Facts and Figures on Sustainability 2020

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Due to rounding, there can be minor deviations in summations and in the calculation of percentages in this document.

Sustainability Performance Indicators

On the following pages, we present various Group performance indicators for the areas of environment, economy, safety, and human resources. They relate to the period from January 1 to December 31, 2020.

Environmental Performance Indicators

We present the environmental performance indicators as absolute values in relation to production volume (finished goods) and in relation to gross value added (EBITDA adjusted for personnel expenses). Where targets have been set, the data relating to the produced finished goods are used.

Emissions

CO_2 (from 2020 expressed in CO_2 equivalents; slightly higher compared to CO_2 emissions)

	absolute in t	related to produced finished goods	in kg/kg	in kg/€
Total (Scope 1 + Scope 2)				
2017 [1, 4]	186,304		0.35	0.21
2017 [2, 4]	187,548		0.35	0.21
2018 [1, 4]	188,743		0.34	0.21
2018 [2, 4]	193,085		0.34	0.21
2019 [1, 3]	177,160		0.34	0.20
2019 [2, 3]	181,924		0.35	0.20
2020 [1, 3] CO_2 equivalents	**91,147**		**0.17**	**0.10**
2020 [2, 3] CO_2 equivalents	**92,553**		**0.18**	**0.10**
Scope 1				
2017 [2]	92,207		0.17	0.10
2018 [2]	95,202		0.17	0.10
2019 [2]	90,962		0.17	0.10
2020 [2] CO_2 equivalents	**90.217**		**0.17**	**0.10**
Scope 2				
2017 [2, 4]	111,976		0.21	0.12
2018 [2, 4]	97,884		0.17	0.11
2019 [2, 4]	102,992		0.20	0.11
2019 [2, 3]	90,962		0.17	0.10
2020 [2, 4] CO_2 equivalents	**99,581**		**0.19**	**0.11**
2020 [2, 3] CO_2 equivalents	**2,336**		**<0.01**	**<0.01**

[1] Data excluding companies acquired in the last three years
[2] Data including companies acquired in the last three years
[3] Market-based
[4] Location-based

Biogenic CO_2 emissions amounted to 332 tons in the year under review.
In relation to the base year 2007, the specific CO_2 emissions were reduced by a total of 67 % together for Scope 1 and Scope 2; -5 % for Scope 1; -99 % for Scope 2 (in the course of the global switch to renewable energy sources).

Scope 1: Emissions from ALTANA's own energy generation (e. g. for heat)
Scope 2: Emissions from third parties due to purchased energy (e. g. electricity)
Location-based: Disclosure of Scope 2 emissions based on general country- or region-specific emission factors (electricity mix).
Market-based: Disclosure of Scope 2 based on supplier-specific emission factors relevant to ALTANA.

Energy Consumption

Energy sources

	absolute in MWh	related to produced finished goods	in kWh/kg	in kWh/€
Natural gas				
2017	403,142		0.75	0.44
2018	398,819		0.71	0.43
2019	377,127		0.72	0.40
2020	**375,676**		**0.72**	**0.40**
Electricity purchased				
2017	253,027		0.47	0.28
2018	258,799		0.46	0.28
2019	247,864		0.47	0.27
2020[1]	**247,738**		**0.47**	**0.26**
Oil				
2017	17,576		0.03	0.02
2018	14,649		0.03	0.02
2019	13,990		0.03	0.02
2020	**12,600**		**0.02**	**0.01**
Other energy sources[2]				
2019	17,048		0.03	0.02
2020	**12,468**		**0.02**	**0.01**
Energy from waste (produced internally)				
2019	17,819		0.03	0.02
2020	**17,016**		**0.03**	**0.02**
Solar energy and hydropower (both generated and used internally) and biogas				
2019	2,326		<0.01	<0.01
2020	**2,994**		**<0.01**	**<0.01**

[1] Certificates of origin from renewable sources
[2] Steam, district heating, compressed air (all externally generated), and propane gas

Energy demand

	related to finished goods	in kWh/kg
2017		1.30
2018		1.23
2019		1.28
2020		**1.28**

All energy sources (within the organization) are considered in this table.

Waste

Hazardous waste

	absolute in t	related to produced finished goods	in g/kg	in g/€
Hazardous waste				
2017 [1]	19,376		36.23	21.40
2017 [2]	19,390		36.26	21.24
2018 [1]	18,654		33.59	20.39
2018 [2]	18,817		33.45	20.27
2019 [1]	17,953		34.58	20.62
2019 [2]	18,104		34.38	19.42
2020 [1]	**17,296**	Target 2020: 32.41	**33.97**	**19.87**
2020 [2]	**17,836**		**34.06**	**18.87**
For recycling/reuse				
2017 [1]	4,662		8.72	5.15
2017 [2]	4,662		8.72	5.11
2018 [1]	4,284		7.71	4.68
2018 [2]	4,284		7.61	4.61
2019 [1]	4,032		7.77	4.63
2019 [2]	4,034		7.66	4.33
2020 [1]	**3,259**		**6.40**	**3.74**
2020 [2]	**3,480**		**6.65**	**3.68**
For thermal use				
2017 [1]	10,892		20.37	12.03
2017 [2]	10,896		20.37	11.94
2018 [1]	10,951		19.72	11.97
2018 [2]	11,067		19.67	11.92
2019 [1]	10,947		21.09	12.58
2019 [2]	11,056		20.99	11.86
2020 [1]	**11,603**		**22.79**	**13.33**
2020 [2]	**11,874**		**22.67**	**12.56**
For disposal/incineration without thermal recovery				
2017 [1]	3,822		7.15	4.22
2017 [2]	3,832		7.17	4.20
2018 [1]	3,419		6.16	3.74
2018 [2]	3,466		6.16	3.73
2019 [1]	2,974		5.73	3.42
2019 [2]	3,013		5.72	3.23
2020 [1]	**2,434**	Target 2020: 5.42	**4.78**	**2.80**
2020 [2]	**2,482**		**4.74**	**2.63**

[1] Data excluding the companies acquired in the last three years

[2] Data including the companies acquired in the last three years

Non-hazardous waste

	absolute in t	related to produced finished goods	in g/kg	in g/€
Non-hazardous waste				
2017[1]	11,665		21.81	12.88
2017[2]	11,768		22.00	12.89
2018[1]	11,076		19.94	12.11
2018[2]	11,380		20.23	12.26
2019[1]	9,163		17.65	10.53
2019[2]	9,569		18.17	10.26
2020[1]	**8,269**	Target 2020: 17.56	**16.24**	**9.50**
2020[2]	**8,573**		**16.37**	**9.07**
For recycling/reuse				
2017[1]	5,622		10.51	6.21
2017[2]	5,622		10.51	6.16
2018[1]	5,066		9.12	5.54
2018[2]	5,075		9.02	5.47
2019[1]	4,414		8.50	5.07
2019[2]	4,441		8.43	4.76
2020[1]	**3,450**		**6.78**	**3.96**
2020[2]	**3,465**		**6.62**	**3.66**
For thermal use				
2017[1]	967		1.81	1.07
2017[2]	1,012		1.89	1.11
2018[1]	804		1.45	0.88
2018[2]	1,039		1.85	1.12
2019[1]	908		1.75	1.04
2019[2]	1,123		2.13	1.20
2020[1]	**1,280**		**2.51**	**1.47**
2020[2]	**1,427**		**2.72**	**1.51**
For disposal/incineration without thermal recovery				
2017[1]	5,076		9.49	5.61
2017[2]	5,134		9.60	5.62
2018[1]	5,206		9.37	5.69
2018[2]	5,266		9.36	5.67
2019[1]	3,841		7.40	4.41
2019[2]	4,004		7.60	4.29
2020[1]	**3,538**	Target 2020: 7.17	**6.95**	**4.06**
2020[2]	**3,682**		**7.03**	**3.90**

[1] Data excluding the companies acquired in the last three years
[2] Data including the companies acquired in the last three years

Water

Water withdrawal (without consideration of water as a raw material)

	absolute in m³	related to produced finished goods	in l/kg	in l/€
Total				
Water from third parties (drinking water)				
2017[1]	1,233,377		2.31	1.36
2017[2]	1,239,617		2.32	1.36
2018[1]	1,344,023		2.42	1.47
2018[2]	1,369,549		2.43	1.48
2019[1]	1,220,617		2.35	1.40
2019[2]	1,251,147		2.38	1.34
2020[1]	**1,122,645**	Target 2020: 2.28	**2.20**	**1.29**
2020[2]	**1,147,735**		**2.19**	**1.21**
Groundwater				
2017[2]	700,536		1.31	0.77
2018[2]	706,936		1.26	0.76
2019[2]	645,295		1.23	0.69
2020[2]	**568,981**		**1.09**	**0.60**
Surface water (river and precipitation water)				
2017[2]	141,143		0.26	0.15
2018[2]	154,590		0.27	0.17
2019[2]	135,675		0.26	0.15
2020[2]	**252,026**		**0.48**	**0.27**

[1] Data excluding companies acquired in the last three years

[2] Data including companies acquired in the last three years

Additional Environmental Performance Indicators

Inert waste

	in t
2017	6,361
2018	4,441
2019	5,687
2020	**6,724**

Waste from demolition projects

	in t
2017	2,320
2018	5,443
2019	565
2020	**17.652** [1]

[1] ACTEGA's site in Grevenbroich accounted for the largest share due to the dismantling of a building.

Further emissions

	2017	2018	2019	2020
in t				
SO_2	5.26	4.49	4.28	**3.92**
NO_X	60.26	59.09	55.88	**55.45**
N_2O [1]	0.18	0.18	0.17	**0.23**

[1] N_2O is considered a greenhouse gas. Using a GWP (Global Warming Potential) conversion factor of 265 (source: Greenhouse Gas Protocol), this results in 62 metric tons of CO_2 equivalent for the 2020 reporting period.

Economic Performance Indicators

The gross value added provided here takes into account all production sites and, since 2018, the sales offices as well. The produced finished goods are used as the reference value for the environmental performance indicators. Further economic performance indicators are listed, in particular, in the Group Management Report of the Corporate Report.

Gross value added

in € thousand	
2017	912,790
2018	928,340
2019	932,306
2020	**945,375**

Finished goods

in t	
2017	534,815
2018	562,591
2019	526,639
2020	**523,730**

Human Resources Performance Indicators

The percentages in the following tables relate to the 6,529 employees as of December 31, 2020.

