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



Dear ALTANA stakeholders,

Curbing human-made climate change poses immense challenges for the entire global community. This is one of the reasons why 195 countries signed the Paris Climate Agreement in 2015 and thus committed themselves to the goal of limiting global warming to 1.5°C. At ALTANA, we are dedicated to contributing to this collective endeavor. Our commitment to minimizing our ecological footprint is evident in our transparent communication on progress related to the UN Global Compact and our alignment with the United Nations Sustainable Development Goals (SDG).

As outlined in this document, we have set specific targets for our non-financial key figures, reinforcing our sustainability strategy. We have made great progress in this area in recent years, such as our global transition to electricity from renewable sources in 2020. Striving for complete decarbonization, we are actively working towards validating our climate targets through the Science Based Targets initiative (SBTi). In line with the principle of double materiality, we have initiated an assessment of the risks associated with climate change to our business activities and our impact on the climate. Details on this can be found in our chapter on implementing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

We also put our words into action when it comes to our Environmental, Social, and Governance (ESG) reporting. For years, we have provided comprehensive reports on the environmental and societal impact of our business activities in accordance with the Global Reporting Initiative (GRI). This document includes in-depth descriptions of our management systems for material topics and relevant key figures.

Yours,

Martin Babilas, ALTANA CEO

# 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, 2023.

3	Environmental Performance Indicators
10	Human Resources Performance Indicators
12	Safety Performance Indicators

## Environmental Performance Indicators

We present the environmental key figures in both absolute values and in relation to the production volume (finished goods). In instances where specific targets have been established, the data pertaining to the produced finished goods is utilized. The environmental performance indicators provided below do not encompass the acquired Von Roll Group nor the business of Imaginant Inc. during the reporting period.

### Emissions

#### Greenhouse gas emissions (in CO<sub>2</sub> equivalents)<sup>1</sup>

	absolute in t	related to produced finished goods	in kg/kg
<b>Total (Scope 1 + Scope 2)</b>			
2020 <sup>2</sup>	92,553		0.18
2021 <sup>2</sup>	102,851		0.17
2022 <sup>2</sup>	92,629		0.16
<b>2023<sup>2</sup></b>	<b>77,769</b>		<b>0.15</b>
<i>of which not offset</i>	33,169		0.06
<b>Scope 1</b>			
2020	90,217		0.17
2021	101,495		0.17
2022	91,436		0.16
<b>2023</b>	<b>76,393</b>		<b>0.15</b>
<i>of which offset</i>	44,600		0.09
<b>Scope 2</b>			
2020 <sup>3</sup>	99,581		0.19
2020 <sup>2</sup>	2,336		<0.01
2021 <sup>3</sup>	99,451		0.16
2021 <sup>2</sup>	1,356		<0.01
2022 <sup>3</sup>	87,464		0.15
2022 <sup>2</sup>	1,192		<0.01
<b>2023<sup>3</sup></b>	<b>86,877</b>		<b>0.17</b>
<b>2023<sup>2</sup></b>	<b>1,377</b>		<0.01

<sup>1</sup> Takes into account the greenhouse gases CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O

<sup>2</sup> Market-based: Disclosure of Scope 2 based on the supplier-specific emission factors relevant for ALTANA

<sup>3</sup> Location-based: Disclosure of Scope 2 emissions based on general country or region-specific emission factors (electricity mix)

Biogenic greenhouse gas emissions amounted to 533 tons in the year under review.

Based on 2014, the total reduction in absolute greenhouse gas emissions is 69 % for Scope 1 and Scope 2 (market-based); -41 % for Scope 1; -99 % for Scope 2 (market-based; as part of the global switch to renewable energy sources for electricity procurement). The reduction in Scope 1 is partly due to the energy efficiency and transformation measures implemented in recent years and the sharp decline in production volumes in the reporting year.

Scope 1: Emissions from sources for which the company is directly responsible or in control (e.g., own energy production)

Scope 2: Emissions from third parties due to purchased energy (e.g., electricity)

## Energy Consumption

### Energy sources

	absolute in MWh	related to produced finished goods	in kWh/kg
<b>Natural gas</b>			
2020	375,676		0.72
2021	418,428		0.68
2022	380,509		0.67
<b>2023</b>	<b>336,427</b>		<b>0.65</b>
<b>Electricity purchased</b>			
2020 <sup>1</sup>	247,738		0.47
2021 <sup>1,2</sup>	276,843		0.45
2022 <sup>1,2</sup>	263,759		0.47
<b>2023<sup>1,2</sup></b>	<b>241,196</b>		<b>0.47</b>
<b>Oil</b>			
2020	12,600		0.02
2021	15,842		0.03
2022	17,740		0.03
<b>2023</b>	<b>13,885</b>		<b>0.03</b>
<b>Other energy sources<sup>3</sup></b>			
2021	8,632		0.01
2022	7,530		0.01
<b>2023</b>	<b>8,586</b>		<b>0.02</b>
<b>Energy from waste (produced internally)</b>			
2021	20,718		0.03
2022	7,769		0.01
<b>2023</b>	<b>7,037</b>		<b>0.01</b>
<b>Solar energy and hydropower (both generated and used internally) and biogas</b>			
2021	2,840		<0.01
2022	3,641		<0.01
<b>2023</b>	<b>4,713</b>		<b>0.01</b>

<sup>1</sup> Guarantees of Origin (GoO) for electricity from renewable sources

<sup>2</sup> Supply contracts for electricity (Power Purchase Agreements, PPAs) from renewable sources

<sup>3</sup> Steam, district heating, compressed air (all externally generated), and propane gas

### Specific energy demand<sup>4</sup>

	related to produced finished goods	in kWh/kg
2020		1.28
2021		1.21
2022		1.20
<b>2023</b>		<b>1.18</b>

<sup>4</sup> All energy sources within the organization are considered.

## Waste

### Hazardous waste

	absolute in t	related to produced finished goods	in g/kg
<b>Hazardous waste</b>			
2020	17,836		34.06
2021	21,634		35.34
2022	19,923		35.14
<b>2023</b>	<b>16,988</b>	 Plan 2023: 36.00	<b>32.90</b>
<b>For recycling/reuse</b>			
2020	3,480		6.65
2021	4,335		7.08
2022	4,764		8.40
<b>2023</b>	<b>4,378</b>		<b>8.48</b>
<b>For thermal use</b>			
2020	11,874		22.67
2021	13,973		22.83
2022	12,398		21.87
<b>2023</b>	<b>10,669</b>		<b>20.66</b>
<b>For disposal/incineration without thermal recovery</b>			
2020	2,482		4.74
2021	3,326		5.43
2022	2,760		4.87
<b>2023</b>	<b>1,942</b>	 Plan 2023: 4.96	<b>3.76</b>

## Non-hazardous waste

	absolute in t	related to produced finished goods	in g/kg
Non-hazardous waste			
2020	8,573		16.37
2021	9,598		15.68
2022	10,022		17.68
<b>2023</b>	<b>8,660</b>	 Plan 2023: 15.68	<b>16.77</b>
For recycling/reuse			
2020	3,465		6.62
2021	3,412		5.57
2022	4,156		7.33
<b>2023</b>	<b>3,687</b>		<b>7.14</b>
For thermal use			
2020	1,427		2.72
2021	1,379		2.25
2022	1,388		2.45
<b>2023</b>	<b>1,779</b>		<b>3.44</b>
For disposal/incineration without thermal recovery			
2020	3,682		7.03
2021	4,807		7.85
2022	4,478		7.90
<b>2023</b>	<b>3,195</b>	 Plan 2023: 7.50	<b>6.19</b>

## Water

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

	absolute in m <sup>3</sup>	related to produced finished goods	in l/kg
<b>Total</b>			
Water from third parties (drinking water)			
2020	1,147,735		2.19
2021	1,361,001		2.22
2022	1,337,028		2.36
<b>2023</b>	<b>1,178,728</b>		<b>2.28</b>
Groundwater			
2020	568,981		1.09
2021	593,391		0.97
2022	521,887		0.92
<b>2023</b>	<b>442,163</b>		<b>0.86</b>
Surface water (river and precipitation water)			
2020	252,026		0.48
2021	273,379		0.45
2022	208,517		0.37
<b>2023</b>	<b>171,537</b>		<b>0.33</b>
<b>From regions with water stress<sup>1</sup></b>			
Water from third parties (drinking water)			
2021	102,825		1.76
2022	113,524		2.09
<b>2023</b>	<b>119,695</b>		<b>2.03</b>
Groundwater			
2021			
2022	40,185		0.74
<b>2023</b>	<b>36,953</b>		<b>0.63</b>
Surface water (river and precipitation water)			
2021			
2022			
<b>2023</b>	<b>55,168</b>		<b>0.94</b>

<sup>1</sup> Data is reported for the first time from 2021.

