGLUKON ensures respect for human rights.

As the respect to human rights is a basic and natural understanding in our policy and society, we are especially looking at our stakeholders and partners worldwide.

We see and understand that respect to human rights is not always self-evidence. Therefore, we engage our partners by adding a clause to future distribution agreements with respect to human rights. This clause should include the very basic articles of the German „Grundge-

setz“ in regards to our partners, staff and stakeholders. Our partners are having a very important function in the supply chain of essential operating resources to farmers. This leads to the fact that AGLUKON's fertilizer goods contribute to a safer harvest and yield. It has shown that also within this decade sufficient food supply is having an impact on human rights in unstable states where our partners are also active in. All new partners will have to sign the newly defined distribution agreements including the human rights abstract. To ensure that also our existing partners must respect the German definition of human rights they will be informed about the new clause. During pre-partnership visits as well as during an established cooperation, AGLUKON staff is investigating the situation if any disregard is visible. In general, we aim for long term partnerships. Our experience teaches us that the way of building up a cooperation on trust is the key to a sustainable future. That way we also try to implement our company philosophy also on our view of human rights into our partners philosophy. Any non-compliance will lead to sanctions forcing the partner to refine the problem. As we take human rights very seriously any known non-commitment will lead to a fully termination of business relations.

**“In general, we aim for long term partnerships. Our experience teaches us that the way of building up a cooperation on trust is the key to a sustainable future.”**





## Labor principles

### **03** AGLUKON respects labor standards and freedom of association and collective bargaining.

AGLUKON is a chemical company which integrates safety measures to turn away harm from people and environment. As a result, a designated work safety officer is ensuring and controlling the work safety in all departments of the company. With the profound background the work safety officer is constantly keeping up-to-date and does further education to keep herself updated about the latest standards. The departments with the highest risk which are the production and the laboratory, are the focus of AGLUKON's safety mission. We invest a lot in high quality protective material and comply with the highest standards regarding safety within the working area.

Also, during last year, the exhaust air scrubber and the exhaust air lines for the entire production have been renewed. The exhaust air is now better cleaned, which increases occupational safety through even lower dust exposure at the workplace. The new exhaust air scrubber is quieter than the previous one and filters unfavored gases that may be produced out of the air more effectively. Both lead to positive effects for employees and the environment.



# **“We invest a lot in high quality protective material and comply with the highest standards regarding safety within the working area.”**

In order to provide our people with particularly good protection at workplaces with increased dust exposure, powered-air purifying respirators are in use which exceed the minimum standards.

Our membership in the German Employers' Liability Insurance Association allows regular external control and actively supports us in keeping high working standards for our employees. Besides our own staff we especially look for our visiting stakeholders like partners, suppliers or any contractors stepping on company premises by informing them about the safety instructions.

AGLUKON supplies safety material in form of safety glasses and vests to all visitors. Especially during the ongoing pandemic situation our work safety officer is being supported by our company doctor ensuring that all necessary safety measures like single offices, distance keeping, home office regulations and hygienic requirements are given. AGLUKON implements spatial and temporal separation of individual shifts in production and offers regular COVID-19 testing. The vaccination rate in the company is over 90%. One of the factors contributing to this is the fact that we offer our employees organized vaccination appointments with the company doctor and also in our own company.

Following the renewing of the small packaging filling line in the previous year, a second packaging robot was put into operation in order to reduce physically demanding work and to minimize the risk

of accidents and long-term physical consequences. This shows that beside increased efficiency, our employees benefit from investments in capacities and future of AGLUKON.

A strict working time policy ensures compliance with the working time law and the expected working time which is contractually stipulated. In case of working overtime, additional hours can be reduced by a daily updated flextime account which is visibly accessible and being controlled to avoid high values of overtime. Also, a maximum of 10 hours per day is strictly ensured. As a chemical company, high wages with pension and care insurances are ensured at AGLUKON. With the addition of remote work options, we further engage compatibility of work and free time for our sales and marketing staff.

