

“We live with passion and responsibility to bring enjoyment from the origin around the world.”

The Sustainability Initiatives of Max Felchlin AG

This document summarises the efforts of Max Felchlin AG in the areas of sustainability, social responsibility, and quality assurance. The aim of this document is to provide an easy summary of our initiatives for our employees as well as our clients and other external stakeholders. Please do not hesitate to contact us for further information.

Introduction

Max Felchlin AG is one of the smallest chocolate producers for professional practitioners worldwide with our proportion of worldwide cacao processing being well below 1 percent. We have positioned ourselves as a niche producer of both high-quality couvertures and semi-finished products and in addition not just high quality in relation to raw materials and the taste of the finished product, but also high quality around our efforts for a sustainable value chain. Our guiding principle is therefore:

“We live with passion and responsibility to bring enjoyment from the origin around the world.”

The Felchlin Sustainability Strategy

In 2024 the Felchlin sustainability strategy was updated with binding KPIs. It strongly reflects the values for which Felchlin is renowned for and it provides overall direction for continuing current initiatives and implementing new ones. Our sustainability strategy with the title “Sustainability meets pleasure” is based on the following three pillars.

Passionate about
creating quality of
life

Good working and living conditions
Health
Product responsibility

Quality in harmony
with nature

Resources
Biodiversity
Climate

Shared success
through partnership

Fair trade partnerships
Ethical governance
Location Switzerland

Initiatives in Cacao Origin Regions

Felchlin Sélection Guidelines

For more than 20 years now our aim has been to ensure the sustainability of the raw materials that we process with self-imposed guidelines that exceed the current Fairtrade standards. We procure raw materials of the highest quality which are complex in taste and full of flavour. Transparency, fair conditions and working in harmony with nature are very important to us.

Felchlin FAIR DIRECT CACAO

We source the cacao for our exclusive couvertures directly and thanks to the long-term contracts and established relationships, our partners, cooperatives, and cacao farmers have security. Our price model takes the market price as a base line, to which we add an additional Felchlin premium for sustainability and quality assurance. The premium varies according to the origin and circumstances such as price controls by local authorities (e.g. Ghana) or the strength of the respective national currency with the final price being up to 30% higher than the market price. A large part of the Felchlin premium goes directly to the farmers and it enables our partners or cooperatives to finance local projects, which directly or indirectly influence both the quality of life and living income of the cacao farmers. (Examples of this are: cultivation of nursery stock, help with the transition to organic production, lighting systems for villages, school materials for children, food in cases of crop shortfalls etc.) All of these allow the farmers to sustainably use the natural resources so that these are preserved for future generations.

“Elucid” - Health Care in Cacao Origin Regions

Since 2021 we have been committed to the basic health care of our cacao farmers and their families. The project, a strategic partnership with the start up “Elucid,” which is supported by Felchlin customers as well as the Swiss Platform for Sustainable Cocoa, contributes to improving health, protecting against extreme poverty, and increasing productivity. With this commitment, Max Felchlin AG meets UN Sustainable Development Goals 1 “No Poverty” and 3 “Health and Wellbeing”.

Commitment Against Child Labour

Max Felchlin AG has issued its own company guidelines about child labour. These guidelines, as well as their implementation and auditing, are also regulated in cooperation with partners, cooperatives, and farmers at the origin by means of a supplier code of conduct. All employees as well as partners, cooperatives and farmers are regularly informed about and trained on this topic.

Our aim is to protect children from exploitation and we adhere to the principles laid out in the Constitution of the International Labour Organization (ILO). We strongly condemn any kind of forced work or child slavery as well as any practices that exploit children or subject them to harmful or dangerous working conditions. We strictly adhere to local laws regarding the minimum age of labour and other employment conditions.

Commitment Against Deforestation

Max Felchlin AG attaches great importance to quality and sustainable initiatives. It supports and promotes sustainable cultivation and operating methods and demands EUDR-conforming raw materials from its suppliers, so that the cacao cultivation areas can be used long term and preserved for future generations. Suppliers must commit to EUDR conformity of cacao raw materials and cacao products and their traceability, implemented via a supplier code of conduct.