Water discharge<sup>1</sup>

	absolute in m <sup>3</sup>	related to produced finished goods	in l/kg
<b>Total</b>			
Water from third parties (sewage)			
2021	1,071,948		1.75
2022	991,001		1.75
<b>2023</b>	<b>984,029</b>		<b>1.91</b>
Surface water (river water) <sup>2</sup>			
2021	428,041		0.70
2022	608,532		1.07
<b>2023</b>	<b>493,896</b>		<b>0.96</b>
<b>In regions with water stress</b>			
Water from third parties (sewage)			
2021	18,590		0.32
2022	14,684		0.27
<b>2023</b>	<b>57,840</b>		<b>0.98</b>
Surface water (river water) <sup>3</sup>			
2021	47,046		0.81
2022	59,934		1.10
<b>2023</b>	<b>53,134</b>		<b>0.90</b>

<sup>1</sup> Data is reported for the first time from 2021.

<sup>2</sup> Of which other water (> 1,000 mg/l total dissolved solids (TDS)) = 53,269 m<sup>3</sup>

<sup>3</sup> Of which other water (> 1,000 mg/l total dissolved solids (TDS)) = 53,134 m<sup>3</sup>

Water consumption<sup>4,5</sup>

	absolute in m <sup>3</sup>	related to produced finished goods	in l/kg
<b>Total</b>			
2021	727,782		1.19
2022	466,972		0.82
<b>2023</b>	<b>313,577</b>		<b>0.61</b>
<b>In regions with water stress</b>			
2021	32,032		0.55
2022	79,091		1.45
<b>2023</b>	<b>100,842</b>		<b>1.71</b>

<sup>4</sup> Includes quantities of water resulting from the evaporation of cooling water or process water, process water that must be disposed of as waste, and water used for irrigation of green areas.

<sup>5</sup> Data is reported for the first time from 2021.

## Further Performance Indicators

### Inert waste

	in t
2020	6,724
2021	7,319
2022	4,696
<b>2023</b>	<b>3,870</b>

### Waste from demolition projects

	in t
2020	17,652 <sup>1</sup>
2021	175
2022	206
<b>2023</b>	<b>228</b>

<sup>1</sup> ACTEGA's site in Grevenbroich accounted for the largest share due to the dismantling of a building.

### Further emissions

	2020	2021	2022	2023
in t				
SO <sub>2</sub>	3.92	4.83	5.26	<b>4.18</b>
NO <sub>x</sub>	55.45	62.04	57.13	<b>50.16</b>
N <sub>2</sub> O <sup>1</sup>	0.23	0.25	0.21	<b>0.17</b>

<sup>1</sup> N<sub>2</sub>O is considered a greenhouse gas. Using a GWP (Global Warming Potential) conversion factor of 265 (source: Greenhouse Gas Protocol), this results in 50 tons of CO<sub>2</sub> equivalents for the 2023 reporting period.

### Finished goods

	in t
2020	523,730
2021	612,089
2022	566,929
<b>2023</b>	<b>516,379</b>

The produced finished goods are used as a reference figure for the environmental indicators. Further economic key performance indicators are predominantly listed in the Management Report of the Corporate Report.

## Human Resources Performance Indicators

On December 31, 2023, the ALTANA Group employed a total of 6,957 people (headcount). The human resources performance indicators listed below do not include the Von Roll Group, which was acquired in the reporting period.

### Share of women

	<b>2023</b>
in %	
Employees	26.5
Management positions	22.0
Executive Management Team	20.0
Supervisory Board	25.0

### Share of women in management positions<sup>1</sup>

	<b>2023</b>
in %	
2020	22.7
2021	22.0 <sup>2</sup>
2022	21.8 <sup>2</sup>
<b>2023</b>	<b>22.0<sup>2</sup></b>

<sup>1</sup> For the year 2020 related to Germany, from 2021 worldwide

<sup>2</sup> Changed definition of manager (person with disciplinary responsibility)

### New employees<sup>3</sup>

	<b>2023</b>	
	Number	%
Age group		
under 30 years old	215	38.3
30 to 50 years old	264	47.1
over 50 years old	82	14.6
<b>Total</b>	<b>561</b>	<b>100.0</b>

### Staff turnover<sup>3</sup>

	<b>2023</b>	
	Number	%
Age group		
under 30 years old	138	24.6
30 to 50 years old	237	42.2
over 50 years old	186	33.2
<b>Total</b>	<b>561</b>	<b>100.0</b>

	<b>2023</b>	
	Number	%
Gender		
male	406	72.4
female	155	27.6
<b>Total</b>	<b>561</b>	<b>100.0</b>

	<b>2023</b>	
	Number	%
Gender		
male	436	77.7
female	125	22.3
<b>Total</b>	<b>561</b>	<b>100.0</b>

	<b>2023</b>	
	Number	%
Europe	275	49.0
<i>thereof Germany</i>	192	34.2
Americas	227	40.5
<i>thereof U.S.</i>	199	35.5
Asia	59	10.5
<i>thereof China</i>	24	4.3
<b>Total</b>	<b>561</b>	<b>100.0</b>

	<b>2023</b>	
	Number	%
Europe	273	48.7
<i>thereof Germany</i>	190	33.9
Americas	234	41.7
<i>thereof U.S.</i>	204	36.4
Asia	54	9.6
<i>thereof China</i>	19	3.4
<b>Total</b>	<b>561</b>	<b>100.0</b>

<sup>3</sup> Excluding Imaginant Inc., acquired in 2023

<sup>3</sup> Excluding Imaginant Inc., acquired in 2023

## Employees with a permanent employment contract

2023		
	Number	%
Gender		
male	4,574	73.1
female	1,683	26.9
<b>Total</b>	<b>6,257</b>	<b>100.0</b>

2023		
	Number	%
Europe	4,336	69.3
<i>thereof Germany</i>	3,499	55.9
Americas	1,537	24.6
<i>thereof U.S.</i>	1,278	20.4
Asia	384	6.1
<i>thereof China</i>	35	0.6
<b>Total</b>	<b>6,257</b>	<b>100.0</b>

## Employees with a fixed-term employment contract

2023		
	Number	%
Gender		
male	531	75.9
female	169	24.1
<b>Total</b>	<b>700</b>	<b>100.0</b>

2023		
	Number	%
Europe	154	22.0
<i>thereof Germany</i>	133	19.0
Americas	15	2.1
<i>thereof U.S.</i>	12	1.7
Asia	531	75.9
<i>thereof China</i>	527	75.3
<b>Total</b>	<b>700</b>	<b>100.0</b>

## Employees hired full-time

2023		
	Number	%
Gender		
male	4,986	78.3
female	1,379	21.7
<b>Total</b>	<b>6,365</b>	<b>100.0</b>

2023		
	Number	%
Europe	3,915	61.5
<i>thereof Germany</i>	3,132	49.2
Americas	1,537	24.1
<i>thereof U.S.</i>	1,277	20.1
Asia	913	14.3
<i>thereof China</i>	565	8.9
<b>Total</b>	<b>6,365</b>	<b>100.0</b>

## Employees hired part-time

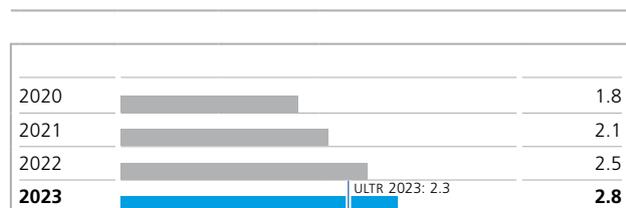
2023		
	Number	%
Gender		
male	128	21.6
female	464	78.4
<b>Total</b>	<b>592</b>	<b>100.0</b>

2023		
	Number	%
Europe	575	97.1
<i>thereof Germany</i>	500	84.5
Americas	15	2.5
<i>thereof U.S.</i>	13	2.2
Asia	2	0.3
<i>thereof China</i>	0	0
<b>Total</b>	<b>592</b>	<b>100.0</b>

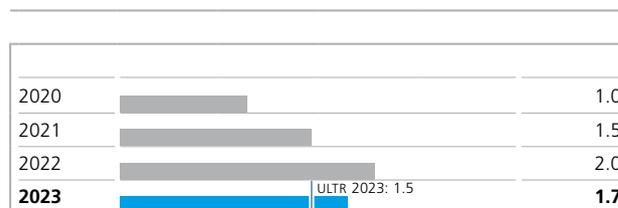
## Safety Performance Indicators

The following figures relate both to permanent employees at ALTANA and to temporary workers managed by ALTANA. They do not encompass the acquired Von Roll Group nor the business of Imaginant Inc. during the reporting period.