AGLUKON has an active works council being nominated on a 5-year basis. The council is coming together regularly apart from the management to discuss employee relevant topics. The main aim is to „hear every voice“ of all staff, so that the works council can propose new ideas and actions and give feedback about recent actions.

Company assemblies are being held regularly to inform employees about the current economic situation and as a tool for each employee to take part in the company communication. To reach all employees in the pandemic situation, a hybrid meeting concept has been developed. In this way, the contact possibilities are reduced to a minimum and the employees are protected in the best possible way.

Besides the legally established agreements, AGLUKON additionally wrote down company agreements which go beyond legal necessity. Further, a company app has been launched in December 2020 which today is an additional communication channel next to various bulletin boards in the company. This company app will be used to communicate complex topics faster which is specifically important in the current pandemic time but can be seen as an adaption to the digital age and the demand of employees to identify with their employer.

Employees are united in unions which represent the demands of people working at AGLUKON.

**“The diversity of employees with a migration background at AGLUKON can be assessed as high, in total 26 out of 78 people working at our site.”**



## **04** **AGLUKON does not use forced labor and commits the customers and all stakeholders to exclude forced labor as well.**

Together with our information about our commitment in terms of human rights we will inform our partners and stakeholders to not tolerate any form of forced labor within their sales and supply chain. During regular visits we gather all possible information and investigate the situation by talking to our partners employees.

## **05** **AGLUKON does not allow child labor and commits customers and all stakeholders to do the same, if not already done.**

Besides forced labor, exploitation of children to work was successfully fought against on European level. Unfortunately, in some countries this way of abuse is still tolerated. It is our aim to use our power to avoid our products being used on farms where child labor is common sense. Partners, which are active in countries where child labor in the agricultural sector is being done will be sensitized to not do business with such farms.

## **06 AGLUKON does not discriminate employees and applicants based on their gender, origin, age or disability.**

Our plan is to further balance the gender in our employee structure. Right now, 14% of our employees are female. Physically exhausting work in the production, which is completely male driven, and a high number of male graduates in the agricultural sector might be one reason why there is such an imbalance. We are trying to compensate this fact by further hiring women in the other departments of the company currently and in the future.

The diversity of employees with migration background at AGLUKON can be assessed as high, in total 26 out of 78 people working at our site. 11 out of these employees have a foreign passport. Additionally, two people working in our company have been refugees which we are proud to support during the integration process. The representative for the disabled is actively ensuring a healthy working environment for six of our employees which are severely disabled.

We regularly offer internships and job trainings. This is how we enable the interns and trainees to gain practical knowledge directly and gain first work experience in addition to their studies.

# Environmental principles

## **07 AGLUKON requests all customers and stakeholders to respect the environment and is actively engaged in environmental protection.**

In general, AGLUKON sees a lot of potential of investments into energy saving and waste avoiding technologies. Our designated waste officer is working on all issues that deal with energy, resources and of course waste, which is unavoidable to deal with, while working on a greener strategy.

In the past a lot of facilities have been renewed and will be further maintained. The new exhaust air scrubber that we have talked about in Principle 3 is one part that helps to make the environment even less polluted. During the last year we also started to improve our product information on the safety and handling for the users. We provide information on how to handle and dispose out products to prevent from improper actions that may be harmful for humans or the environment.

Following the installation of dark radiator technology that lowered energy consumption for heating, electricity consumption could be further reduced by LED light technology within the complete production facility. In the future, the new warehouse with state-of-the-art technologies that will lead to a much smaller carbon footprint and more efficient processes within the company is one big step on our agenda. The building application has already been submitted and provides for KfW 55 compliance and includes a large-scale renewable energy installations like photovoltaic. During the demolition work, it was possible to recycle a large part of the material for the construction of the foundation. The removal and purchase of new raw materials could be avoided as far as possible.

In addition to heat and electricity, waste is a major issue at AGLUKON. We are using a lot of different raw materials for the production of fertilizer which are packed in various packaging. This inhomogeneity and the fact that fertilizer residues are attached make recycling very difficult. Plastic material could be reduced last year that is going into thermal use. Those parts of the plastic material that can be reused by the supplier is going back saving valuable resources. For a part of our paper sources, a paper press was purchased, which allows us to improve waste handling and the quality for recycling. For the future,



**"We believe that climate change exists, and that decreasing humanity's footprint is actually possible with joint forces."**





tests are running if such a press is useful for parts of our plastic waste as well.