Share of part-time employees

in %	
2017	7.5
2018	7.1
2019	8.0
2020	**8.4**

Share of women in management positions (in Germany)

in %	
2017	22.8
2018	22.3
2019	21.9
2020	**22.7**

Share of employees with access to company retirement plans or company-funded pension plans

in %	
2017	78.7
2018	80.2
2019	79.8
2020	**79.5**

Share of women (in Germany)

	2020
in %	
Employees	30.0
Management positions	22.7
Executive Management Team	10.0
Supervisory Board	33.0

New employees

		2020
	Number	%
Age group		
under 30 years old	151	2.3
30 to 50 years old	272	4.2
over 50 years old	32	0.5
Total	**455**	**7.0**

		2020
	Number	%
Gender		
male	344	5.3
female	111	1.7
Total	**455**	**7.0**

		2020
	Number	%
Region		
Europe	274	4.3
North America	98	1.5
South America	41	0.6
Southeast Asia	22	0.3
China	20	0.3
Total	**455**	**7.0**

Staff turnover

		2020
	Number	%
Age group		
under 30 years old	71	1.1
30 to 50 years old	206	3.2
over 50 years old	125	1.9
Total	**402**	**6.2**

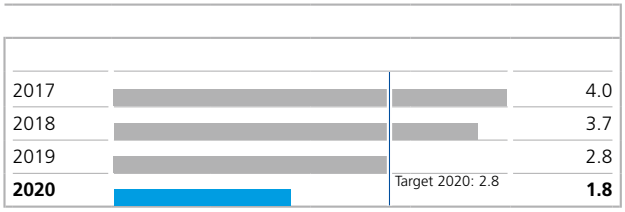
		2020
	Number	%
Gender		
male	312	4.8
female	90	1.4
Total	**402**	**6.2**

		2020
	Number	%
Region		
Europe	194	3.0
North America	143	2.2
South America	34	0.5
Southeast Asia	13	0.2
China	18	0.3
Total	**402**	**6.2**

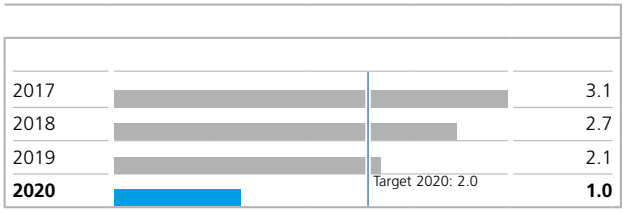
Safety Performance Indicators

The following figures include both regular employees at ALTANA and contract workers managed by ALTANA.

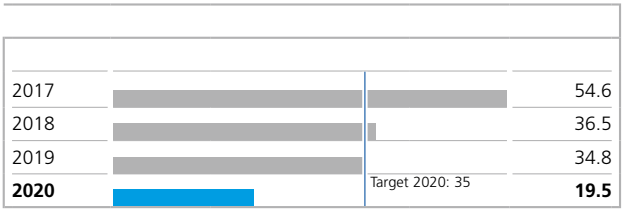
WAI 1 (number of reported occupational accidents with lost work time of one day or more per million working hours)



WAI 2 (number of reported occupational accidents with lost work time of more than three days per million working hours)

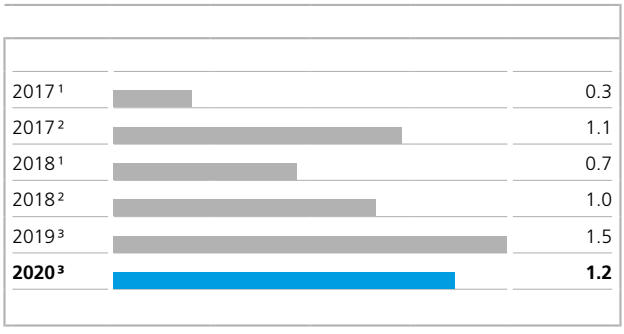


WAI 3 (number of lost work days due to reported occupational accidents per million working hours)



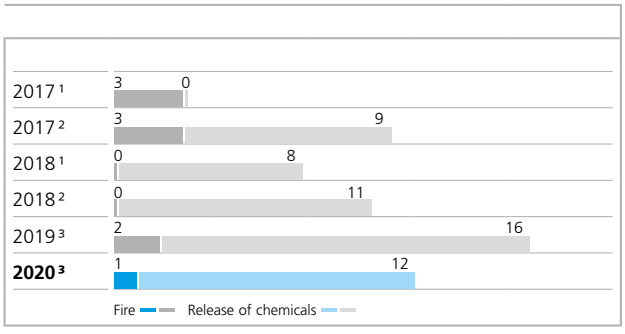
WAI = Work Accident Indicator

Number of incidents according to Process Safety Incident (PSI) (related to one million working hours)



[1] According to ALTANA's specific definition of significant incidents (only damage incidents without secondary containment are considered)
[2] According to the definition of the German Chemical Industry Association (VCI)
[3] According to the definition of the International Council of Chemical Associations (ICCA)

Number of incidents in absolute terms (differentiated according to fire and release of chemicals)



[1] According to ALTANA's specific definition of significant incidents (only damage incidents without secondary containment are considered)
[2] According to the definition of the German Chemical Industry Association (VCI)
[3] According to the definition of the International Council of Chemical Associations (ICCA)

Number of hours worked in 2020: 10,543,852

A description of damage incidents (fire, explosion, release of chemicals) can be found on page 92 of the Corporate Report 2020.

Work-related safety key performance indicators overall

2020	
Number of reported occupational accidents per million working hours	3.3
Number of reported occupational accidents	35

In this table, accidents with lost work days and restricted workplaces are represented.

Causes of injuries

Most important causes of injuries in %	
Mechanical influences	26
Stumbling, falling, slipping	17
Ergonomic (muscles, lifting/carrying)	14
Contact with sharp-edged surfaces	11
Contact with chemicals	9
Contact with stationary object	6
Burn/scald	6

There were no fatalities due to work-related injuries during the reporting period and no work-related injuries with serious consequences among employees. Due to legal restrictions in some countries, work-related illnesses are not systematically recorded. In 2020, there was no known fatality due to work-related illnesses and also no work-related illnesses.

In the group of contractors, there was one accident during the reporting period resulting in lost work time (foot injury due to a fall) and one fatal accident (a fall from a scaffold).

Management Approaches

In this chapter, we describe the Management Approaches for the three elements of our sustainability strategy: economy, ecology, and corporate social responsibility. Further information can be found in the ALTANA Corporate Report and in the chapter "Key Sustainability Performance Indicators" in this document.

GRI 102 – Strategy

ALTANA views sustainability as a triad consisting of economy, ecology, and social responsibility. We are convinced that we can only be successful in the long term if we have our sights firmly set on all three aspects.

In the following, the Management Approaches for ecology and social responsibility will be presented. Economic aspects that relate to our strategy are discussed in the Group Management Report.

Ecological Responsibility

ALTANA's products not only improve application-technology-related qualities of our customers' products and their manufacturing processes, but also have a positive influence on their ecological characteristics. For example, through the use of certain additives water-based coatings can be manufactured, which can significantly reduce the emission of volatile organic compounds (VOC). Further examples can be found in the "Products" and "Group Management Report" sections of the Corporate Report.

In the environmental sphere, the company is still pursuing the goal of reducing its CO_2 impact, drinking-water consumption, and waste volumes in absolute terms and in terms of gross value added and produced finished goods. To this end, each year we define targets oriented to longer-term developments and check them on a regular basis. The measures derived from them are specified and implemented in the respective companies.

ALTANA developed its own climate strategy, which contributes to achieving the global climate targets. ALTANA's goal is to reduce its CO_2 impact (Scope 1 and 2 as well as selected categories of Scope 3) to zero by 2025.

The issue of safety is a top priority at ALTANA. If there is an accident with lost work time at a site, this is reported, centrally evaluated, and published within the framework of internationally recognized key figures (work accident indicators = WAI). On this basis, annual targets are set and reviewed on a quarterly basis. At all sites, appropriate measures are implemented to avoid accidents.

Occupational safety and CO_2 neutrality are considered relevant control parameters for the company. They are presented in the Group Management Report and audited for content and certified by an external auditing company.

So that sustainability aspects can be considered already in decision-making, ALTANA developed and introduced sustainability criteria in important business processes. With predefined checklists, the effects on the environment and people are determined in advance, so that suitable measures can be introduced if necessary. As a result, possible risks are recognized at an early stage and minimized by taking appropriate steps.

To be able to measure not only the company's business performance but also its engagement in all areas of sustainability, alongside key performance indicators and certified management systems, ALTANA is using external evaluations increasingly. The audits of the rating company EcoVadis and the Together for Sustainability (TfS) initiative of the chemical industry play a special role. EcoVadis and TfS analyze environmental aspects, procurement policies, compliance, and working conditions of companies based on the international sustainability standard ISO 26000. Both of them have become leading evaluation platforms for the chemical industry worldwide. ALTANA uses the assessments of EcoVadis both at the holding level and for individual sites.

A worldwide network of experts ensures that ALTANA products can be marketed in the relevant countries, today and in the future. To meet global chemical law requirements, ALTANA uses in most companies the EH&S system from SAP, in which all material and toxicological data of raw materials, intermediates, and finished products are managed. On this basis, safety data sheets and finished product labels

are created, among other things. For special chemical legislation, for example food contact, experts make product recommendations and support customers in their endeavors.

To improve its energy efficiency, ALTANA examines the manufacturing processes at selected sites. In doing so, ALTANA uses the so-called PINCH method, which systematically analyzes cold and heat flows and uses the results to derive energy optimization measures at the respective sites.

ALTANA joined the UN Global Compact initiative, whose members are voluntarily committed in their corporate policy to adhering to social and environmental standards as well as the protection of human rights. In addition, ALTANA signed the Responsible Care Global Charter of the International Council of Chemical Associations (ICCA). Key elements include continual improvement of knowledge about environmental protection, health and safety, as well as the optimization of technologies, processes, and production over their lifecycles to avoiding harming people or the environment.

All of the managing directors of ALTANA's worldwide companies signed a declaration on environmental, health, and safety topics that is oriented to the Responsible Care Global Charter and that includes the precautionary principle for protecting people and the environment.

In order to continue to improve its sustainability record in the future, the UN's Sustainable Development Goals (SDGs) are an important orientation point. In a first survey, the essential areas of interest for ALTANA were identified and will be developed further.

In order to reach the abovementioned targets, ALTANA relies on the Group's decentralized structures, for which the holding company sets the framework. This also includes binding Group policies for environmental protection, health, and safety.

Organization

The managing directors of the respective companies are responsible for implementing the strategic goals. They have committed themselves among other things to steadily reducing the environmental impact of the company's business activities.

They are also responsible for anchoring the Environment, Health & Safety department in the company organizationally and for setting up an appropriate reporting system for the centrally provided key performance indicators.

Furthermore, the managing directors are responsible for introducing suitable management systems (ISO 9001 and ISO 14001) at the different sites and having them certified. With the management systems, environmental protection and occupational safety can be practiced on the basis of international guidelines. The respective companies are responsible for teaching employees about environmental and safety issues.

Special, cross-divisional expert platforms continue to enable information to be exchanged about relevant EH&S topics (for example, energy, sustainability performance, and food contact) and best-practice models showing efficient implementations.

Social Responsibility

As a good corporate citizen, ALTANA supports and sponsors social projects focusing on education, science, and research. To strengthen our local environments and to be a good neighbor, we especially promote initiatives near our worldwide sites.

The natural sciences, mathematics, informatics, and technology are among the drivers of economic development and social progress around the world. In this context, ALTANA

sees itself as having a responsibility to introduce young people to these disciplines at an early stage and to kindle their enthusiasm for them. In cooperation with experienced partners from the education sector, the ALTANA Group supports concrete projects, often in close proximity to ALTANA's sites. To maximize lasting impact, the company usually promotes these projects over a period of several years.

Risks

Overall, the risks for ALTANA in the environmental sphere can be regarded as being quite low. Possible risks can arise from the availability of raw materials, marketing limitations due to chemical law requirements, and through rising energy prices.

The risks that can arise from the marketing of ALTANA products are also assessed as being low. In addition, ALTANA's products have only a slight impact on the environment and health, since they are irreversibly incorporated into composite materials (for example, additives and effect pigments in coatings, wire enamels, and overprint varnishes on packaging films).

Opportunities

Around the world, ALTANA offers specialty chemicals solutions that make products used in day-to-day life better and more sustainable. We convince our customers with added value and give them a competitive edge through our work. Some solutions improve, for example, the functions of end products and increase their shelf life. Others optimize our customers' value chain in terms of energy and resource consumption. And still others enable our customers to reduce the amount of critical substances in their end products or to replace them with less critical ones. Innovative, environmentally friendly, safely processable products play a key role. They help ALTANA's customers implement their own sustainability concepts. Based on this understanding of sustainability, the Group continuously leverages new fields of business and paves the way for further profitable growth.