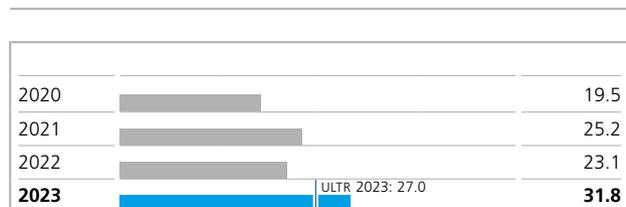
**WAI 1** (number of reported occupational accidents with lost work time of one day or more per million working hours)



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

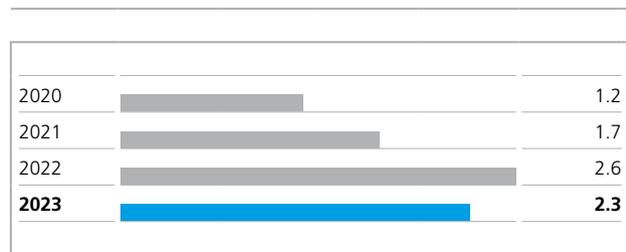


**WAI 3** (number of lost work days due to reported occupational accidents per million working hours)



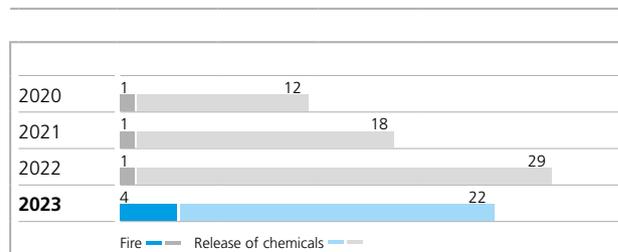
ULTR = Upper Limit of Target Range  
WAI = Work Accident Indicator

**Number of incidents according to Process Safety Incident (PSI)<sup>1</sup>** (related to one million working hours)



<sup>1</sup> According to the definition of the International Council of Chemical Associations (ICCA)

**Number of incidents in absolute terms<sup>1</sup>** (differentiated according to fire and release of chemicals)



<sup>1</sup> According to the definition of the International Council of Chemical Associations (ICCA)

Number of hours worked in 2023: 11,094,370 (previous year: 11,413,012).

A description of damage incidents (fire, explosion, release of chemicals) can be found on page 98 of the Corporate Report 2023.

**Work-related safety key performance indicators overall**

	<b>2023</b>
Number of reported occupational accidents per million working hours	3.3
Number of reported occupational accidents	37

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

**Causes of injuries**

	<b>2023</b>
Most important causes of injuries in %	
Contact with sharp-edged surfaces	19
Stumbling or tripping	19
Contact with stationary object	14
Contact with moving machinery	14
Contact with chemicals	14
Ergonomics	8
Contact with electricity	5
Falling from a height	4
Fall due to ice and snow	3

There were no fatalities due to work-related injuries and no work-related injuries with serious consequences among employees during the reporting period. Due to legal restrictions in some countries, work-related illnesses are not systematically recorded. In 2023, we had no fatalities due to work-related illnesses and no work-related illnesses were known.

Within the contractors' group, two incidents resulting in lost work time occurred during the reporting period—one involving contact with moving machine parts and the other being a tripping accident. There were no accidents resulting in a fatality.

# Task Force on Climate-related Financial Disclosures (TCFD) ALTANA Progress Report

In the following section, we present, for the first time, our advancements in adherence to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The provided information pertains to the reporting period from January 1 to December 31, 2023.

15	TCFD Framework
16	Governance
17	Strategy
18	Risk Management
19	Metrics and Targets

## TCFD Framework

### TCFD framework

Recommendations	Recommended disclosures
<p><b>Governance</b> Disclose the organization's governance of climate-related risks and opportunities.</p>	<p>a. Describe the Management Board's oversight of climate-related risks and opportunities. b. Describe the role of management in assessing and managing climate-related risks and opportunities.</p>
<p><b>Strategy</b> Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's business, strategy, and financial planning where this information is material.</p>	<p>a. Describe the climate-related risks and opportunities that the organization has identified in the short, medium and long term. b. Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning. c. Describe the resilience of the organization's strategy with regard to different climate-related scenarios, including a 2°C or less scenario.</p>
<p><b>Risk management</b> Disclose how the organization identifies, assesses, and manages climate-related risks.</p>	<p>a. Describe the organization's processes for identifying and assessing climate-related risks. b. Describe the organization's processes for managing climate-related risks. c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</p>
<p><b>Metrics and targets</b> Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where this information is material.</p>	<p>a. Disclose the metrics the organization uses to assess climate-related risks and opportunities in line with its strategy and risk management process. b. Disclosure of greenhouse gas emissions from Scope 1, Scope 2, and, where applicable, Scope 3 and the associated risks. c. Describe the objectives the organization utilizes to manage climate-related risks and opportunities and its performance in light of these objectives.</p>

## Governance

The topic of sustainability has a high priority at ALTANA, and the responsibility for the Group-wide sustainability and climate protection strategy lies with the Management Board, led by the Chairman of the Management Board. Oversight is conducted by the Supervisory Board, ALTANA's highest control body concerning climate-related risks and opportunities. The steering committee for Group-wide sustainability-related projects and activities mirrors the Executive Management Team, complemented by the Head of Corporate EH&S, who serves as the program manager for sustainability. Division presidents on this committee play a crucial role in embedding the sustainability strategy in operational activities.

The cross-divisional ALTANA departments actively promote sustainability within their spheres of influence, receiving support from expert teams in the Corporate EH&S department. The Head of Corporate EH&S in these departments oversees the identification of climate-related risks and opportunities. Collaborating with the Head of Finance & Controlling, they ensure the continuous enhancement of the ESG-related reporting system, aligning it with evolving legislation to transparently show ALTANA's sustainability performance.

The general risk management process at ALTANA is overseen by the Head of Internal Audit, who forwards significant risks to the Management Board. Monitoring opportunities within ALTANA's strategy development process is the responsibility of the Head of Corporate Development. Non-financial performance indicators are reported quarterly to the management. External review of key performance indicators relevant to management forms part of the variable compensation structure.

Further information can be found in the following sections of the Corporate Report 2023:

Management of Sustainability (p. 7 ff.), Report of the Supervisory Board (p. 14 ff.), Group Management Report (p. 65 ff.).

Further information can be found in the following sections of the document Facts and Figures on Sustainability 2023:

Management approaches to strategy (p. 21 ff.), energy (p. 27 ff.), water and effluents (p. 29 f.), waste (p. 32 f.), and occupational health and safety (p. 36 ff.); GRI content index: Disclosures on GRI 2–9, 2–12, 2–13, 2–18, 2–19 (p. 45 ff.).

## Strategy

In 2023, ALTANA began to assess not only the actual and potential impacts on the climate but also the risks associated with climate change on its own business activities. This approach adheres to the principle of double materiality, taking into account both the potential impact of ALTANA's business activities on the environment and the risks posed by a changing climate on the company and its value chain. ALTANA categorizes climate-related risks into two main types: physical risks and risks arising from the transition to a global economy with net-zero greenhouse gas emissions. These risk types are viewed as complementary, with physical risks being more prominent in scenarios with high global warming, while transition risks have a greater impact in scenarios of less than or equal to 1.5°C global warming. For the medium- to long-term assessment of climate risks, ALTANA utilizes the Representative Concentration Pathway (RCP) and Shared Socioeconomic Pathway (SSP) scenarios.

The primary physical climate risks for ALTANA include water scarcity and extreme weather events. The risk of water scarcity currently impacts specific ALTANA sites, with the potential for increased severity in the medium to long term, particularly under the assumptions of the RCP 6.0 and RCP 8.5 global warming scenarios. This issue is particularly pronounced in Asian sites. The potential damage from this risk is primarily associated with the unavailability or limited access to water used for cooling purposes. Moreover, this poses a risk not only to the company's own operations but also to the upstream and downstream value chain, impacting the transportation of raw materials and products, particularly by ships. Additionally, extreme weather events such as tornadoes and cyclones are projected to occur more frequently and intensively in the medium to long term, also under scenarios like RCP 6.0 and RCP 8.5. North America and Asia are especially susceptible to these events. While the probability of occurrence at specific sites may be low, the potential costs associated with damages can be substantial.

The shift towards a global economy with net-zero greenhouse gas emissions presents specific risks, particularly concerning carbon pricing mechanisms. Currently, the vast majority of ALTANA sites are not directly subject to mandatory carbon pricing through national emissions trading systems. However, ALTANA incurs corresponding additional costs through the procurement of fossil fuels. As a specialty chemicals company, it is reliant on a diverse range of chemical raw materials, the majority of which are currently derived from fossil sources. The global adoption of carbon pricing mechanisms, aligned with a 1.5°C-compatible scenario, could consequently lead to an increase in ALTANA's raw-material costs in the medium to long term.

The development of new products represents a substantial climate-related opportunity for ALTANA. The commitment to invest approximately 7 % of annual sales in research and development underscores ALTANA's dedication to exploring sustainability-related market opportunities. Furthermore, ALTANA has initiated a comprehensive Group-wide project specifically focused on sustainable product transformation.

Further information can be found in the following sections of the Corporate Report 2023:

Management of Sustainability (p. 7 ff.), Group Management Report (p. 65 ff.).

Further information can be found in the following sections of the document Facts and Figures on Sustainability 2023:

Management approaches to strategy (p. 21 ff.), energy (p. 27 f.), and water and effluents (p. 29 f.).