In recent years, we have been able to save plastic raw material for the hoods, that cover each pallet to secure it for transport. All pallets which are arriving at AGLUKON will be reused either by us or a stakeholder. In the administration it is furthermore planned to reduce paper use in the next years.

As we are a manufacturer working with chemical materials one major responsibility is to avoid accidents with chemical material which is mostly fluid. That means that firefighting water barriers are installed in production and storage facilities to avoid outflow of firefighting water in case of fire which may then be contaminated with chemicals.

One of the most prominent actions we are engaged in by the nature of our business is the production of highly efficient foliar fertilizer. Given the fact that most of our products are immediately taken up via the leaves of plants, we consider our products as much more resource saving compared to fertilizer applied to the soil. This way, leaching of nutrients into ground water or rivers can almost be completely excluded. Also, the highly plant available raw materials we are using makes our fertilizer much more efficient in regard to amounts of resources used, compared to competitors whose products are often based on other, less plant available raw materials. We need less resources to supply the plant with needed nutrients. This also strengthens the plant, to overall reduce pesticide application, which complies with the integrated pest management. Ingredients of our products which come from seaweed extracts and other organic sources are sustainably harvested and are being part of circular economy, which is a key for success in sustainable agriculture and the industry.

AGLUKON has a large variety of foliar fertilizer products being adapted to a lot of special crops and regional differences in terms of nutrient availability. As a matter of fact, our whole portfolio consists of more than 200 different recipes. This further means, that a deep and intense cleaning process of all used devices and pipelines is needed to avoid contamination of the following produced product. With this cleaning step we are obtaining a certain amount of by-product which has a quite similar composition and can be used as a fertilizer too. The addition of further nutrients in order to reach homogenous nutrient level helps to bring this by-product back into the circle where it is

applied to plants via the roots. Unfortunately, any use as foliar fertilizer is not possible anymore as reactions between the ingredients of the rinse water make it impossible to pass the drip tubes and spray nozzles without being sure they are not blocking. Anyway, using all by-products from our production is a goal we want to look deeper into in the future.

Due to the pandemic situation, travelling in general as well as any long-haul flights have been nearly impossible and not been held responsible. As a result, we had to arrange with the situation by expanding our digital communication ways, which led to a lowering of emissions, already today. Since the outbreak in Germany almost all business trips have been cancelled and have been substituted with other media to maintain efficient communication with our partners. This situation led to a re-thinking of the need of CO<sub>2</sub>-intensive communication ways such as physical visits and flights. However, in the future we are prepared to adapt to new communication ways, with less CO<sub>2</sub> emissions and to implement such into our IT environment. We will take all actions necessary already today and are open to any solution which may develop as the new standard in a post-pandemic time. This may lead to a permanent reduction of long-haul flights and hence to an overall reduction of emissions.

Our ways of informing partners and customers in terms of marketing has changed a lot in recent years. One core element of this communication tools which helps us to decrease printed marketing material is our myWUXAL app which is being introduced in various countries. This also supports our partners and customers to reduce their paper footprint as all apps are being available in each country language. Especially at the point of sale when it comes to farmer level a lot of analog marketing material is being saved and transferred into digital options.

## **08 AGLUKON wants to further improve environmental protection for itself and its stakeholders.**

Protection of environment and climate can only be achieved globally when all participants worldwide take action. Therefore, AGLUKON will train its employees to reduce its consumption of resources. Core elements of this training will be the reduction of paper, energy (electricity and heat) and waste.

**“Our goal is to reduce as many fossil raw materials as possible and replace them with reused or recycled raw materials.”**



Germany already has a long tradition of recycling packaging material such as buckets, cans and bottles for use in agriculture. Mostly pesticides but also fertilizer residues are contained and will be collected by initiatives to avoid contamination with domestic waste. AGLUKON and its partners are part of this initiatives if they exist in the respective country. Examples are Germany, New Zealand, Romania, Spain, and several others. In the future we want to further encourage our partners to deal with such recycling systems voluntarily to avoid contamination of the environment with the packaging materials as clean oceans is an issue everyone is affected in.