The ALTANA Group will continue to extend its good reputation as an attractive employer by, for example, offering work topics of exemplary interest, modern work-time models, and diverse further training possibilities. Thus, young up-and-coming talents have the opportunity to keep developing.

GRI 201 – Economic Performance

The Management Approach to this topic can be found in the Group Management Report and in the Consolidated Financial Statements.

GRI 301 – Materials

In this Management Approach, materials are considered as raw materials that are needed at the production sites to manufacture ALTANA products. Careful usage of raw materials is highly relevant for ALTANA. In addition, we try to use raw materials sustainably in our administrative buildings and laboratories (for example, through the use of environmentally friendly copy paper). More information on the usage of our products can be found in the Group Management Report and in the "Products" chapter.

In the manufacture of its products, ALTANA distinguishes between the following raw-material groups:
– raw materials based on fossil sources,
– raw materials from renewable resources,
– raw materials from non-fossil and non-renewable resources (for example metals and clays), and
– drinking water as a raw material.

We reprocess some of the packaging for our products and reuse it in different ways. Through optimized production methods, raw materials are used to manufacture finished products efficiently in order to keep the amount of by-products and waste as low as possible. Moreover, ALTANA pursues the aim of using raw materials that have a lower impact on people and the environment. To this end, new formulations/products are developed that do not contain substances classified as hazardous or whose classification is being reduced.

Raw-material suppliers are chosen carefully at ALTANA. All suppliers have to qualify accordingly (for example, through advanced sample tests). In some companies, suppliers are required to accept the ten principles of the UN Global Compact as part of their code of conduct for the area of purchasing.

Local suppliers with the same prices and same quality as others are favored due to transport routes and regulations, or due to customs. To reduce current assets, a smaller storage capacity is sought.

Risks identified in the "Materials" segment relate to the general availability of raw materials, on the one hand, and

to their price development on the other. ALTANA views the supply of raw materials from fossil sources as being secure in the medium term; the development of market prices for raw materials, however, is considered very volatile. On account of political unrest and environmental-policy decisions, short-term bottlenecks can occur, resulting in rapid price increases. ALTANA minimizes these risks through longer-term supply contracts and always tries to qualify several suppliers for one raw material.

If this cannot be realized for technical or economic reasons, longer-term supply contracts are agreed on in these cases too. A further risk is that certain raw materials are not offered on the market, or only to a limited extent, as a result of chemical regulations.

Through prospective analyses of chemicals legislation in the different regions and countries (e. g. REACH in Korea and Turkey, and TSCA in the U.S.), at ALTANA potential bottlenecks are recognized at an early stage and appropriate alternatives developed.

When ALTANA products are used properly, negative effects on people and the environment can be assessed as being low. ALTANA's products are irreversibly integrated into composites (for example, additives and effect pigments in coatings and wire enamels and overprint varnishes on packaging films).

ALTANA established a system for recording the different raw-material groups worldwide. ALTANA's manufacturing sites are currently required to report on their raw-material volumes annually. These characteristics are recorded electronically in a globally accessible database. The data are then checked for completeness and plausibility. With this result, the efficient usage of raw materials can be checked and optimized so that the amount of raw materials used, if technically possible, can be processed into products. The key performance indicators are published internally based on sites, divisions, and at the holding level, and discussed with the Management Board and the division presidents. In production, ALTANA pursues the goal of processing the raw materials it uses, if technically possible, into products. In the process, we aim to keep the amount of waste and emissions as low as possible. With this volume record, efficient use of raw materials can be checked and optimized.

The operational implementation and maintenance of this system and target achievement are the responsibility of the managing directors at the respective sites. This procedure is specified in a policy and mandatory for everyone involved. Corporate EH&S, in consultation with the Management Board, is responsible for the maintenance of the abovementioned system and for establishing the framework conditions and targets.

The effectiveness of the system is ensured annually by plausibility checks of key performance indicators (the ratio of raw-material amount to produced amount). Changes in the system are coordinated in advance with the division presidents and approved by the Management Board. Change processes are coordinated and managed by Corporate EH&S.

Further relevant key performance indicators (for example, the absolute development of material costs, the materials cost ratio, and price development) are recorded and evaluated by means of defined controlling processes in Corporate Procurement and Finances. The forecast for the coming years is determined together with the Management Board and the division presidents. Changes in the system are coordinated in advance by Corporate Procurement and Finances, in consultation with the division presidents, and approved by the Management Board.

Conflicts arising between the workers in question or other people involved are clarified and discussed immediately. In the case of escalation, further clarification is made at the level of the division presidents and the respective heads of Corporate EH&S, Finances, and Corporate Procurement.

GRI 302 – Energy

In addition to raw materials, energy for different purposes (heating, cooling, mixing, etc.) is needed to manufacture ALTANA products. The main energy sources for production, laboratories, and administrative buildings are electricity, natural gas, and oil. Since energy is an important production factor for ALTANA and an important factor of influence for the climate and other environmental and social issues, this topic is highly relevant for ALTANA.

In comparison with other companies in the chemical industry, ALTANA has relatively low energy needs, which is made transparent in the form of CO_2 emissions related to the volume produced. The ALTANA Group is approximately 30 % below the industry average. Nevertheless, it is important for ALTANA to use energy sources efficiently in order to keep CO_2 emissions as low as possible.

When energy is generated from fossil fuels (coal, oil, natural gas), greenhouse gases are released into the atmosphere. The main part consists of carbon dioxide (CO_2), which is one of the biggest contributors to global warming.

ALTANA has set itself the goal of being carbon neutral by 2025. This includes Scope 1 (CO_2 emissions from our own combustion of fossil fuels, e.g. natural gas), Scope 2 (CO_2 emissions from the production of electric power by third parties), and selected categories of Scope 3 (CO_2 emissions, e. g. from logistics, air travel, and company cars). The highest priority for achieving neutrality are projects that avoid energy consumption or use energy more efficiently. ALTANA is pursuing the goal of reducing its specific energy consumption in relation to produced finished goods by 2 % per year.

In a first step, ALTANA will reduce its CO_2 impact resulting from the combustion of natural gas and other fossil fuels (Scope 1) through so-called offset projects. These projects are selected according to predefined criteria (e. g. technology, quality, region, sustainable development goals, and price). In further steps, it is planned to use energies from renewable sources (e. g. biogas and "green" electricity) instead of natural gas. In the future, the issue of "green" hydrogen will also play an important role.

For Scope 2, ALTANA uses for global electricity procurement globally available certificates of origin for electricity from renewable sources. These certificates of origin prove that the amount of electricity consumed by ALTANA is fed into the respective regional power grid to the same extent from regenerative sources (e. g. hydropower, wind power, and photovoltaic plants). In the coming years, ALTANA would like to increase its electricity purchases from renewable sources, among other things via so-called Power Purchase Agreements (PPA). These are long-term electricity supply contracts concerning plants that generate electricity from renewable sources. In addition, ALTANA continues to pursue the expansion of its own electricity from renewable sources (especially wind power and photovoltaics).

In Scope 3, the CO_2 emissions from the energy consumption of the categories "logistics," "air travel," "company cars," and "extraction and infrastructure of energy sources" are analyzed and evaluated. For these categories, it is planned to carry out projects to avoid energy or use energy more efficiently. The neutral position by 2025 includes compensation for emissions caused by necessary business trips, company cars, and goods transport. For the "raw materials" category, data is currently being obtained and a concept for further action developed.

ALTANA believes that it is assured of a continuous supply of energy sources (oil, natural gas, and electricity) in the medium term. The ALTANA Group's manufacturing sites are located in areas with a well-equipped infrastructure. Short-term interruptions of the electricity supply are compensated for by local generators that operate with diesel motors. ALTANA generally strives to reduce its specific energy consumption (MWh related to the amount of produced finished goods) and to increase the proportion of energies from renewable sources (for example solar, wind, and water), in order to reduce its dependence on energy from fossil

sources. Some sites have solar or hydropower plants and/or cogeneration units.

ALTANA has established a system for recording energy sources worldwide (natural gas, oil, and electricity). The manufacturing sites are asked to report on their consumption of energy sources quarterly. These figures are recorded worldwide in a globally accessible database.

Annual targets for specific energy consumption (absolute quantities in relation to the quantity of produced finished goods) are defined for ALTANA and the respective divisions. The achievement of the targets is used to calculate the variable income of the division presidents and is broken down further in the organization.

The operational implementation and maintenance of this system and target achievement are the responsibility of the managing directors at the respective sites. This procedure is specified in a policy and mandatory for everyone involved. Corporate EH&S, in consultation with the Management Board, is responsible for the maintenance of the system and for establishing the framework conditions and targets.

Conflicts arising between the workers in question or other people involved are clarified and discussed immediately. In the case of escalation, further clarification is made at the level of the division presidents and the head of Corporate EH&S.

The effectiveness of the system is examined periodically in the form of a variance analysis based on the key performance indicators determined. Changes in the system are coordinated in advance with the division presidents and approved by the Management Board. Change processes are coordinated and managed by Corporate EH&S.

When investments are made and in acquisition processes, energy consumption criteria are recorded and considered based on the criteria described above.

GRI 303 – Water and Effluents

For the production processes of the ALTANA Group, water is mainly used as a raw material, for cooling purposes, as a solvent for reactions, and for washing processes. Wastewater is produced as a result of these uses. The company's goal is to use water efficiently at all sites and to minimize the negative impact on people and the environment at all of our sites. Water is therefore an essential production and utilization factor and, together with the issue of wastewater, is highly relevant for ALTANA – not only at its production sites, but also in the Group's laboratories and administrative buildings (sanitary water).

The availability of water varies greatly around the world. ALTANA has subjected all of its sites to a "water risk filter" assessment defined by the World Wildlife Fund For Nature (WWF). By applying the "water depletion" criterion proposed by the GRI, ALTANA has identified the sites that are located in a so-called "water stress" area. The key figures (water withdrawal, water recycling, and water consumption) for all sites and separately for those sites located in water stress areas will be published in the coming years. According to current information, water extraction on the part of ALTANA manufacturing sites has no negative effects on the local drinking water supply. Overall, ALTANA believes that it is assured of sufficient water of appropriate quality. ALTANA mainly uses locally available drinking water. At some sites, the water needed is extracted from rivers and from groundwater and treated. Rainwater is collected in small quantities and used for watering green areas or for cooling purposes. As a result, even in regions with a scant drinking water supply the amount of water needed for production is ensured.

The sources of water that the ALTANA Group is responsible for (ground and surface water) are considered separately (ensuring the amount and quality of the water; biodiversity) and set up in accordance with the relevant legal specifications. The operation is periodically monitored by the local authorities in terms of both quality and quantity. ALTANA sites obtain drinking water from local water sup-

pliers. Stakeholder concerns (e.g. ensuring water supply and compliance with groundwater levels) are taken into account via the local water suppliers. At sites where ALTANA itself produces water, the interests of stakeholders are also taken into consideration.

ALTANA's objective is to reduce the amount of water it uses – in absolute terms and in terms of production volume and gross value added – through technical measures, among others. This is achieved in particular through the realization of closed-loop cooling systems, the replacement of water ring pumps for vacuum generation, and by avoiding water-intensive process steps.