## Risk Management

In 2023, ALTANA established its initial climate risk management system and is presently in the process of formulating a comprehensive Group policy. This policy outlines the procedures for documenting and reporting climate-related impacts, risks, and opportunities. Impacts are defined as the potential or actual effects, whether positive or negative, that ALTANA has on the environment and society. In contrast, risks and opportunities pertain to events or conditions that, if realized, would exert a significant influence on the company's financial resilience.

Potential financial effects undergo assessment in the short term (1 year), medium term (1 – 5 years), and long term (beyond 5 years). Currently, evaluations of impacts, risks, and opportunities are mainly assessed on a qualitative basis due to challenges in quantifying both the probability of occurrence and the financial impact. For physical risks, a site-specific analysis has been conducted, leveraging various data sources to identify sites exposed to medium or high risks.

The assessment of transition risks and opportunities involves the utilization of macroeconomic and company-specific data to analyze the potential impact of political, economic, social, technological, environmental, and legal factors on the company. Identified risks are evaluated for materiality through expert assessments, with the weighting of their significance. Measures are then initiated and implemented in alignment with the outcomes of these assessments.

### Further information can be found in the Corporate Report 2023:

Management of Sustainability (p. 7 ff.), Group Management Report (p. 65 ff.).

### Further information can be found in the document Facts and Figures on Sustainability 2023:

Management approaches to strategy (p. 21 ff.), energy (p. 27 f.), and water and effluents (p. 29 f.).

## Metrics and Targets

ALTANA has established a comprehensive system of non-financial performance indicators to gauge its progress in achieving ESG-related targets. These indicators encompass greenhouse gas emissions, as well as key environmental metrics such as Group-wide energy consumption, water consumption, waste, and safety indicators for occupational accidents. ALTANA has committed to voluntarily offsetting all CO<sub>2</sub> equivalents generated by the company in Scope 1, Scope 2, and selected categories of Scope 3 (categories 4, 6, and 8) starting from 2025. Additionally, there is a target to annually reduce energy consumption per ton of finished goods produced by 2 % until 2030, actively contributing to the reduction in Scope 1 emissions. In February 2024, ALTANA initiated a project to validate its climate targets through the Science Based Target initiative (SBTi).

Annual target figures are established for water (excluding its use as a raw material), as well as for hazardous and non-hazardous waste, with the objective of ongoing reduction. Progress toward these targets is monitored on an annual basis. The reduction in water consumption serves as a crucial measure to address the climate risk associated with water scarcity. Reducing waste also contributes to the transition to a circular economy.

Further information can be found in the following section of in the Corporate Report 2023:

Group Management Report (p. 65 ff.).

Further information can be found in the following section of the document Facts and Figures on Sustainability 2023:

Sustainability Performance Indicators (p. 2 ff.).

# 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.

21	Strategy
24	Economic Performance
24	Tax
26	Materials
27	Energy
29	Water and Effluents
31	Emissions
32	Waste
34	Responsible Supply Chain Management
36	Occupational Health and Safety
38	Marketing and Labeling
39	Employee-Oriented Management
42	Compliance
43	Innovative Solutions to Exploit Growth or Savings Potential for Customers

## GRI 2 – 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.

### Responsibility for the Environment and Safety

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 greenhouse gas emissions, drinking-water consumption, and waste volumes in relation to produced finished goods. To this end, each year we define target figures 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 has developed its own climate strategy, which contributes to achieving the global climate targets. In addition to focusing on reducing emissions within its own value chain, ALTANA also invests in certified climate protection projects. ALTANA has set itself the goal of voluntarily offsetting as many CO<sub>2</sub> equivalents as the company generates in Scope 1, Scope 2, and selected categories of Scope 3 (categories 4, 6, and 8).

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 target ranges are set and reviewed on a quarterly basis. At all sites, appropriate measures are implemented to avoid accidents.

Occupational safety, energy efficiency, and the reduction of greenhouse gas emissions are seen as 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.

ALTANA also participates in the Climate Change Program. CDP (formerly Carbon Disclosure Project) is an international nonprofit organization that encourages companies and gov-

ernments to reduce their greenhouse gas emissions, conserve water resources, and protect forests<sup>1</sup>.

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.

The managements 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 managements 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 managements 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 chemical regulatory) and best-practice models showing efficient implementations.

<sup>1</sup> CIFF\_Policy\_Briefing\_Germany\_final\_v3.pdf (cdp.net)

## 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 could arise from reduced availability and rising prices of raw materials and energy, as well as from marketing limitations due to chemical law requirements. In addition, weather phenomena such as heavy rain, storms, and prolonged drought owing to climate change pose an increasing risk.

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 207 – Tax

### Introduction

Ensuring compliance with legal and regulatory requirements stands as a fundamental objective for the ALTANA Group. This commitment is evident in both the Code of Conduct and the overarching ALTANA identity. To attain this objective, ALTANA has instituted a robust Compliance Management System (CMS), wherein tax law plays a pivotal role and is vigilantly overseen by ALTANA’s tax specialists.

To identify potential tax opportunities and mitigate risks while aligning with the tax requisites of the ALTANA Group, specific tasks and responsibilities pertaining to tax matters have been precisely outlined. These definitions are encapsulated in a comprehensive Group tax guideline applicable to all companies within the ALTANA Group.

The core tenets of ALTANA’s tax strategy can be articulated as follows:

Compliance with local tax regulations in the countries in which ALTANA operates must be ensured at all times. In particular, all tax returns and tax information as well as tax payments must be submitted or made completely, correctly, and on time.

The ALTANA Group endeavors to establish a good relationship with the tax authorities (“fair partnership”).

Interpretative leeway within tax legislation is sought to be leveraged in ALTANA’s favor. The ALTANA Group actively engages in prudent tax planning tailored to the company’s needs, excluding participation in aggressive tax planning measures.

### Management of Tax Risks

To ensure that ALTANA’s tax affairs comply with tax law, the Group has created the following instruments:

- Compliance Management System (CMS) with a Compliance Committee (taxes are part of the CMS and the Compliance Committee),
- Group Tax Policy, which defines the Group’s tax strategy and the roles and responsibilities in tax matters,
- several guidelines for tax sub-processes that define the roles and responsibilities for these processes,
- investment in tax training for employees who deal with tax matters,
- relationships with external tax advisors in all regions in which ALTANA operates.

In addition to these specific measures, there is an ongoing dialog between management, ALTANA’s tax specialists, and the employees involved in tax matters about the way in which ALTANA manages its tax risks.

## Dealing with Tax Planning

Aligned with ALTANA’s value-oriented business approach, the Group undertakes specific tax planning measures. In this respect, advice is obtained from external consultants on a transactional basis.

We refrain from engaging in tax planning that does not authentically support our business activities. The Group expressly rejects the adoption of aggressive or risky tax planning measures across its entirety. In addition, we try to minimize the risk of disputes with the tax authorities by being open and transparent about our tax affairs.

## Dealing with Tax Risks

Given the scope of our business activities and the extent of our tax obligations, risks relating to the interpretation of tax law or other agreements may arise intermittently. ALTANA

proactively seeks to identify, assess, manage, and monitor these risks.

In instances where a tax risk exhibits significant uncertainty or complexity, external advice is actively sought.

## Cooperation with Tax Authorities

ALTANA engages in negotiations with tax authorities grounded in principles of honesty, integrity, respect, and fairness, fostering a spirit of cooperative compliance. We want to build a fair partnership with all tax authorities we deal with.

## 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 including recyclable materials,
- 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 initiative 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, 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. 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

## GRI 302 – Energy

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 managements 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.

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<sub>2</sub> 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<sub>2</sub> 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<sub>2</sub>), which is one of the biggest contributors to global warming.

ALTANA has set itself the goal of voluntarily offsetting as many CO<sub>2</sub> equivalents as the company generates in Scope 1, Scope 2, and selected categories of Scope 3 (categories 4, 6, and 8) from 2025 onwards. This includes greenhouse gas emissions from the company's own combustion of fossil fuels and from the production of electricity by third parties and from logistics, air travel, and company cars. The highest priority in the climate strategy is given to projects that avoid energy consumption or use energy more efficiently. ALTANA's goal here is to reduce specific energy consumption in relation to produced finished goods by 2 % per year.

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 Guarantees of Origin for electricity

from renewable sources. These Guarantees 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 photovoltaics.

Data is currently being collected and evaluated for the individual Scope 3 categories. On this basis, a concept is to be developed to reduce indirect greenhouse gas emissions along the value chain together with business partners.

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 target figures 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 managements 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 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

The ALTANA Group primarily uses water in its production processes as a raw material, for cooling purposes, as a solvent for reactions, and for washing processes. In addition, water is used in the form of sanitary water in the Group's laboratories and administrative buildings. Wastewater is generated 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. Water is therefore an important production and utilization factor and, together with the issue of wastewater, has a high relevance for ALTANA.

ALTANA sees a positive effect regarding the use of water as a raw material in the substitution of fossil raw materials (e. g., organic solvents). In addition, many ALTANA products make a contribution to reducing water in customers' processes or to more efficient use of water in the final application. Specific examples can be found in the "Products" chapter of the Corporate Report.