We are aware of our footprint in terms of packaging material such as bottles, cans, barrels and IBC. Our goal is to reduce as many fossil raw materials as possible and replace them with reused or recycled raw materials. That is why we constantly explore all options to do better and try to encourage our suppliers to move in this direction.

In our core business, the professional agriculture and horticulture markets, our packaging material must meet very high standards and approval requirements. Using recycled raw materials is unfortunately not an option so far, because the raw materials are not

## **09 AGLUKON wants to promote the development of environmentally friendly technologies.**

By using the tool of an internal incentive program to push the creativity of AGLUKON staff our goal is to further develop technologies and mechanisms to reduce our environmental footprint. Ideas which help us to reach the target are being awarded so everyone has the encouragement to be part of our mission.

In the future our R&D is looking for improvements of our products in terms of sustainable raw materials. We see the organic agriculture sector as one key trend which needs sustainable foliar fertilizer and biostimulant products which we can serve. Therefore, we are always looking for organic raw materials which strengthen the plants during stress conditions, which is our essential target resulting from the ongoing climate change. Raw materials being sourced from circular economy where less waste is produced and that bring benefits to the plant's household are also being of high interest for our products in the future. Any AGLUKON product that helps the plant and reduces the need for pesticides is a benefit for the environment and will be further

investigated. AGLUKON is also actively engaged in the research of new plant strengthening materials as well as nutrients which are essential for human health (like Selenium) and can be incorporated into the plant by so called bio-fortification. Lack of essential elements can be supplied to humans in a natural and convenient way.

In another research project where we act as a business partner, we want to develop a biostimulant to increase the resistance against fungal pathogens. This combination of different by-products will disable many problems coming from natural resources helping agriculture to avoid synthetic pesticides.

Our designated waste-manager constantly keeps looking at resources and waste to decrease our environmental footprint.

## Corruption principles

### **10 AGLUKON commits itself and all stakeholders to fight corruption, including extortion and bribery.**

Germany ranks the 9<sup>th</sup> place out of 179 countries indicated in the corruption perceptions index, which is a good result. Anyway around 70 of those countries where our partners are situated score behind Germany and need to be pushed further in the right direction. AGLUKON wants to further engage and play its role in reduction of the various expressions of corruption. The formulation of guideline principles to ensure principle 10 will be added to our sales contracts. Moreover, we will ask our sales partners to sign our comprehension of a world without corruption. By sending a newsletter to all agreeing stakeholders we will emphasize the problems which are occurring when it comes to corruption.

# Measurement of outcomes

## Human Rights Principles

The plan to adapt future distribution agreements with respect to human rights could not be completed yet. The adjustments could not yet be finally formulated so that this goal is planned to put into practice during the upcoming year.

## Labor Principles

Several actions were undertaken that have improved and will further improve occupational safety but that can not directly be measured. The erection of scaffolds at sensitive positions in the production, the renewal of the exhaust air scrubber and the exhaust air lines and the usage of powered-air purifying respirators were named above in this context. We will further monitor the outcomes to see if there will be a measurable effect in the future.

The extension of the training program for employees, which was planned, could not be implemented due to the pandemic situation. Work on this will be resumed as soon as possible.

In the company app that has been launched 53 of all employees have been signed in, which is a great result for the first year. We plan to further increase the number of registered employees to further engage the exchange between all employees.

## Environmental Principles

In our efforts to make our production as sustainable as possible, the amount of plastic that covers each pallet to secure it for transport could be reduced by 10%. This was possible while ensuring the full transport safety. In addition to this, last year we were able to reduce the overall plastic material that is going into thermal use by 10%.

The reduction of energy, which has resulted from the conversion to LED lamps in production, amounts to 25.000 kWh every year.

## Corruption Principles

Like for human rights, the formulation of the updated distributions agreements has not been finished yet and will be postponed to the upcoming year.







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