Cacao With Origins in West Africa

Our cacao from Ghana comes exclusively from our partner Yayra Glover (Yayra Glover Ltd.), who is regarded as a pioneer of organic cacao in Ghana. Max Felchlin AG has been actively and financially supporting Yayra Glover ever since he initially began applying his vision. Thanks to this engagement we now obtain extremely high-quality organic cacao that meets Felchlin's quality standards. Yayra Glover Ltd.'s organically certified cacao complies with the Organic Farming Ordinance Switzerland and the EU organic production regulation and is deforestation-free, traceable and sets local standards for the prevention of child labour.

Initiatives at the Company Site in Ibach-Schwyz

Certification

Max Felchlin AG is certified according to quality management ISO standard 9001:2015. In addition, we are registered with EcoVadis and are a member of SEDEX, which supports businesses with the management and reporting of sustainable practices throughout the supply chain.

Reduction Of Carbon Emissions

Since 2012 Max Felchlin AG has been a part of the Swiss Energy Agency and is thus committed to an economically viable form of climate protection. The company has set itself binding targets for increasing energy efficiency and reducing greenhouse gases. The targets are implemented via defined measures over ten years and the achievement of targets is reviewed annually.

We are helping to reduce carbon emissions not only at our production location but also along the transport corridor and consequently we are a member of the Förderverein Galliker Green Logistics, which was founded by our transport partner Galliker Transport AG.

Electricity From Hydropower

Felchlin produces its couvertures and semi-finished products with electricity from 100% hydropower. The 30 kilometre-long Muota that flows directly past our factory is one of the major rivers in the canton of Schwyz. The company ebs Energie AG operates seven hydro-power plants along the Muota and provides 12,000 private households in the region as well as Max Felchlin AG with 100% renewable energy.

Heat Recovery

In general, new facilities are built so that heat recovery can be guaranteed. All our roasting equipment is equipped with a heat recovery system, which has made it possible to reduce the energy demand in the roasting process by more than 50%.

Thermal Energy Storage

In 2024 the hot water system was completely renovated and equipped with an energy storage system with a capacity of 90,000 litres of water. This gives us the ability to recover even more heat from production processes and feed it back in later.

For example, the systems for domestic hot water are operated with recovered heat and the hot air required for cacao mass treatment is preheated with recovered heat. The entire company is also heated with waste heat from the heat storage tank with, if necessary, the hot water heating being supplemented by gas.

Cooling Of the Buildings

The entire company is cooled wherever possible by groundwater. The new building and the factory building are combined for this purpose and in addition, for sustainable and energy saving reasons we have decided against fully air-conditioned offices in the new building.

Storage Of Cooling Energy

By storing cooling energy in a new ice storage system, the existing cooling systems can be operated efficiently and makes the most effective use of heat recovery. Additional cooling systems are not required, as the power peaks are covered by the ice storage system. From 2025, the cold storage tank will also serve as energy storage for a new photovoltaic system. Surplus solar power is then converted into cooling energy and temporarily stored in the ice storage for later use.

Reduction Of Packaging Waste

Instead of stand-up pouches, which are certainly more attractive from a visual and practical point of view, Max Felchlin AG purposely opts for tubular bags. The light but extremely durable film weighs just 8.4g per kilogram of couvertures and the proportion of polyethylene has been reduced to a minimum. The preservative properties are fully retained and, thanks to the thin film, the bags can be resealed with appropriate clips even after opening to protect them from odours and light.

Further Measures

- Over the last 15 years, the water consumption of the entire company had been reduced by around 75%.
- New buildings and extensions are deliberately built upwards to minimise the footprint and preserve natural areas.
- The new company headquarters, which was inaugurated in 2019, was built with a total of 1296.5 m³ of solid timber, glued laminated timber and wood-based materials. Of the wood used, 83.4% came from Swiss forests and the wood used in construction grows back in almost exactly one hour and stores as much CO₂ as all the employees of Max Felchlin AG together produce in 17 months.
- Our cardboard boxes are not disposed of but are collected by our cardboard supplier and subsequently recycled. They are made of around 62% recycled material.
- In addition, our cardboard boxes often undergo a second life internally: We reuse them for example for sending online orders. Furthermore, we only use delivery note bags and filler materials made of paper.

Signatories:



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