Potential negative impacts lie in the area of water availability in regions with increased water stress. The availability of water can be assessed very differently around the world. ALTANA has subjected all of its sites to an assessment specified by the World Wildlife Fund For Nature (WWF), the "Water Risk Filter." In addition, ALTANA has used the Aqueduct Water Risk Atlas from the World Resources Institute (WRI) as a reference. 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 the sites located in water stress areas are published in this document in the tables on "Water and Wastewater" on pages 6 and 7. According to current information, water extraction on the part of ALTANA manufacturing sites has no negative effects on the local drinking water supply. ALTANA mainly uses locally available drinking water. At some sites, the water needed is extracted from rivers and from groundwater and treated. As a result,

even in regions with a scant drinking water supply the amount of water needed for production is ensured.

In order to secure the supply of water in the medium and long term, ALTANA has set itself the goal of reducing the amount of water – in terms of production volume – through technical measures, among others. This is achieved in particular through the realization of closed-loop cooling systems, by avoiding water-intensive process steps, and through early detection and repair of leaks.

The extraction sources for which the ALTANA Group is responsible (groundwater and surface water) are considered separately (ensuring the amount and quality of the water as well as 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 suppliers. Stakeholder concerns (e. g., ensuring water supply and compliance with groundwater levels) are taken into account via the local water suppliers and authorities.

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 and discharged into the sewer system in compliance with the locally prescribed limits, 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 sewer system at certain sites in compliance with temperature requirements and statutory limits. All of ALTANA's 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.

These measures ensure that each site has an adequate disposal route. This minimizes the risk of potential negative effects on the environment in the form of contamination.

ALTANA established a system of recording its water consumption worldwide (drinking water, surface water, ground-water, and rainwater) and water recycling. ALTANA does not use other kinds of water (including effluents of third parties) and therefore does not collect data on them. The manufacturing sites are required to report on their water withdrawal and water recirculation on a quarterly basis. These key performance indicators are recorded electronically in a globally available database. For purposes of comparison, not only the absolute values but also the standardized values, in terms of the volume manufactured, are represented (specific water consumption). These data are then checked for completeness and plausibility. The key performance indicators are aggregated in detail based on site, division, and at holding company level, published internally, and discussed with the Management Board and the division presidents.

Each year, target figures 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 (and with closer monitoring of) sites in water stress areas. The operational implementation, maintenance of this system, and target achievement are the responsibility of the management 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 pro-

cesses 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.

## 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.

In addition to focusing on reducing emissions within its own value chain, ALTANA also invests in certified climate protection projects. When selecting projects, we make sure that they are certified according to internationally recognized standards such as the Verified Carbon Standard (VCS) and contribute to selected Sustainable Development Goals of the United Nations. In addition, we review the portfolio built up in this way internally at annual intervals and check whether it continues to meet our demands. This voluntary contribution to slowing climate change is not offset against the emissions generated. However, the procedure corresponds to the best-practice recommendations of SBTi (Science Based Target initiative) for support measures on the path to decarbonization. ALTANA has set itself the goal of voluntarily offsetting as many CO<sub>2</sub> equivalents as the company generates in Scope 1, Scope 2, and selected categories of Scope 3 (categories 4, 6, and 8) starting in 2025. 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 appropriate measures to reduce the noise (such as housing for motors, fans, mufflers, etc.). In defined areas, the workforce is 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 sys-

tems 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<sub>2</sub> and N<sub>2</sub>O) as well as SO<sub>x</sub> and NO<sub>x</sub> 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 Intergovernmental Panel on Climate Change (IPCC) database. For purposes of comparison, not only the absolute values but also the standardized values are represented, related to the volume produced (specific greenhouse gas 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 management 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.

For selected products, ALTANA carried out lifecycle analyses based on defined ISO standards. In the process, the greenhouse gas emissions and among others the ozone-depleting properties of the products were calculated. The data were recorded and evaluated using the software GABI from Sphera 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 related to the produced finished goods. 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 the 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, target figures 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 management 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.

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. We therefore collaborate closely 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 1,700 suppliers that has not changed significantly. 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.

ALTANA's purchasing network comprises buyers from all divisions. It encompasses the knowhow and experience of all members of the Group with the aim of procuring all required raw materials, materials, systems, equipment, and supplies as well as services worldwide that are needed to give ALTANA a competitive edge.

ALTANA's purchasing network 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 majority of our supplier partnerships in the area of raw materials are long-term to ensure security of supply and quality and to work strategically with our partners.

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. 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).

In addition, we are pursuing further efforts in these areas at ALTANA Group level. In this regard, our EcoVadis program and the design of risk management within the framework of the German Supply Chain Due Diligence Act (LkSG) are particularly worth mentioning.

To minimize risks, 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.

As part of the LkSG, a risk management system was developed for relevant human rights and environmental issues, including preventive and remedial measures. We introduced this system on January 1, 2023, and published it in a declaration of principles.

In a first step, the country and industry risk of direct suppliers is determined in abstract terms. In a second step, the direct suppliers who do not exclusively have a low risk are differentiated according to product groups. Thirdly, direct suppliers can improve their risk assessment by submitting an EcoVadis rating for the sub-areas "Labor & Human Rights" and "Environment," respectively. We analyze direct suppliers who, after all of this, show a medium or high risk on the basis of their answers to a questionnaire. In addition, certain groups of direct suppliers are continuously assessed for whether information from specific publicly available sources indicates that they pose a higher risk. If necessary, their risk assessment is adjusted accordingly.

Each risk identified in the risk analysis is mitigated by means of one or more preventive measures, according to the prioritization carried out and the weighting of the identified risks. A catalog of preventive measures in three categories is available for this purpose: audit, further development, and termination. Audit-related preventive measures are aimed at clarifying the facts underlying the identified risk and

are to be selected where the extent to which the risk actually exists and how it is to be countered in an appropriate manner, if necessary, is not yet clear. Further development-related preventive measures serve to minimize the identified risk, including the prevention of a violation of a human rights or environmental obligation. Further development-related preventive measures are the rule. Termination prevention measures result in a short-term separation from a direct supplier or a comparable, short-term complete elimination of the identified risk.

Any violation of a human rights-related or environmental obligation that has occurred or is imminent will be immediately countered by a remedial measure that (i) in the case of immediate suppliers, ends or prevents the violation or at least minimizes its extent; (ii) in our Group companies in Germany, ends or prevents the violation; and (iii) in our Group companies outside Germany, ends or prevents the violation as a rule.

We review the effectiveness of the preventive and remedial measures at least once a year. While the respective purchaser or, in its own division, Corporate Environment, Health & Safety and Corporate Human Resources are responsible for the measures, a Supply Chain ESG Risk Manager who is independent of them is responsible for checking their effectiveness. If the manager determines that the measures taken are not effective, they ensure that further measures are taken. The same applies to the effectiveness review of the grievance procedure, which is carried out jointly by the Supply Chain ESG Manager and the Chief Compliance Officer, at least once a year.

We have established regulations on how we will inform and train our employees, our direct suppliers, and other stakeholders about this risk management system. These regulations also stipulate that our Internal Auditing department will regularly review this risk management system for its effectiveness and appropriateness. As part of our com-

pliance management system, this risk management system is also included in the annual audit of ALTANA AG.

ALTANA will report on the exact results of the risk analysis and the number of preventive and corrective measures as part of the LkSG reporting in April of the following year and make this report publicly available on ALTANA's website. The first report will be published in April 2024.

## 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 (company or plant physicians) on site or there is an agreement with external medical practitioners.

All people at ALTANA 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 work-

places particularly in the areas of production, laboratory, and warehouses, and document them (e. g., job safety analysis 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 staff members (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 the workforce.

All accidents with lost work time of at least 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 target figures 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. The aim of this procedure is to continuously improve the health and safety of the staff. Specific projects are carried out in the categories Technical Measures, Organizational Measures, and Behavior-based Mea-

asures. The operational implementation and compliance with this system and target achievement are the responsibility of the management 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 maintaining 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.

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 SAP 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. ALTANA also participates in national and international working groups, including those of the Association of International Chemical Manufacturers (AICM), the European Council of Chemical Industry Federations (CEFIC), and the German Chemical Industry Association (VCI), in order to stay up to date and initiate appropriate measures in good 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.

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 poten-

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tial risks in the area of chemicals legislation and introducing appropriate measures if necessary.

### **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 members to participate in the company's success to motivate them to stay with the company on a long-term basis. People 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 since 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 staff 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 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 workforce 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.

To promote the professional development of employees, ALTANA regularly deploys specially developed dialogs for all staff members. ALTANA reached another important milestone by implementing a global, system-supported Talent Cycle. The realignment of the company's annual employee appraisal based on the competency model adapted in 2019 is an important building block for ALTANA-wide talent management. The Talent Cycle enables all colleagues equally to receive transparent feedback on the competencies that are important to ALTANA, so that everyone's personal strengths and fields of development can be clearly identified. In this way, ALTANA wants to further promote continuous exchange between employees and their managers – across all sites, in a globally uniform way, and thus transparently for everyone involved.