Chemically contaminated wastewater is treated either internally (for example, in effluent treatment plants) or externally in accordance with legal requirements. All other wastewater is discharged into the local sewage system in compliance with legal requirements, taking into account the quantity and quality of the effluents. All ALTANA sites are located in regions where the discharge of wastewater is regulated by law. Beyond this, ALTANA currently sees no need to establish further internal standards.

To avoid environmental risks from effluents, chemically contaminated wastewater is fed into separate sewers, samples are regularly taken and examined, and continuous measurements are carried out. Chemically contaminated wastewater is treated on site in (biological) clarification tanks or transported by tanker for disposal. Water that is used exclusively for cooling purposes and is not chemically contaminated is returned to the surface water or the local sewage system at certain sites in compliance with temperature requirements and statutory limits.

These measures ensure that each site adheres to an adequate disposal channel. This minimizes the risk of contamination.

ALTANA established a system for recording its water consumption worldwide (drinking water, surface water, ground water, and rainwater), and established wastewater recirculation. ALTANA does not record other kinds of water (including effluents of third parties) to manufacture products and thus does not collect data on it. The manufacturing sites are required to report on their water consumption and volume of wastewater quarterly. These key performance indicators are aggregated electronically in a globally accessible database. For purposes of comparison, not only the absolute values but also the standardized values, in terms of the gross value added and the volume manufactured, are represented (specific water consumption). These data are checked for completeness and plausibility. The key performance indicators are published internally in detail based on sites and divisions, and at the holding level, and discussed with the Management Board and the division presidents.

Each year, targets are defined for the specific drinking water consumption of ALTANA and the respective divisions. Target achievement is a component of the variable compensation of the division presidents and is broken down further in the organization. The goal of this procedure is to ensure that drinking water consumption is reduced at all manufacturing sites including sites in water stress areas. The operational implementation, maintenance of this system, and target achievement are the responsibility of the managing directors at the respective sites. This procedure is specified in a policy and mandatory for everyone involved. Corporate EH&S, in consultation with the Management Board, is responsible for the maintenance of the system and for establishing the framework conditions and targets.

Conflicts arising between the workers in question or other people involved are clarified and discussed immediately. In the case of escalation, further clarification is made at the level of the division presidents and the head of Corporate EH&S.

The effectiveness of the system is examined periodically in the form of a variance analysis based on the key performance indicators determined. Changes in the system are coordinated in advance with the division presidents and ap-

proved by the Management Board. Change processes are coordinated and managed by the Corporate EH&S department.

When investments are made and in acquisition processes, water consumption criteria are recorded and considered. The examination is carried out based on predefined checklists with the aim of determining the water consumption in advance and introducing appropriate action if necessary.

GRI 305 – Emissions

Chemical manufacturing processes generate emissions, which mainly affect production sites. ALTANA aims to reduce local employees' exposure to emissions as well as the emissions discharged into the environment, and thus to minimize or rule out harmful effects.

ALTANA therefore aims to become CO_2 neutral by 2025. The target comprises Scope 1 (CO_2 emissions from the company's own combustion of fossil fuels, e. g. natural gas), Scope 2 (CO_2 emissions from the production of electric power by third parties), and selected categories of Scope 3 (e. g. logistics, air travel, and company cars). Further details on this can be found in chapter GRI 302 "Energy."

In a broader sense, ALTANA regards noise as an emission. To identify sources of noise, the sites regularly measure noise levels and implement appropiate measures to reduce the noise (such as housing for motors, fans, mufflers, etc.). In defined areas, employees are required to wear ear protection. The legally required thresholds in the respective countries are adhered to. Therefore, this issue is highly relevant for ALTANA.

The release of gases (for example, VOCs) and dust, above all from production sites, into the environment is minimized by means of suitable technical measures (such as filtration and afterburning). There is the risk that such systems will abruptly fail and substances will be released into the environment. Periodic checks of the functionality of these systems and suitable monitoring (for example, with sensors) guarantee that these facilities function perfectly and continuously. Should the emission control fail, production is stopped promptly or adapted accordingly. Employee exposure is also minimized by means of closed loops. Due to these measures, ALTANA evaluates the potential effects on people and the environment as being low.

ALTANA established a system for recording energy consumption worldwide at the respective sites (primary and secondary energies).The manufacturing sites are required to report the energy consumption quarterly. The consumption

values are entered electronically into a globally accessible database, are checked for completeness and plausibility, and are then converted using a factor into greenhouse gas (GHG) emissions (for example, CO_2 and N_2O) as well as SO_x und NO_x emissions. The conversion factors for electricity come from the International Energy Agency (IEA), and the conversion factors for other primary energies (such as oil and natural gas) come from the International Panel of Climate Change (IPCC) database. For purposes of comparison, not only the absolute values but also the standardized values are represented, related to gross value added and also to the volume produced (specific CO_2 emissions). The key performance indicators are aggregated in detail based on sites and divisions, and at the holding level, published internally, and discussed with the Management Board and the division presidents. In addition, volatile organic compounds (VOC) and other emissions are recorded and evaluated.

The operational implementation and maintenance of this system and target achievement are the responsibility of the managing directors at the respective sites. This procedure is specified in a policy and mandatory for everyone involved. Corporate EH&S, in consultation with the Management Board, is responsible for the maintenance of the system and for establishing the framework conditions and targets.

The effectiveness of the system is examined periodically in the form of a target-performance comparison based on the key performance indicators determined. Changes in the system are coordinated in advance with the division presidents and approved by the Management Board. Change processes are coordinated and managed by the Corporate EH&S department.

Conflicts arising between the workers in question or other people involved are clarified and discussed immediately. In the case of escalation, further clarification is made at the level of the division presidents and the head of Corporate EH&S.

For selected products, ALTANA carried out lifecycle analyses based on defined ISO standards. In the process, the CO_2 emissions and among others the ozone-depleting properties of the products were calculated. The data were recorded and evaluated using the software GABI, and the results were published in the form of standardized Environmental Product Declarations (EPDs). Finally, TÜV Rheinland validated and certified the overall results regarding the products selected.

One goal of the lifecycle analysis is to determine the carbon footprint of the individual products. On this basis, ALTANA develops products with an even lower carbon footprint.

When investments are made and in acquisition processes, the emissions are recorded based on the criteria described above and taken into account in the decision-making process.

GRI 306 – Waste

Chemical manufacturing processes generate waste. This mainly affects production sites. ALTANA's goal is to reduce the amount of waste it produces and thus minimize harmful effects on people and the environment. In addition, ALTANA is involved in the circular economy in order to identify future opportunities (e. g. in plastic packaging) and risks for the company and to implement suitable measures in a timely manner. In this area, ALTANA can already offer initial solutions for customers (e. g. improving product properties or recycling of plastics). Therefore, this issue is highly relevant for ALTANA.

The waste produced by ALTANA, in accordance with legal regulations, is divided into two main groups: hazardous and non-hazardous waste. The waste in each of the above-mentioned categories is further differentiated, recorded, and represented: waste for recycling, waste for thermal use (internally and externally), and waste for disposal. ALTANA aims to reduce the amount of waste it produces both in absolute terms and in terms of tonnage and gross value added. If waste cannot be avoided for technical reasons, ALTANA pursues the goal of recycling waste, or using it thermally, and only lastly disposing of it. In addition to the two main groups, at a few sites there is also inert waste (for example, dead rock) and demolition waste. Waste is always collected by specialized companies and disposed of properly in accordance with local legal (environmental) requirements. The remaining risk is that the disposal company might not dispose of the waste properly and thus might possibly endanger the environment. To prevent this from happening, ALTANA works with qualified disposal companies and in most countries ensures proper disposal through a return receipt system. Overall, the impact of the various waste disposal channels at ALTANA and in the upstream and downstream stages of the value chain can be regarded as low.

A further environmental risk is that chemicals will leak out. Raw materials, intermediates, and finished products can spill mostly due to leaky pumps or leakage in pipes or valves. In especially hazardous areas, leak-proof retention basins were installed, preventing the soil and groundwater from being contaminated. Warehouses usually have leakage protection (realized most easily through elevation). Environmentally critical liquids are stored in open or half-open areas on stable ground with an impermeable coating. Thus, when chemicals leak out soil and groundwater contamination is prevented. In the event that chemicals do leak out, ALTANA records this and evaluates it centrally in accordance with the criteria of the International Council of Chemical Associations (ICCA), and for German sites reports the leakage to the German Chemical Industry Association (VCI). In other countries, reports are issued to the authorities based on the rules that are valid there. This procedure is defined in a policy and mandatory for everyone involved.

Due to the processes and measures described above, ALTANA regards the potential effects on people and the environment as being low.

ALTANA established a system for recording waste worldwide (hazardous and non-hazardous waste). The manufacturing sites are required to report the amount of waste quarterly based on the categories described above. These key performance indicators are recorded electronically in a globally accessible database. For purposes of comparison, not only the absolute values but also the standardized values are represented in terms of gross value added and the amount of produced finished goods (specific waste volumes). These data are then checked for completeness and plausibility. The key performance indicators are aggregated in detail based on sites and divisions, and at the holding level, published internally, and discussed with the Management Board and the division presidents.

Each year, targets are defined regarding the specific waste volume (hazardous, non-hazardous, as well as the total amount and disposal) for the entire ALTANA Group and the respective divisions. Target achievement is a component of the variable compensation of the division presidents and

is broken down further in the organization. The goal of this procedure is to ensure that the amount of waste is reduced. This is achieved, among other things, through innovation solutions in production (e. g. internal or external reuse of by-products as raw materials). The packaging of ALTANA products can also be partially recycled. For some products, the packaging is taken back, cleaned, and reused. In addition, ALTANA companies use metal cans and drums. These are returned by our customers to the material cycle as scrap. For reasons of quality assurance, no systematic take-back of these containers is offered.

The operational implementation and maintenance of this system and target achievement are the responsibility of the managing directors at the respective sites. This procedure is specified in a policy and mandatory for everyone involved. Corporate EH&S, in consultation with the Management Board, is responsible for the maintenance of the system and for establishing the framework conditions and targets.

Conflicts arising between the workers in question or other people involved are clarified and discussed immediately. In the case of escalation, further clarification is made at the level of the division presidents and the head of Corporate EH&S.

The effectiveness of the system is examined periodically in the form of a target-performance comparison based on the key performance indicators determined. Changes in the system are coordinated in advance with the division presidents and approved by the Management Board. Change processes are coordinated and managed by the Corporate EH&S department.

When investments are made and during acquisition processes, the amount of waste is recorded based on the criteria described above and taken into account in the decision-making process. The examination is carried out based on predefined checklists with the goal of determining the amount of waste in advance and taking appropriate measures if necessary.

GRI 308 – Responsible Supply Chain Management

ALTANA develops, produces, and sells high-quality innovative specialty chemical products worldwide. To manufacture these products, standard raw materials as well as special substances and preparations are needed. ALTANA is not deeply rooted in the value chain and therefore maintains intensive cooperation with our suppliers and their research departments.

We obtain a large part of our raw materials from suppliers that are relatively high up in the crude oil-based, chemical value chain. Exceptions are metallic raw materials such as aluminum and copper as well as clay minerals.

Our companies get the raw materials needed to manufacture our products from a circle of more than 4,200 suppliers, which do not change much from year to year. Approximately 1,700 companies supply a number of Group sites worldwide. Of the approximately 2,500 companies that supply only regionally, 55 % come from Europe, 29 % from Asia, 26 % from North America, and 3 % from South America. With this global network the individual companies, together with ALTANA's Global Procurement department, ensure that dependencies and bottlenecks can be avoided as much as possible.