ALTANA also offers all of its workforce worldwide further training programs, in Germany, for example, by means of a comprehensive training offer with topics such as leadership, conflict management and communication, as well as self-organization and time management. Furthermore, the implementation of a learning platform was successfully completed. On this platform, ALTANA makes global e-learning available to its workforce and assigns training courses to specific target groups. Furthermore, since 2023, ALTANA has provided all its employees with access to a digital training library. These training modules emphasize social skills, align with our internal competency model, and can be utilized by employees at no cost, without the need for a separate approval process.

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. All applicants will be afforded the same 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 staff. Furthermore, the topic of child labor is a risk that was recorded in HR.

The contents of the General Equal Treatment Act (AGG) or similar local legislation apply to all people at ALTANA. 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 people at ALTANA have to adhere to a code of conduct. In performing their work, each staff member must

- behave in accordance with the law and the principles of ethics,
- be loyal to their company and ALTANA,
- act entrepreneurially and independently,
- act professionally, justly, and reliably in all business relations,
- treat all employees, customers, and business partners 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 whistleblowing system gives personnel, 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 the workforce, 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.

## Compliance

### **GRI 2-27 Compliance with Laws and Regulations**

#### **GRI 205 Anti-corruption**

#### **GRI 206 Anti-competitive Behavior**

#### **GRI 416 Customer Health and Safety**

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 workforce 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 Group level, at ALTANA sites, and at suppliers' sites (for example CDP, 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.

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. All employees are called upon to seek and realize improvements in their 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 1,265 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 (AIC).

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.

## 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.

46	GRI Content Index
47	General Disclosures
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## 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 or in this document.

ALTANA fulfills the General Disclosures

- The organization and its reporting practices
- Activities and workers
- Governance
- Strategy, policies, and practices
- Stakeholder engagement

as well as the Material Topics

- 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

CR	= Corporate Report 2023
CFS	= Consolidated Financial Statements 2023
FFS	= Facts and Figures on Sustainability 2023
C	= Cover Corporate Report 2023

Statement of use	ALTANA has reported in accordance with the GRI Standards for the period January 1 to December 31, 2023.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None

	General Disclosures	References	Comments
GRI 2:	General Disclosures 2021		
	<b>The organization and its reporting practices</b>		
2-1	Organizational details	C, CR, p. 45	ALTANA is represented in 26 countries.
2-2	Entities included in the organization's sustainability reporting	CFS, p. 17	The focus of environmental reporting is on production and laboratory sites. Pure marketing and sales offices are not yet taken into account.
2-3	Reporting period, frequency, and contact point	C, CR, p. 6	
2-4	Restatements of information		There is no information that requires a new representation of the Corporate Report 2022.
2-5	External assurance	CR, pp. 6, 122	
	<b>Activities and workers</b>		
2-6	Activities, value chain, and other business relationships	CR, pp. 45–66, 78–89, FFS, pp. 26–27, 34–35	ALTANA's customer structure is primarily shaped by our divisions' business models. On average, about 20 % of sales across all divisions are generated with major customers, our key accounts. The contractual foundation of our customer relationships is largely based on our GTC. Additional purchasing agreements or long-term framework agreements have been concluded with selected customers. The regional distribution of our customers is analogous to our regional sales distribution with the main focus on the United States, China, and Germany. In addition to its core business, ALTANA invests in corporate venturing in order to open up new business areas. ALTANA has invested indirectly in four funds that participate in young technology companies in Germany and around the world. In addition, ALTANA holds seven direct investments in startups and technology incubators involved in innovations in wire coating, mining, real-time analytics, digital printing, and new materials. These funds and startups are located in Germany and Switzerland as well as in Italy, Israel, and the U.S.
2-7	Employees	CR, pp. 67–70, FFS, pp. 10–11	ALTANA does not record figures on employees with non-guaranteed working hours, as these employment relationships do not occur or occur only in exceptional cases. The employment level of ALTANA employees is not subject to seasonal fluctuations.
2-8	Workers who are not employees	CR, p. 69	ALTANA covers its core tasks with its own employees and uses temporary workers only to buffer peak workloads. Training and further education are an important component of employee development at ALTANA. In addition, we offer apprenticeships and internships worldwide. An exact figure for the number is not available.

	General Disclosures	References	Comments
	<b>Governance</b>		
2-9	Governance structure and composition	CR, pp. 12–18, 73–74	
2-10	Nomination and selection of the highest governance body	CR, pp. 12–18, 73–77, FFS, p. 10	
2-11	Chair of the highest governance body	CR, pp. 12–13	
2-12	Role of the highest governance body in overseeing the management of impacts	CR, pp. 73–74, 78–89, FFS, pp. 16, 21–44	Regular meetings are held between the Management Board and our stakeholders to discuss economic, environmental, and social issues. At these meetings, risks/opportunities and their effects are discussed, among other things, and the resulting measures are incorporated into the operational business processes. The head of Corporate EH&S regularly reports to ALTANA’s Management Board or to the responsible member of the Management Board as well as to the division presidents on current topics concerning health, safety, and chemical legislation/regulations. Decisions regarding EH&S are made by the Management Board of ALTANA AG. In addition, representatives of the executive management, the presidents of the divisions, and the specialist managers regularly exchange information on economic and social topics. In the process, all aspects of the stakeholders are taken into account.
2-13	Delegation of responsibility for managing impacts	CR, pp. 73–74, FFS, p. 42	The Management Board of ALTANA AG installed departments to address economic, ecological, and social issues and vested them with necessary authorizations and responsibilities. The heads of these departments report to the Management Board at regular intervals.
2-14	Role of the highest governance body in sustainability reporting		ALTANA’s Management Board examines and approves the ALTANA Corporate Report.
2-15	Conflicts of interest	CR, pp. 73–74, CFS, pp. 75–76	
2-16	Communication of critical concerns	CR, pp. 74–75, FFS, p. 41	The ALTANA whistleblowing system 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. In the year under review, no critical concerns that must be reported here were conveyed to the highest body.
2-17	Collective knowledge of the highest governance body	CR, pp. 1–4	
2-18	Evaluation of the performance of the highest governance body	CR, pp. 14–18, 73–76	
2-19	Remuneration policies	CFS, pp. 76–77, FFS, pp. 28, 30, 33	
2-20	Process to determine remuneration	CFS, pp. 76–77	The external advising that ALTANA consults is independent.
2-21	Annual total compensation ratio		Appropriate compensation is a key issue for ALTANA. In particular, the factors of function, region, experience, and performance are taken into account. We always make sure that the total compensation of our employees is suitable, regardless of gender, religion, ideology, origin, age, disability, political opinion, sexual orientation, or country-specific characteristics. ALTANA is a private company, so compensation data is protected under obligations of confidentiality.

	General Disclosures	References	Comments
	<b>Strategy, policies, and practices</b>		
2-22	Statement on sustainable development strategy	CR, pp. 1–4, 91–94, 122, FFS, pp. 16–17, 21–23	
2-23	Policy commitments	CR, pp. 11, 16, 73–76, 81–82, 126 FFS, pp. 16, 21–23, 34–35, 39–42	As a co-signatory of the United Nations Global Compact, ALTANA has upheld its commitment to the ten principles encompassing human rights, labor standards, environmental protection, and anti-corruption since 2010. These principles have been woven into our corporate strategy, culture, and day-to-day operations. Our annual reports transparently reflect the progress made in adhering to these principles. Furthermore, our actions are guided by the Guiding Principles on Business and Human Rights established by the United Nations Human Rights Council. Starting from January 1, 2023, we have implemented a robust risk management system designed to mitigate human rights and environmental risks within our operations and in collaboration with our suppliers. A comprehensive policy statement elucidates our human rights strategy, outlines the key components of the risk management system, and articulates the expectations we hold for both our employees and suppliers in this context. This statement, along with the ALTANA Code of Conduct and the Code of Ethics, is available for download at <a href="http://www.altana.com">www.altana.com</a> . The approval of new guidelines and declarations is a responsibility entrusted to the company's management, representing the highest executive level within the organization.
2-24	Embedding policy commitments	CR, pp. 16, 74–75, 87, 126 FFS, pp. 21–23, 34–35, 42	ALTANA operates a Compliance Committee entrusted with implementing the Compliance Management System. This committee comprises individuals responsible for different domains covered by the system and is led by the head of Legal Affairs in their role as Chief Compliance Officer. Each member of the committee bears system responsibility for their respective area. Division heads play an important coordination role, making sure that necessary measures are taken within various companies to ensure compliance. They also provide guidance and support to local management in implementing or enhancing systems, fostering an exchange of information on compliance procedures across ALTANA Group companies. The Compliance Management System aims to secure adherence to laws, regulations, and internal company rules, non-compliance with which poses significant risks. Consequently, the system is designed to identify primary risks arising from violations, ensure employee training on relevant laws and regulations, and implement direct measures to prevent breaches. Furthermore, the Compliance Management System strives to establish the necessary control mechanisms for detecting and addressing violations promptly. It spans diverse areas within ALTANA, including antitrust law, corruption, foreign trade, taxes, environment, and safety. The respective management is primarily responsible for the implementation of Group guidelines. In the ALTANA subsidiaries, there are usually specialist managers to whom the tasks are delegated. The implementation of Group guidelines in local guidelines is the responsibility of the respective company. The Internal Audit department regularly reviews the extent to which requirements defined in Group guidelines are implemented or taken into account in the subsidiaries. New or amended Group guidelines are documented and forwarded to the relevant divisions. Where complex issues are involved, this is supplemented by training courses.
2-25	Processes to remediate negative impacts	CR, pp. 73–76, FFS, pp. 16–19, 42	
2-26	Mechanism for seeking advice and raising concerns	CR, pp. 74–75, FFS, p. 41	

	General Disclosures	References	Comments
2-27	Compliance with laws and regulations		A comprehensive survey was conducted within the Group, revealing six instances of non-compliance with laws and/or regulations in the reporting year. As a consequence, fines totaling approximately € 36,100 were paid.
2-28	Membership 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.
	<b>Stakeholder engagement</b>		
2-29	Approach to stakeholder engagement	CR, pp. 7–9	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. The same applies to other important stakeholder groups such as suppliers and local politicians.
2-30	Collective bargaining agreements		In Germany, Italy, the U.S., and France, around 62 % of the workforce is subject to collective bargaining agreements. This key performance indicator is not relevant or not determinable for the other countries. Adequate compensation is an important issue for ALTANA. The factors of function, region, experience, and performance are taken into account in particular.

	Material Topics	References	Comments
GRI 3:	Material Topics 2021		
3-1	Process to determine material topics	CR, pp. 7–9	
3-2	List of material topics	CR, pp. 8–9	
	<a href="#">Direct Economic Value for Customers, Employees, Owner, and Society as a Whole</a>		
3-3	Management of material topics	CR, pp. 44–89, CFS, pp. 1–79, FFS, p. 24	
201-1	Direct economic value generated and distributed	CR, pp. 52–65, CFS, pp. 1–79	
201-2	Financial implications and other risks and opportunities due to climate change	CR, p. 79, FFS, pp. 15–19, 21–23	
201-3	Defined benefit plan obligations and other retirement plans	CFS, pp. 55–59	
201-4	Financial assistance received from government	CFS, pp. 52–53	In the fiscal years spanning from 2021 to 2023, ALTANA secured loan commitments from the European Investment Bank for low-interest loans, a portion of which was utilized in the reporting year. As of December 31, 2023, the accrued interest advantage amounted to € 11.1 million. Furthermore, ALTANA received investment grants totaling € 2.7 million from governmental authorities in the reporting period. The largest amounts were received by companies in China, Italy, Germany, and the Netherlands. There are no government entities in ALTANA's shareholder structure.
	<a href="#">Compliance: Anti-corruption</a>		
3-3	Management of material topics	CR, pp. 74–75, FFS, p. 42	
205-1	Operations assessed for risks related to corruption		During the reporting period, Internal Audit conducted 20 audits, typically performed at the company level rather than the operating site level. Any corruption issues identified during or outside of these audits are addressed within the framework of the Compliance Management System.
205-2	Communication and training about anti-corruption policies and procedures	FFS, p. 42	ALTANA employs various training concepts to prevent corruption.
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.
	<a href="#">Compliance: Anti-competitive Behavior</a>		
3-3	Management of material topics	CR, pp. 74–75, FFS, p. 42	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		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.

	Material Topics	References	Comments
	<a href="#">Compliance: Tax</a>		
3-3	Management of material topics	FFS, pp. 24–25	
207-1	Approach to tax		<p>ALTANA is aware of its social responsibility with regard to the fulfillment of all tax obligations worldwide. This includes, in addition to the timely, complete, and correct declaration/filing of taxes, credibility and transparency in all tax matters. ALTANA has a fundamental interest in ensuring that, in the countries in which it operates, adequate taxes are paid. The ALTANA tax concept (Approach to Tax: <a href="https://www.altana.com/approach-to-tax.html">https://www.altana.com/approach-to-tax.html</a>) describes the management approach and ALTANA's tax strategy and is supported by the following guidelines:</p> <ul style="list-style-type: none"> <li>– ALTANA is committed to complying with all tax regulations. Tax compliance is observed at all times.</li> <li>– ALTANA attaches great importance to a good and fair relationship with all tax authorities in the countries in which the Group operates.</li> <li>– Tax considerations at ALTANA relate exclusively to business necessities. As a principle, ALTANA rejects aggressive tax strategies that are based solely on tax avoidance.</li> <li>– Tax fraud-relevant facts are strictly prohibited.</li> </ul>
207-2	Tax governance, control, and risk management		<p>One of the ALTANA Group's goals is to ensure that it complies with all legal and regulatory requirements. This is reflected both in the code of conduct and in the Group's mission statement. To achieve this objective, it implements a compliance management system and, as part of this, a compliance committee. The area of taxes is part of this compliance management system. Tax risks are thus integrated into the Group's global risk management system, for which the Management Board of ALTANA AG is responsible. This ensures that identification, analysis, assessment, monitoring, and minimization of tax risks is part of the integrated tax compliance management system. It is part of the financial reporting and is therefore also subject to regular external review by the auditor. Furthermore, it is stipulated that ALTANA does not pursue any aggressive tax planning activities and pays taxes where ALTANA creates value. Tax fraud-relevant acts are strictly prohibited.</p>
207-3	Stakeholder engagement and management of concerns related to tax		<p>ALTANA considers it very important to have a good and fair relationship with all tax authorities in the countries in which the Group operates.</p>
207-4	Country-by-country reporting		<p>As part of the country-by-country reporting, the parent company of ALTANA AG transmits tax-relevant data such as income tax payments and taxes on income to the German Federal Central Tax Office (Bundeszentralamt für Steuern) on an annual basis for all Group companies. Based on agreements adopted by the Organization for Economic Co-operation and Development (OECD), tax authorities worldwide have access to this data in this way. The data for this is based on the audited consolidated financial statements. For reasons of confidentiality, a detailed disclosure of this data is not made here.</p>
	<a href="#">Renewable and Recycled Materials</a>		
3-3	Management of material topics	CR, pp. 91–94, FFS, pp. 26–27	
301-1	Materials used by weight or volume	CR, p. 100	
301-2	Recycled input materials used		<p>Due to availability, ALTANA has so far only used secondary products as direct raw materials in isolated cases. In order to enable a circular economy in the future, the share is to be gradually increased.</p>
301-3	Reclaimed products and their packaging materials		<p>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.</p>

	Material Topics	References	Comments
	<b>Clean Energy and Greenhouse Gas Emissions Reduction: Energy</b>		
3-3	Management of material topics	CR, pp. 11, 19–43, FFS, pp. 15–19, 27–28	
302-1	Energy consumption within the organization	CR, pp. 19–43, 71–72, 100–104, FFS, pp. 4, 27–28	In 2023, too, ALTANA issued Guarantees of Origin and so-called Power Purchase Agreements (PPAs) 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 (54 MWh), solar energy (130 MWh). Moreover, ALTANA does not sell any cooling, steam, or heating energy. The conversion factors (e.g., natural gas: m <sup>3</sup> 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	CR, pp. 11, 51, 72, 101, FFS, p. 27	Energy consumption outside the organization is not determined by ALTANA. However, the greenhouse gas emissions from defined categories of Scope 3 will be reported in the coming years.
302-3	Energy intensity	FFS, p. 4	
302-4	Reduction of energy consumption	CR, pp. 19–43, 71–72, 100–105, FFS, pp. 4, 27–28	
302-5	Reductions in energy requirements of products and services	CR, pp. 19–43, 71–72, 100–105, FFS, pp. 4, 27–28	
	<b>Water Efficiency</b>		The reporting is carried out in accordance with GRI 303: Water and Effluents (2018 version).
3-3	Management of material topics	CR, p. 104, FFS, pp. 29–30	
303-1	Interactions with water as a shared resource	FFS, pp. 29–30	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. 8, 29–30	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, p. 104, FFS, pp. 7, 29–30	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 contaminated with organic compounds and is therefore disposed of exclusively as waste in accordance with the legal requirements.
303-4	Water discharge	CR, p. 104, FFS, pp. 8, 29–30	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. 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. 100, 102, 104, FFS, pp. 8, 29–30	At ALTANA, such small amounts of water are stored that this does not cause any significant wastewater or process water-related effects.