Suppliers are selected and specified based on a defined process. Contracts are prepared only with suppliers that can comply with specifications and have the necessary availability. In some companies, moreover, there are supplier agreements, which cover commercial aspects (price, availability, and delivery reliability) as well as social responsibility parameters on the part of our suppliers. They include the ten principles of the UN Global Compact as part of the code of conduct.

ALTANA's purchasing network includes purchasers from all of our divisions. It contributes to ALTANA's value by continually and sustainably helping to improve the company's general purchasing power, by building sustainable supplier relationships, and by optimizing all processes relevant to procurement. The members of the purchasing network are

required to adhere to a defined code of conduct, which describes dealings with our suppliers (avoidance of corruption and corruptibility, gender neutrality, equal opportunity).

The ALTANA purchasing network combines the know-how and experience of all members of the Group with the aim of procuring all worldwide raw materials, materials, systems, and equipment, as well as services that are needed to give ALTANA a competitive edge.

To minimize risks (for example, to avoid child labor, corruption, human-rights violations, and negative environmental influences), the ALTANA Group resolved to carry out sustainability checks with suppliers. To this end, ALTANA uses the EcoVadis system, which is established in the industry. The assessments based on EcoVadis encompass the fields of environment, social issues, bribery/corruption, and supplier management.

Conflicts between the workers in question or other people involved are clarified and discussed immediately. In the case of escalation, further clarification is made at the level of the division presidents and the head of Corporate EH&S or the division heads of Procurement.

GRI 403 – Occupational Health and Safety

Occupational health and safety at the workplace have the highest priority at ALTANA. Employees' health and safety are ensured by means of various measures. This not only has a positive effect on productivity, but also reduces costs that arise from long lost work time. Besides the legally prescribed precautionary measures taken at many sites, additional actions are carried out to maintain employees' health (e. g., health check-ups, vaccinations, psychological counseling, addiction prevention, nutritional counseling, stress reduction programs, and sports activities). Furthermore, most of the sites have an occupational health and safety service (medical officer) on site or there is an agreement with external medical practitioners.

All employees worldwide (including temporary workers and contractors) are required to have an understanding of safety. Therefore, the topic is highly relevant for ALTANA.

Lost work time resulting from illness or accidents has negative effects on the company's productivity. Colleagues generally take over the work as an additional task or the work is postponed. There is the risk that the tasks will be completed late, which can be disadvantageous for the company. Another risk is possible long-term consequences of illnesses and accidents. If an employee cannot regain the full capability to work, this not only has negative consequences for the employee, but also for the company.

All of our sites worldwide have established their own safety organization, which is responsible for adhering to all local health and safety regulations, for training measures (e. g. regular presence events, online training courses, etc.) with proof of participation as well as recording and evaluation of accidents and near misses. This is based on the respective regionally valid legal requirements, safety management systems such as OHSAS 18001 or ISO 45001, as well as EH&S guidelines. Within the framework of this safety organization, each site must record and evaluate workplaces particularly in the areas of production, laboratory, and warehouses, and document them (e. g. job safety analy-

sis and risk assessment). All workplaces are analyzed with regard to their potential hazards and corresponding measures for hazard prevention must be recorded. This analysis is supported by professionally qualified and trained internal and external experts (e. g. safety specialists and medical officers).

For the evaluation and continuous improvement of the safety management system at the respective sites, working committees consisting in part of professionally qualified and trained participants have to be formed. These committees are made up of representatives from different hierarchical levels (e. g. managers and employees from production, laboratory, and administration). The tasks and responsibilities are regulated in accordance with the country-specific requirements. They hold meetings several times a year. The results of the meetings are documented and the resulting measures are followed up. To improve the safety culture, relevant information on the subject of safety is made available to all employees (e. g. on the ALTANA Intranet, in employee newspapers, and on posters).

In addition, all employees are required to report unsafe work equipment or work processes in order to identify critical situations at an early stage and thus prevent accidents. These reports are expressly desired by the company and do not lead to any disadvantages for employees.

All accidents with lost work time exceeding one day must be recorded immediately and a decision has to be made as to whether immediate action should be taken. Within 48 hours, a report must be sent to a defined group of people including the division presidents as well as the responsible member of the Management Board and Corporate EH&S. Furthermore, a root cause analysis has to be carried out for all accidents and appropriate measures have to be implemented. This procedure is defined in policies and obligatory for all parties involved.

ALTANA has implemented a globally valid system for recording accidents with lost work days. Currently, all sites (production, laboratories, administration, and sales offices) of the ALTANA Group are required to record accidents on a quarterly basis. The accidents are assigned to technical, organizational, or behavioral causes. Appropriate measures for prevention are then derived from this. The accidents are documented electronically in a globally available database. On this basis, ALTANA determines specific key figures, so-called Work Accident Indicators (WAI).

Definition of WAI 1, 2 and 3:

– WAI 1: Number of reported occupational accidents with lost work time of more than one day per million working hours
– WAI 2: Number of reported occupational accidents with lost work time of more than three days per million working hours
– WAI 3: Number of reported lost work days per million working hours

Commuting accidents are not included in the WAI key performance indicators. The other WAI key performance indicators refer to accidents with contractors, cases of death, as well as accidents that lead to alternative workplaces.

The key performance indicators are aggregated in detail based on sites and divisions, and at the holding level, published internally, and discussed with the Management Board and the division presidents. For the key performance indicators WAI 1, 2, and 3 annual targets are agreed upon as ALTANA considers these key figures especially relevant for control. This system serves to improve the company's safety culture. Target achievement is a component of the variable compensation of the division presidents and is broken down further in the organization. Specific projects are carried out in the categories Technical Measures, Organizational Measures, and Behavior-based Measures. The operational implementation and compliance with this system and target achievement are the responsibility of the managing directors at the respective sites, with support from the responsible EH&S experts. The Corporate EH&S department, in consultation with the Management Board, is responsible for main-

taining ALTANA's key performance indicator system and for defining framework conditions and targets.

The effectiveness of ALTANA's key performance indicator system is examined periodically in the form of a target-performance comparison based on the key performance indicators determined. Changes in the system are coordinated in advance with the division presidents and approved by the Management Board. Change processes are coordinated and managed by the Corporate EH&S department.

Conflicts arising between the workers in question or other people involved are clarified and discussed immediately. In the case of escalation, further clarification is made at the level of the division presidents and the head of Corporate EH&S.

When new investments are made and during acquisition processes, aspects related to health protection and safety are considered from the very beginning. The review is carried out on the basis of predefined checklists with the aim of recognizing potential safety risks in advance and introducing appropriate measures if necessary.

ALTANA randomly checks the accident figures of the production sites of contract and third-party manufacturers and initiates measures for improvement in case of anomalies.

GRI 417 – Marketing and Labeling

Safety data sheets and product labels (e. g. for finished products) are required to market chemical products. The creation of safety data sheets is based on defined regulations and regulated uniformly worldwide as far as possible (GHS: Global Harmonized System). After a product is delivered for the first time, after 12 months, or when significant changes are made, customers automatically receive a safety data sheet in their national language and based on national requirements. It is obligatory for ALTANA to adhere to global requirements, and therefore the issue is highly relevant for ALTANA. High-quality safety data sheets ensure that handling of chemical substances (transport and use) is transparent for customers and users. This guarantees safe handling.

In terms of product information and labeling, there is the risk that no or erroneous safety data sheets, or finished product labels, will be created and used. Through the use of EH&S or comparable systems, a defined work process ensures that products can only be delivered after the safety data sheets or finished product labels are examined and approved. Checks based on the dual control principle ensure that all information in the safety data sheets and finished products labels is correct. In addition, new basic data are regularly incorporated into the system, ensuring that the data are always up to date. Experts in the respective countries and regions become aware of potential legislative changes at an early stage and introduce appropriate measures promptly. This procedure guarantees that the products can be marketed in all relevant countries and regions. No or inadequate information on the respective product can lead both internally and externally with customers to negative effects on human health and the environment. In serious cases, there can be fine proceedings.

At many ALTANA sites, environmentally and safety relevant data are recorded and managed centrally in the SAP EH&S system. Sites without an SAP connection have their own comparable systems. The basic data (toxicological and ecotoxicological) for chemical substances come from external sources.

With so-called expert rules, the labels and classifications are determined in accordance with the product composition. From these data, safety data sheets and finished product labels, as well as transport papers and special reports, are created. The EH&S expert platform Data Management Regulatory Affairs, together with IT, ensures that the SAP EH&S system functions properly and supports the sites with its own systems to guarantee disturbance-free operation. The respective business units are responsible for correct and complete data entry.

To recognize and implement changes in the legal situation in a timely manner, ALTANA uses a worldwide information portal that publishes new features and changes at regular intervals. Furthermore, ALTANA takes part in national (VCI) and international (CEFIC, AICM, and ACA) work groups to stay up to date and to be able to introduce appropriate measures in time. For special application areas, ALTANA publishes, in addition to the abovementioned legislative changes, further documents on products (for example, regarding food contact, as well as information on the regulatory status in different countries). Specific questions asked by customers regarding regulations are answered and clarified by experts at ALTANA.

Internal conflicts between workers or other people involved are clarified and discussed immediately. In the case of external complaints (for example customers or authorities), the complaints are clarified with regulatory experts.

A number of measures ensure that the system is effective. Aside from the dual-control principle discussed above, feedback from customers and checks by authorities contribute to the efficacy of the system.

Changes in the system are coordinated in advance with the division presidents and approved by the Management Board. Change processes are coordinated and managed by Corporate EH&S.

During acquisitions and when research and development projects are launched, chemicals legislation aspects are considered from the very beginning. The examination is based on predefined checklists with the aim of recognizing potential risks in the area of chemicals legislation and introducing appropriate measures if necessary.

Employee-Oriented Management

GRI 401 Employment
GRI 404 Training and Education
GRI 405 Diversity and Equal Opportunity
GRI 406 Non-discrimination

Our employees are our most important asset. Therefore, ALTANA promotes their professional development, prepares them for positions of leadership, and enables its staff to participate in the company's success to motivate them to stay with the company on a long-term basis. Employees in ALTANA companies have above-average qualifications and commitment. Our four central values of openness and trust, appreciation and empowerment to act – defined in ALTANA's Guiding Principles – characterize our culture of interaction. Therefore, this issue is highly relevant for ALTANA.

With its Keep Changing Agenda for the future, ALTANA has defined new milestones for the Group's human-resources strategy, among other things. This includes, for example, the objective of filling 70 % of the company's worldwide management positions internally by 2020. Essentially, when positions are vacant, we initially check to see which internal candidates are qualified. Human-resource heads and managers reach agreements about whom to select. The willingness of employees to switch between divisions has also increased steadily in recent years. At present, the different human-resources processes are analyzed and optimized worldwide. In Asia, Europe, and the Americas, several projects were launched that will be completed in the years to come. In the future, the Development Programs (DP) lasting several months for up-and-coming managers will be offered only in English. The Management Development Program (MDP) that had already been implemented was developed further. For the Six Sigma area (ALTANA Excellence), regular training programs are offered to qualify so-called Green and Black Belts.

ALTANA offers its employees further training opportunities, promotes their professional development in targeted ways, and supports their health with special preventive measures. This strengthens our attractiveness as an employer. These basic principles apply to all employees worldwide. With the ALTANA Management Challenge (AMC), the Group created a globally uniform assessment instrument for selecting up-and-coming managers. The basis for the one-day assessment with practical business simulations and role play was developed in Germany and subsequently adapted to the respective regional conditions by local experts.

To promote the professional development of employees, ALTANA relies on regular specially developed dialogs for all staff members. This includes the progress dialog that the disciplinary superiors carry out personally with each employee at least once a year. The aim of the dialog is to assess the employees' performance and forms the basis for a target agreement with the staff and for identifying further training measures. Target agreements with or without effects on the remuneration of the employee in question lead to a performance dialog that supplements the mandatory progress dialog for all employees. The superiors also carry out this dialog at least once a year with the employees. The three dialog elements together constitute the ALTANA "Compass Dialog."

ALTANA also offers all of its employees worldwide further training programs, in Germany, for example, by means of a comprehensive training catalog with topics such as leadership, conflict and communication, as well as self-organization and time management.

Superordinate operational services are regulated in Group works council agreements and include pension schemes, lifetime working time accounts, an employee suggestion scheme, and health management.

In the medium to long term, ALTANA's goal is to increase the share of women in leadership positions in the entire ALTANA Group to the percentage of women in the workforce worldwide. To this end, ALTANA founded the LEADING WOMEN@ALTANA and Women Mentoring initiatives, among

others. The progress made is reviewed periodically. Despite these initiatives, all applicants are given equal opportunities. We continually evaluate measures that can help us have a convincing overall offer as an employer and make an effort to extend internationalism and cultural diversity, as well as to avoid unequal treatment (for example, when it comes to filling management positions or choosing participants for management training based on regionally specific criteria). Due to demographic change and the resulting lack of specialist workers, we pay particular attention to the recruitment of young employees, specialists, and managers. ALTANA sees possible risks of disadvantages to applicants and discrimination against employees. Furthermore, the topic of child labor is a risk that was recorded in HR.

The General Equal Treatment Act (AGG), which is published on the Intranet, applies to all ALTANA employees. The AGG prohibits people from being disadvantaged due to race or ethnic origins, gender, religion or worldview, a disability, age, or sexual identity.

Moreover, all employees of the ALTANA Group have to adhere to a code of conduct. In performing his or her work, each employee must:

– behave in accordance with the law and the principles of ethics,
– be loyal to ALTANA,
– act professionally, fairly and reliably in all business relations,
– treat all employees, customers, and business partners fairly, politely, and respectfully,
– reasonably consider the interests of customers and business partners, the authorities, the public, and the environment,
– respect and observe other cultures and cultural boundary conditions,
– refrain from any form of discrimination,
– handle any risks responsibly and transparently.

The ALTANA Compliance Hotline gives employees, as well as external third parties, the opportunity to report evidence of illegal conduct, if need be, anonymously.

The individual companies report annually to Corporate HR on the following issues: child labor, social security law and tax law, illegal employment, discrimination against applicants and employees, private misuse of emails and the Internet, violations of data protection laws, violations of the private sphere of employees, and violations of the participatory rights of employees (for example, freedom of assembly and the right to negotiate collectively in accordance with local legal regulations and practices). Thus possible incidents are identified and measures initiated to avoid them.

The target groups of interest to ALTANA recruiting communicate primarily via the Internet and mobile end devices. The websites of ALTANA's career portal are optimized for mobile devices such as tablets and smartphones. Thanks to interfaces with career networks including LinkedIn and XING, applicants can now directly load their profile onto their ALTANA application form. Further measures include a regular presence at university events and job fairs, as well as local contact with associations and federations.

With these measures, ALTANA has made the application process as simple and efficient as possible.

ALTANA also cooperates with universities in efforts to recruit young up-and-coming talents. Every year, ALTANA funds 30 students majoring in natural sciences, business, or IT with a Deutschlandstipendium. In addition to receiving financial support, they can also experience ALTANA in person or virtually, recommend themselves for internships and theses, take advantage of mentoring offers, or participate in professional seminars.

To develop established processes further, there is a new project in the ALTANA Group that in the future will enable us to measure the efficiency of processes through key performance indicators. This system will be expanded in the years

to come. The effectiveness will be ensured by queries, reports, and talks with the division presidents and the Management Board.

Changes in the system are coordinated in advance with the division presidents and approved by the Management Board. Change processes are coordinated and managed by Corporate HR.

Complaints between the workers in question or other people involved are clarified and discussed immediately. In the case of escalation, further clarification is made at the level of the division presidents and the head of Corporate HR.

Compliance

GRI 205 Anti-corruption
GRI 206 Anti-competitive Behavior
GRI 307 Environmental Compliance
GRI 416 Customer Health and Safety
GRI 419 Socioeconomic Compliance

The main elements of compliance can be found in the Group Management Report and the Report of the Supervisory Board in ALTANA's Corporate Report. The following remarks on compliance concern EH&S and chemicals law, which are organized decentrally at ALTANA.

The local management and responsible local specialists primarily bear responsibility for ensuring that their company and its employees comply with valid laws and regulations. It is therefore generally the task of the local management to decide how to ensure compliance in keeping with corporate responsibility in every single company.

ALTANA AG is responsible for ensuring compliance by providing a framework, supporting local measures, making expertise available, creating platforms and forums for those responsible at local level, as well as calling for measures to ensure the compliance of the management of the subsidiaries or setting minimum requirements, especially through policies that are binding Group-wide.

For the operational implementation and for ensuring compliance, ALTANA companies are required to implement management systems in accordance with different ISO standards (for example, ISO 9001 and ISO 14001).

Safety-related and environmentally relevant data on ALTANA products are recorded systematically and documented in structured form on a safety data sheet. This document is made available to all customers in the respective national languages, enabling them to access all safety-related and environmentally relevant information (see also Management Approach GRI 417, "Marketing and Labeling").

In the fields of EH&S and chemical regulations, it is primarily the authorities at the respective sites who check to

ensure that the legal requirements are adhered to. Beyond the legal framework, in the field of sustainability ALTANA has audits and assessments carried out by independent third parties at ALTANA sites and at suppliers' sites (for example EcoVadis and TfS). Regarding violations and fines in the area of environment and socioeconomic compliance, anti-competitive behavior, and customer health and safety, ALTANA conducts an annual survey with the respective companies, evaluates it, and reports on it in its annual compliance report and Corporate Report.

Changes in the system are coordinated in advance by the division presidents and approved by the Management Board. Change processes are coordinated and managed by the Internal Audit, Legal, and EH&S departments.

In the area of EH&S, risks can arise particularly through non-adherence to laws and regulations or from internal guidelines. In such cases, incidents such as fire, explosion, or release of chemicals can occur that can lead to a loss of production. These material and possibly even personal damages can result in criminal or fine proceedings, as well as image damage and marketing restrictions.

Conflicts arising between the workers in question or other people involved are clarified and discussed immediately. In the case of escalation, further clarification is made at the level of the division presidents and the heads of Internal Audit, Legal, and EH&S.

Particularly when acquisitions are made, compliance aspects are taken into account from the very beginning. The review is based on predefined checklists with the aim of recognizing potential safety risks in advance and introducing appropriate measures if necessary.

Innovative Solutions to Exploit Growth or Savings Potential for Customers

On the basis of our overarching chemical, formulation, and application expertise, ALTANA develops innovation solutions that make products of daily life better and more sustainable. ALTANA expands its product portfolio through its own developments, as well as through acquisitions and cooperative ventures with other companies, universities, and scientific institutes. ALTANA's operating sales growth is very strongly influenced by the introduction of new products onto the market. Therefore, this issue is highly relevant for ALTANA.

At ALTANA, innovation is not restricted to research and development but encompasses all processes in the company. Each employee is called upon to seek and realize improvements in his or her respective area of responsibility.

ALTANA's products and services are geared to offering customers special, sustainable solutions and giving them a competitive edge. Our customers recognize us as specialists and we are usually integrated in their product development process at an early stage. To be able to maintain or even further strengthen our position as one of the leading specialty chemicals companies, we have to steadily grow our competencies and continuously expand our own product portfolio.

In the Group's divisional research and development facilities, our product portfolio is steadily developed further. In addition to the further development of products and solutions in current markets, the development of new products for new markets is a focal point. To be able to tap into new fields of business, we identify the needs of our customers and incorporate them in the development of new solutions.

To interlink the Group's diversified knowhow and competencies across industries and technologies, selected research and development projects are initiated and coordinated centrally at the Group level. Via external networks and close cooperation with universities and research institutes, external impetus is absorbed and the possibility of using it in the Group is examined.

The basis of our innovative strength is a worldwide research and development network encompassing around 1,200 employees. The continued high share of research and development expenses in sales of more than 7 % is yet another expression of ALTANA's innovation focus.

In all four divisions, new products are developed in accordance with the so-called Stage-Gate process. This includes the phases of brainstorming, feasibility study, laboratory development, and transfer to production. When the project is launched, the product requirements including sustainability criteria are defined. At the transitions to the different phases, the products are systematically reviewed by a defined circle of experts (for example, research head and division president). On the basis of the progress of the project and market expectations, corresponding priorities are established. This is the basis for deciding whether projects are continued or terminated. In addition, in recent years the Design for Six Sigma (DfSS) method has been introduced, which systematically considers customer needs in the product development process and thus minimizes undesirable developments. The parameters of projects are recorded and evaluated electronically in the divisions. The costs and timetable are regularly reviewed and appropriate measures may be introduced. The goal of this procedure is to introduce new products on the market that meet the requirements of ALTANA's customers within the agreed time and cost plans.

The effectiveness of research and development processes is accompanied by innovation controlling and examined regularly. In meetings, all current and recently completed projects are presented, discussed, and evaluated. This process is supported by defined key performance indicators (such as number of projects, projected market expectations, technical risk, and market risk). In addition, top projects are presented regularly to the ALTANA Innovation Council.

Changes in the system are coordinated in advance by the division presidents and approved by the Management Board. Change processes are coordinated and managed by the respective research head in cooperation with Corporate Innovation.

Conflicts arising between the workers in question or other people involved are clarified and discussed immediately. In the case of escalation, further clarification is made at the level of the division presidents and the head of Corporate Innovation.

GRI Content Index

In its sustainability reporting, ALTANA follows the international standards of the Global Reporting Initiative (GRI). The latter developed a reporting framework that can be used worldwide containing principles and indicators with which organizations can measure their economic, environmental, and social performance.

GRI Content Index

In the following list, you will find all of the disclosures, in some cases with commentary and explanations, in accordance with GRI Standards. Explanations can especially be found in cases where we did not discuss the disclosures in our Corporate Report.

ALTANA fulfills the General Disclosures

- Organizational Profile
- Strategy
- Ethics and Integrity
- Governance
- Stakeholder Engagement
- Reporting Practice

as well as the Topic-specific Disclosures

- Direct Economic Value for Customers, Employees, Owner, and Society as a Whole
- Compliance
- Renewable and Recycled Materials
- Clean Energy and Greenhouse Gas Emissions Reduction
- Water Efficiency
- Reduction of Effluents and Waste
- Responsible Supply Chain Management
- Employee-oriented Management
- Occupational Health and Safety
- Attracting and Maintaining a Skilled Workforce
- Diversity and Equal Opportunity
- Health and Safety of Customers
- Innovative Solutions to Exploit Growth and Savings Potential for Customers

Therefore, and due to the comments on all of the GRI disclosures, ALTANA concludes from an internal assessment: This report has been prepared in accordance with the GRI Standards: *Comprehensive option*.

CR = Corporate Report 2020
CFS = Consolidated Financial Statements 2020
FFS = Facts and Figures on Sustainability 2020
C = Cover Corporate Report 2020

	General Disclosures	References	Comments
	Organizational Profile		
102-1	Name of the organization	CR, p. 45	
102-2	Activities, brands, products, and services	CR, pp. 45–49	In the marketing of its products, ALTANA adheres to the chemical laws and regulations in the respective countries with all the prohibitions and restrictions.
102-3	Location of headquarters	CR, p. 45	
102-4	Location of operations		ALTANA is represented in 26 countries.
102-5	Ownership and legal form	CR, p. 45	
102-6	Markets served	CR, pp. 45–49	
102-7	Scale of the organization	CR, pp. 45–68	
102-8	Information on employees and other workers	CR, pp. 64–68	The total number of employees divided up according to employment contract (permanent/temporary or full-time/part-time) per region and gender is currently not determined. The employment factor at ALTANA is not subject to seasonal fluctuations.
102-9	Supply chain	FFS, pp. 15–16, 23–24	
102-10	Significant changes to the organization and its supply chain	CR, pp. 52–64, 83–84	
102-11	Precautionary principle or approach	CR, pp. 70–73, FFS, pp. 12–14	
102-12	External initiatives	CR, pp. 3, 8–10, 73	ALTANA is a member of the United Nations Global Compact initiative and signed the charter of the International Council of Chemical Associations (ICCA) on the topic of Responsible Care.
102-13	Membership of associations		ALTANA is, among others, a member of the European Chemical Association (CEFIC), German Chemical Industry Association (VCI), the Chinese Chemical Association (AICM), the Association of Chief Financial Officers Germany (GEFIU), the Lower Rhine Chamber of Industry and Commerce (IHK) in Duisburg-Kleve, and the American Chamber of Commerce.
	Strategy		
102-14	Statement from senior decision-maker	CR, pp. 3–4, 116, FFS, pp. 12–14	
102-15	Key impacts, risks, and opportunities	CR, pp. 45–57, 74–84, FFS, pp. 12–32	
	Ethics and Integrity		
102-16	Values, principles, standards, and norms of behavior	CR, pp. 10, 70–73, FFS, pp. 28–30	
102-17	Mechanisms for advice and concerns about ethics	CR, pp. 10, 70–73	
	Governance		
102-18	Governance structure	CR, pp. 70–72	
102-19	Delegating authority	FFS, pp. 30–31	The Management Board of ALTANA AG installed departments to address economic, ecological, and social issues and vested them with necessary authorizations and responsibilities.
102-20	Executive-level responsibility for economic, environmental, and social topics		The Management Board of ALTANA AG installed departments to address economic, ecological, and social issues. The heads of these departments report to the Management Board at regular intervals.

	General Disclosures	References	Comments
102-21	Consulting stakeholders on economic, environmental, and social topics		The Management Board and our stakeholders talk regularly about economic, ecological, and social issues. During these meetings, all stakeholder aspects are considered. Issues pertaining to the environment, health and safety (EH&S), as well as chemical regulations/laws are discussed with the division presidents and the Management Board on a quarterly basis. Furthermore, there is a monthly talk between the responsible Management Board member and the head of Corporate EH&S. Decisions pertaining to EH&S are resolved by the Management Board of ALTANA AG. Similarly, coordination meetings on economic and social issues are carried out between the responsible heads and the Management Board.
102-22	Composition of the highest governance body and its committees	CR, pp. 12–13, 70–72	
102-23	Chair of the highest governance body	CR, pp. 12–13	
102-24	Nominating and selecting the highest governance body	CR, pp. 70–72	
102-25	Conflicts of interest	CR, pp. 70–72, CFS, pp. 75–76, 79–81	
102-26	Role of highest governance body in setting purpose, values, and strategy	CR, pp. 70–72, FFS, pp. 12–14	
102-27	Collective knowledge of highest governance body	CR, pp. 1–4	
102-28	Evaluating the highest governance body's performance	CR, pp. 14–18	Ecological, economic, and social issues are presented and discussed regularly by the Supervisory Board. Appropriate measures are agreed upon if necessary.
102-29	Identifying and managing economic, environmental, and social impacts	CR, pp. 74–84, FFS, pp. 12–32	The Management Board and our stakeholders talk regularly about economic, ecological, and social issues. During these meetings, among other things risks/opportunities and their consequences are discussed and the resulting measures incorporated in operating business processes. Corporate EH&S reports regularly to ALTANA's Management Board and to the division presidents about current issues pertaining to the environment, health, and safety, and to chemical regulations/laws. In addition, representatives of the Executive Management Team, the division presidents, and the responsible heads regularly discuss economic and social issues. In the process, all stakeholder aspects are considered.
102-30	Effectiveness of risk management processes	CR, pp. 70–72	
102-31	Review of economic, environmental, and social topics	CR, p. 116	The Management Board of ALTANA AG regularly examines economic, ecological, and social consequences, as well as risks and opportunities.
102-32	Highest governance body's role in sustainability reporting		ALTANA's Management Board examines and approves the ALTANA Corporate Report.
102-33	Communicating critical concerns	CR, p. 73, FFS, pp. 30–31	The ALTANA Compliance Hotline gives employees, as well as external third parties, the opportunity to report evidence of illegal conduct, if need be, anonymously. In severe cases, the Management Board and/or the Supervisory Board are informed.
102-34	Nature and total number of critical concerns		In the year under review, no critical concerns were conveyed to the highest control body.
102-35	Remuneration policies	CFS, pp. 76–77	

	General Disclosures	References	Comments
102-36	Process for determining remuneration	CFS, pp. 76–77	The external advisor that ALTANA consults is independent.
102-37	Stakeholder involvement in remuneration	CFS, pp. 76–77	
102-38	Annual total compensation ratio		Adequate compensation is an important issue for ALTANA. In this context, the factors of function, region, and performance are considered in particular. ALTANA views the indicators required here as not being meaningful for the appropriateness of compensation.
102-39	Percentage increase in annual total compensation ratio		Adequate compensation is an important issue for ALTANA. In this context, the factors of function, region, and performance are considered in particular. ALTANA views the indicators required here as not being meaningful for the appropriateness of compensation.
	Stakeholder Engagement		
102-40	List of stakeholder groups	CR, p. 7	
102-41	Collective bargaining agreements		In Germany and Italy together, 56 % of the employees are subject to collective bargaining agreements. This key performance indicator is not relevant or not determinable for the other countries.
102-42	Identifying and selecting stakeholders	CR, p. 7	
102-43	Approach to stakeholder engagement	CR, p. 7	As members of the Supervisory Board, the shareholder and employee representatives are involved in decisions of particular importance for the company. Exchange with employees and their representatives is carried out at works council and employee meetings as well as at regular meetings of the works councils with the Management. In addition, ALTANA's Management Board engages in regular exchange with the company-wide Group works council. Via employee surveys carried out every three years, the opinions of all employees worldwide are obtained. The ALTANA companies exchange ideas regularly and intensively with their most important customers. Meetings are also held with other customer groups on a regular basis, in part via local agents. Customer seminars and customer satisfaction analyses supplement direct exchange.
102-44	Key topics and concerns raised	CR, pp. 19–43	
	Reporting Practice		
102-45	Entities included in the consolidated financial statements	CFS, p. 16	
102-46	Defining report content and the topic Boundaries	CR, pp. 7–8	
102-47	List of the material topics	CR, p. 8	
102-48	Restatements of information		There is no information that requires a new representation of the Corporate Report 2019.
102-49	Changes in reporting	CR, pp. 6–8	
102-50	Reporting period	CR, p. 6	
102-51	Date of most recent report	CR, p. 6	
102-52	Reporting cycle	CR, p. 6	
102-53	Contact point for questions regarding the report	C	
102-54	Claims of reporting in accordance with the GRI Standards	CR, p. 6	
102-55	GRI Content Index	FFS, pp. 33–43	
102-56	External assurance	CR, p. 6	

	Topic-specific Disclosures	References	Comments
	Direct Economic Value for Customers, Employees, Owner, and Society as a Whole		
	Management Approach	CR, pp. 44–84, CFS, pp. 1–81, FFS, p. 15	
201-1	Direct economic value generated and distributed	CR, pp. 52–64, CFS, pp. 1–81	
201-2	Financial implications and other risks and opportunities due to climate change	FFS, pp. 12–14	
201-3	Defined benefit plan obligations and other retirement plans	CFS, pp. 53–57	
201-4	Financial assistance received from government		In the reporting period, ALTANA received government grants amounting to € 0.5 million. The largest sums were allocated to companies in Singapore, Spain, Germany, and the Netherlands. In the 2020 fiscal year, personnel expenses through government grants due to the coronavirus pandemic totaled € 3.0 million, mainly in Germany, China, and Switzerland. There are no government entities in ALTANA's shareholder structure.
	Compliance: Anti-corruption		
	Management Approach	CR, pp. 70–73, FFS, pp. 30–31	
205-1	Operations assessed for risks related to corruption		In the reporting period, 15 audits were carried out by Internal Audit, three of which focused on "anti-corruption." All audits were required to report on cases of corruption.
205-2	Communication and training about anti-corruption policies and procedures	FFS, pp. 30–31	For several years, the majority of employees have been trained regarding corruption prevention using e-learning.
205-3	Confirmed incidents of corruption and actions taken		A systematic survey was carried out in the Group with the result that in the year under review there were no corruption incidents identified and so no fines had to be paid.
	Compliance: Anti-competitive Behavior		
	Management Approach	CR, pp. 70–73, FFS, pp. 30–31	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly pratices		A systematic survey was carried out in the Group with the result that in the year under review there were no incidents of anti-competitive behavior and/or violations of anti-trust and monopoly legislation identified, and so no fines had to be paid.
	Renewable and Recycled Materials		
	Management Approach	CR, pp. 86–88, FFS, pp. 15–16	
301-1	Materials used by weight or volume	CR, p. 94	
301-2	Recycled input materials used		ALTANA only uses a few secondary products as direct raw materials.

	Topic-specific Disclosures	References	Comments
301-3	Reclaimed products and their packaging materials		ALTANA's products, e. g. resins, additives, and effect pigments, are incorporated in customers' end products. As a result, the properties of the end products are optimized. This means that ALTANA's products cannot normally be re-obtained from the end products. The packaging used for ALTANA's products, however, can be recycled. For some large-volume products (e. g. resins from ELANTAS), the companies use so-called IBC containers, which they take back, clean, and reuse. In addition, ALTANA companies use metallic cans and barrels. The customers recirculate them to the reusable material cycle as scrap. For quality-assurance reasons, a systematic return of these containers is not offered.
	Clean Energy and Greenhouse Gas Emissions Reduction: Energy		
	Management Approach	CR, p. 10, FFS, pp. 17–18	
302-1	Energy consumption within the organization	CR, pp. 68–70, 94–95, FFS, pp. 3, 17–18	In 2020, ALTANA issued certificates of origin for electricity from renewable sources for all of its manufacturing sites worldwide. Small amounts of energy from our own production were fed into the public grid: combined heat and power plant (154 MWh), solar energy (180 MWh). Moreover, ALTANA does not sell any cooling, steam, or heating energy. The conversion factors (e. g. natural gas: m^3 in MWh) are determined locally and used to calculate the entry into the ALTANA data system. ALTANA does not obtain any cooling energy from external sources. ALTANA generates the cooling energy it needs itself from electricity or water.
302-2	Energy consumption outside of the organization		Energy consumption outside the organization is not determined by ALTANA. However, the CO_2 emissions from defined categories of Scope 3 will be reported in the coming years.
302-3	Energy intensity	FFS, p. 3	
302-4	Reduction of energy consumption	CR, pp. 69–70, FFS, pp. 3, 17–18	
302-5	Reductions in energy requirements of products and services	FFS, p. 3	
	Water Efficiency		The reporting is carried out in accordance with GRI 303: Water and Effluents (2018 version).
	Management Approach	FFS, pp. 18–20	
303-1	Interactions with water as a shared resource	FFS, pp. 18–20	The explanations for this disclosure can be found in this document in the Management Approach "GRI 303 – Water and Effluents."
303-2	Management of water discharge-related impacts	FFS, pp. 18–20	The explanations for this disclosure can be found in this document in the Management Approach "GRI 303 – Water and Effluents."
303-3	Water withdrawal	CR, pp. 96–97, FFS, pp. 6, 18–20	No seawater is extracted at any ALTANA site. All of the water is freshwater quality. The water produced during chemical reactions (e.g. in esterification reactions) is heavily contaminated with organic compounds and is therefore disposed of exclusively as waste in accordance with the legal requirements. In the year under review, ALTANA recorded figures for water withdrawal in regions with water stress for the first time and will verify and publish them next year.

	Topic-specific Disclosures	References	Comments
303-4	Water discharge	CR, pp. 96–97, FFS, pp. 18–20	ALTANA does not discharge wastewater into groundwater or seawater. All effluent discharges are officially approved by the authorities and meet the local environmental protection requirements. In the year under review, ALTANA recorded for the first time the figures for total water recirculation in regions with water stress, among others, and will verify and publish them next year. A systematic survey was carried out in the Group with the result that there were no incidents of noncompliance with discharge limits in the reporting year and therefore no fines had to be paid.
303-5	Water consumption	CR, pp. 96–97, FFS, pp. 18–20	At ALTANA, such small amounts of water are stored that this does not cause any significant wastewater or process water-related effects. ALTANA recorded figures on total water consumption in regions with water stress, among others, for the first time in the year under review and will verify and publish them next year.
	Clean Energy and Greenhouse Gas Emissions Reduction: Emissions		
	Management Approach	CR, pp. 10, 68–69, 94–95, FFS, pp. 17–18, 20–21	
305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	FFS, p. 2	
305-2	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	FFS, p. 2	
305-3	Other indirect greenhouse gas (GHG) emissions (Scope 3)		The indirect emissions of the ALTANA Group that arise due to energy consumption associated with product transports, business trips, and the purchase of raw materials were analyzed internally on a global basis in the year under review. A concept for recording these emissions was developed and will be further specified in the coming years.
305-4	Greenhouse gas (GHG) emissions intensity	FFS, p. 2	
305-5	Reduction of greenhouse gas (GHG) emissions	CR, pp. 69–70, 94–96, FFS, p. 2	
305-6	Emissions of ozone-depleting substances (ODS)		The ALTANA Group does not produce, import, or export any ozone-depleting substances.
305-7	Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions	FFS, p. 7	NO_x and SO_x are currently recorded and published in the document "Facts and Figures on Sustainability." POP, VOC, HAP, and PM emissions will be determined in the next few years. The conversion factors for greenhouse gases were taken from the IPCC database.
	Reduction of Effluents and Waste		Reporting is carried out in accordance with GRI 306: Waste (2020 version). Due to the current adjustment by GRI, the topic of "Effluents" is reported under the specification 303 "Water Efficiency."
	Management Approach	FFS, pp. 22–23	
306-1	Waste generation and significant waste-related impacts	FFS, pp. 22–23	The explanations for this disclosure can be found in this document in the Management Approach "GRI 306 – Waste."
306-2	Management of significant waste-related impacts	FFS, pp. 22–23	The explanations for this disclosure can be found in this document in the Management Approach "GRI 306 – Waste."

	Topic-specific Disclosures	References	Comments
306-3	Waste generated	CR, pp. 96–97, FFS, pp. 4–5, 7	Due to legal requirements, ALTANA has to treat and report certain wastewater volumes as waste.
306-4	Waste diverted from disposal	FFS, pp. 4–5	The total amount of waste, according to local legal definitions, is recycled/reused outside the company.
306-5	Waste directed to disposal	FFS, pp. 4–5, 7	The waste quantities that are to be disposed of or used for thermal recycling within and outside the company are recorded.
	Compliance: Environment		
	Management Approach	CR, pp. 10, 72–73, FFS, pp. 12–14, 30–31	
307-1	Non-compliance with environmental laws and/or regulations		A systematic survey was carried out in the Group with the result that there were no violations of environmental protection laws and regulations in the year under review.
	Responsible Supply Chain Management		
	Management Approach	CR, p. 10, FFS, pp. 23–24	
308-1	New suppliers that were screened using environmental criteria	FFS, pp. 23–24	ALTANA, in cooperation with EcoVadis, carried out status checks of all important raw-material suppliers. 55 % of the total purchasing volume is covered by suppliers that were assessed by EcoVadis. Both existing and new suppliers were considered in this procedure.
308-2	Negative environmental impacts in the supply chain and actions taken	FFS, pp. 23–24	ALTANA, in cooperation with EcoVadis, carried out status checks of all important raw-material suppliers. 55 % of the total purchasing volume is covered by suppliers that were assessed by EcoVadis. Parallel to this step, ALTANA had sustainability assessments carried out with approximately 20 raw-material suppliers. In the supply chain no significant negative effects on the environment were found.
	Employee-oriented Management: Employment		
	Management Approach	CR, p. 10, FFS, pp. 28–30	
401-1	New employee hires and employee turnover	FFS, p. 8	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	FFS, p. 8	ALTANA currently determines the proportion of employees to whom a company pension plan or company-financed pension plan is offered. No information is available about the other requirements because they are not meaningful enough for ALTANA.
401-3	Parental leave		Information on this topic is not available because it is not meaningful enough for ALTANA.
	Occupational Health and Safety		Reporting is in accordance with GRI 403: Occupational Health and Safety (2018 version).
	Management Approach	CR, pp. 10, 68–69, 90–92, FFS, pp. 24–26	
403-1	Occupational health and safety management system	FFS, pp. 24–26	The explanations for this disclosure can be found in this document in the Management Approach "GRI 403 – Occupational Health and Safety."
403-2	Hazard identification, risk assessment, and incident investigation	FFS, pp. 24–26	The explanations for this disclosure can be found in this document in the Management Approach "GRI 403 – Occupational Health and Safety."

	Topic-specific Disclosures	References	Comments
403-3	Occupational health services	FFS, pp. 24–26	The explanations for this disclosure can be found in this document in the Management Approach "GRI 403 – Occupational Health and Safety."
403-4	Worker participation, consultation, and communication on occupational health and safety	FFS, pp. 24–26	The explanations for this disclosure can be found in this document in the Management Approach "GRI 403 – Occupational Health and Safety."
403-5	Worker training on occupational health and safety	FFS, pp. 24–26	The explanations for this disclosure can be found in this document in the Management Approach "GRI 403 – Occupational Health and Safety."
403-6	Promotion of worker health	FFS, pp. 24–26	The explanations for this disclosure can be found in this document in the Management Approach "GRI 403 – Occupational Health and Safety."
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	FFS, pp. 24–26	The explanations for this disclosure can be found in this document in the Management Approach "GRI 403 – Occupational Health and Safety."
403-8	Workers covered by an occupational health and safety management system	FFS, pp. 24–26	The management systems for occupational health and safety apply to all employees. Temporary workers and contractors are generally covered by these systems. In addition, about half of the production sites are audited and certified by external partners.
403-9	Work-related injuries	FFS, pp. 9–10	The number and rate of documented work-related injuries as well as the hours worked by employees and subcontracted workers is reported in this document in the "Safety Performance Indicators" section. The number of hours worked by contractors is not recorded by ALTANA. At ALTANA, job safety analyses and risk assessments are carried out regularly to identify hazards in certain activities. These analyses have shown that the risk of injuries with serious consequences is very low. Safety and environmental protection instructions are listed and communicated for each hazard identified by the job safety analysis. No employee is excluded from the analysis.
403-10	Work-related ill health	FFS, p. 10	At ALTANA, job safety analyses and risk assessments are carried out regularly to identify hazards in certain activities. In the process, some sources of danger (e.g. dust and noise) have been identified that may pose a health risk. To minimize these hazards, appropriate measures (technical, organizational, and behavioral) are implemented. No employee is excluded from the analysis.
	Attracting and Maintaining a Skilled Workforce		
	Management Approach	CR, pp. 10, 99–101, FFS, pp. 28–30	
404-1	Average hours of training per year per employee		Due to the limited opportunities for classroom training during the coronavirus pandemic, in the year under review, employees in Germany invested an average of only 1.5 hours in training and education. A consolidated evaluation is not available for ALTANA's worldwide sites. Further information on this figure is not available, as it has little significance for ALTANA.
404-2	Programs for upgrading employee skills and transition assistance programs	FFS, pp. 28–30	Transitional aid programs that promote continued employability and support termination of work due to entry into retirement or dismissal are offered only at times at certain sites.

	Topic-specific Disclosures	References	Comments
404-3	Percentage of total employees receiving regular performance and career development reviews	CR, pp. 99–101, FFS, pp. 28–30	To promote its employees' professional development, ALTANA regularly uses specially developed dialogs. They include the progress dialog that disciplinary superiors are required to carry out personally with each employee at least once a year.
	Employee-oriented Management: Diversity and Equal Opportunity		
	Management Approach	CR, p. 10, FFS, pp. 28–30	
405-1	Diversity of governance bodies and employees	CR, pp. 71–73, 100, FFS, p. 8	The distribution of age groups is not available because it is not meaningful enough for ALTANA.
405-2	Ratio of basic salary and remuneration of women to men		Information on this topic is not available because it is not meaningful enough for ALTANA.
	Employee-oriented Management: Non-discrimination		
	Management Approach	CR, pp. 10, 72–73, FFS, pp. 28–30	
406-1	Incidents of discrimination and corrective actions taken		A systematic survey was carried out in the Group with the result that no incidents were identified during the reporting period.
	Compliance: Health and Safety of Customers		
	Management Approach	CR, pp. 72–73, FFS, pp. 30–31	
416-1	Assessment of the health and safety impacts of product and service categories	CR, pp. 86–87, FFS, pp. 15–16, 30–31	For all classified products (100 %), safety data sheets and finished-goods labels are generated in accordance with legal requirements. In keeping with legal requirements and customer specifications, product checks are carried out regularly and corresponding adjustments are made to product recipes (e. g. replacement of critical substances).
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		In the year under review, ALTANA was notified of a violation of regulations and/or voluntary codes of conduct in connection with health and safety impacts of products and services, which resulted in a reminder with no payment of fines.
	Marketing and Labeling		
	Management Approach	FFS, pp. 26–27	
417-1	Requirements for product and service information and labeling	FFS, pp. 26–27	For all classified products (100 %), safety data sheets and finished-goods labels are generated in accordance with legal requirements.
417-2	Incidents of non-compliance concerning product and service information and labeling		A systematic survey was carried out in the Group with the result that there were no violations infringing regulations and/or voluntary behavior rules in connection with the labeling of products identified and therefore no fines had to be paid.
417-3	Incidents of non-compliance concerning marketing communications		In the reporting period, no violations infringing regulations and/or voluntary behavior rules in connection with marketing and communications, including advertising, sales promotion, and sponsoring were reported.

	Topic-specific Disclosures	References	Comments
	Compliance: Socioeconomic		
	Management Approach	FFS, pp. 30–31	
419-1	Non-compliance with laws and regulations in the social and economic area		A systematic survey was carried out in the Group with the result that in the year under review there were no violations due to non-compliance with laws and/or regulations in the social and economic sphere.
	Innovative Solutions to Exploit Growth and Savings Potential for Customers		
	Management Approach	FFS, pp. 31–32	
	Innovative solutions to exploit growth and savings potential for customers	CR, pp. 10, 19–43, 64–65, 86–88	

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