	Material Topics	References	Comments
	<b>Clean Energy and Greenhouse Gas Emissions Reduction: Emissions</b>		
3-3	Management of material topics	CR, pp. 9, 11, 51, 71–72, 100–105, FFS, pp. 31–32	
305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	CR, pp. 11, 51, 71–72, 100–102, FFS, pp. 3, 27–28, 31–32	More than 99 % of the reported Scope 1 greenhouse gas emissions are attributable to the gas CO <sub>2</sub> . The rest are due to N <sub>2</sub> O (44 tons of CO <sub>2</sub> equivalents) and CH <sub>4</sub> (40 tons of CO <sub>2</sub> equivalents). The values used for global warming potential (GWP) used are taken from the Greenhouse Gas Protocol.
305-2	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	CR, pp. 11, 51, 71–72, 100–102, FFS, pp. 3, 27–28, 31–32	More than 99 % of the reported Scope 2 greenhouse gas emissions are attributable to the gas CO <sub>2</sub> . The rest are due to N <sub>2</sub> O (347 tons of CO <sub>2</sub> equivalents according to the location-based method and 6 tons of CO <sub>2</sub> equivalents according to the market-based method) and CH <sub>4</sub> (69 tons of CO <sub>2</sub> equivalents according to the location-based method and 1 ton of CO <sub>2</sub> equivalents according to the market-based method). The values used for global warming potential (GWP) are taken from the Greenhouse Gas Protocol.
305-3	Other indirect greenhouse gas (GHG) emissions (Scope 3)	CR, pp. 11, 51, 72, 101, FFS, pp. 27, 31	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	CR, pp. 71–72, 100–104, FFS, p. 3	
305-5	Reduction of greenhouse gas (GHG) emissions	CR, pp. 9, 11, 51, 72, 100–104, FFS, p. 3	
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 <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	FFS, p. 9, CR, p. 105	NO <sub>x</sub> and SO <sub>x</sub> are currently recorded and published in this document. The emissions persistent organic pollutants (POP), volatile organic compounds (VOC), hazardous air pollutants (HAP), and particulate matter (PM) will be determined in the next few years. The conversion factors for greenhouse gases were taken from the IPCC database.
	<b>Reduction of Effluents and Waste</b>		Reporting is carried out in accordance with GRI 306: Waste (2020 version). Due to the current adjustment by GRI, the topic of “Wastewater” is reported under the specification 303 “Water Efficiency.”
3-3	Management of material topics	CR, p. 105, FFS, pp. 32–33	
306-1	Waste generation and significant waste-related impacts	FFS, pp. 32–33	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	CR, p. 105, FFS, pp. 32–33	The explanations for this disclosure can be found in this document in the Management Approach “GRI 306 – Waste.”
306-3	Waste generated	CR, pp. 102, 105, FFS, pp. 5–6, 9	Due to legal requirements, ALTANA has to treat and report certain wastewater volumes as waste.
306-4	Waste diverted from disposal	FFS, pp. 5–6	The total amount of waste, according to local legal definitions, is recycled/reused outside the company.
306-5	Waste directed to disposal	FFS, pp. 5–6	The waste quantities that are to be disposed of or used for thermal recycling within and outside the company are recorded at site level.

	Material Topics	References	Comments
	<a href="#">Responsible Supply Chain Management</a>		
3-3	Management of material topics	CR, p. 11, FFS, pp. 34–35	
308-1	New suppliers that were screened using environmental criteria	FFS, pp. 34–35	During the reporting year, ALTANA introduced an extension to the existing supplier onboarding process as part of the German Supply Chain Due Diligence Act (LkSG). This extension involves a multi-stage process aimed at identifying additional risks related to social and environmental issues before initiating a potential business relationship. Currently applied to suppliers of raw materials, packaging, and logistics services, the process is slated for future expansion to encompass suppliers for indirect requirements. The extended process comprises a step-by-step country and industry risk analysis, followed by a comparison of a satisfactory EcoVadis score (if available). Subsequently, a supplier self-assessment questionnaire via the sustainability platform IntegrityNext is administered if the initial steps indicate a potential risk. A more detailed description of the process can be found in the management approach under GRI 308. New suppliers, along with existing ones, undergo a recurring status review as part of our collaboration with EcoVadis. The same diligence applies to suppliers included in IntegrityNext through the new onboarding process, ensuring a periodic assessment of their status.
308-2	Negative environmental impacts in the supply chain and actions taken	FFS, pp. 34–35	Through collaboration with EcoVadis, ALTANA has expanded the coverage of its supplier base, monitored through recurring status checks. In the reporting year, 662 scorecards were available for raw material suppliers, constituting a coverage of 71 % of raw material expenditures. Additionally, 57 scorecards from logistics service providers covered 53 % of logistics expenditure, and 50 scorecards from ALTANA's IT service providers represented a 77 % coverage of IT expenditure. The scope was further extended to include ALTANA's energy suppliers, resulting in 11 scorecards, equivalent to 25 % coverage of European energy expenditures. ALTANA is committed to continuously increasing the coverage degree.  Furthermore, in compliance with the LkSG requirements, ALTANA implemented its risk management system in 2022. This system follows a multi-stage process, briefly described under 308-1. ALTANA will provide detailed results of the risk analysis, along with the number of preventive and corrective measures, in the upcoming year. This report will be made publicly available on ALTANA's website.
	<a href="#">Employee-oriented Management: Employment</a>		
3-3	Management of material topics	CR, p. 11, FFS, pp. 39–41	
401-1	New employee hires and employee turnover	CR, pp. 67–69, FFS, p. 10	The breakdown of new hires and resignations in 2023 was based on male and female gender, as there were no known employees of diverse gender.
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		The company benefits provided by ALTANA vary from region to region, partly due to differing legal requirements. In addition, ALTANA makes a concerted effort to not differentiate between full-time and part-time employees when granting such benefits, in order to strengthen employee loyalty and its attractiveness as an employer. In the reporting year, around 83 % of employees were offered a company pension or company-funded pension.
401-3	Parental leave		Further information on this topic is not available.

	Material Topics	References	Comments
	Occupational Health and Safety		Reporting is in accordance with GRI 403: Occupational Health and Safety (2018 version).
3-3	Management of material topics	CR, pp. 11, 70–71, 81, 96–98, FFS, pp. 36–37	
403-1	Occupational health and safety management system	FFS, pp. 36–37	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. 36–37	The explanations for this disclosure can be found in this document in the Management Approach “GRI 403 – Occupational Health and Safety.”
403-3	Occupational health services	FFS, pp. 36–37	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. 36–37	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. 36–37	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. 36–37	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. 36–37	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. 36–37	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. 12–13	The number and rate of documented work-related injuries and the hours worked by employees and subcontracted workers are 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. 13	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.

	Material Topics	References	Comments
	<a href="#">Attracting and Maintaining a Skilled Workforce</a>		
3-3	Management of material topics	CR, pp. 11, 107–108, FFS, pp. 39–41	
404-1	Average hours of training per year per employee		In 2023, employees in Germany dedicated an average of eight hours to training and development. The average value (hours per participant) has decreased compared to previous years. This decline is attributed to the implementation of e-learning and mandatory training (such as compliance and IT security), which has led to an increase in the absolute number of participants. However, the duration of learning is shorter compared to traditional face-to-face training sessions. A consolidated evaluation is not available for ALTANA's worldwide sites. Further information on this topic is not available, as it is not sufficiently relevant for ALTANA.
404-2	Programs for upgrading employee skills and transition assistance programs	FFS, pp. 39–41	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.
404-3	Percentage of total employees receiving regular performance and career development reviews	CR, pp. 69, 108, FFS, pp. 39–41	To promote its employees' professional development, ALTANA implemented the global, system-supported Talent Cycle. The Talent Cycle enables all colleagues equally to receive transparent feedback on the competencies that are important to ALTANA, so that everyone's personal strengths and fields of development can be clearly identified. In this way, a continuous exchange between the employee and their manager is further promoted.
	<a href="#">Employee-oriented Management: Diversity and Equal Opportunity</a>		
3-3	Management of material topics	CR, p. 11, FFS, pp. 39–41	
405-1	Diversity of governance bodies and employees	CR, pp. 12–13, 73–77, FFS, p. 10	The distribution of age groups is not available.
405-2	Ratio of basic salary and remuneration of women to men		Information on this topic is not available.
	<a href="#">Employee-oriented Management: Non-discrimination</a>		
3-3	Management of material topics	CR, pp. 11, 73–77, FFS, p. 39–42	
406-1	Incidents of discrimination and corrective actions taken		A systematic survey was conducted within the Group, revealing a total of eight incidents investigated in the reporting period. Out of these, four were identified as compliance violations. The remaining four cases involved investigations into suspected discrimination and allegations of harassment. However, none of the four suspected cases could be conclusively substantiated. The verifiable compliance violations were associated with three instances of harassment, and there was also evidence of suspected discrimination. Legal action was initiated or appropriate disciplinary measures were taken in all four cases.

	Material Topics	References	Comments
	<a href="#">Compliance: Health and Safety of Customers</a>		
3-3	Management of material topics	CR, pp. 74–75, FFS, p. 42	
416-1	Assessment of the health and safety impacts of product and service categories	CR, pp. 9, 91–93, FFS, pp. 26–27, 42	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 reporting year, ALTANA received notification of a violation of regulations and/or voluntary codes of conduct related to the health and safety impacts of products and services. This infringement led to the payment of a fine amounting to approximately € 4,800.
	<a href="#">Marketing and Labeling</a>		
3-3	Management of material topics	FFS, pp. 38–39	
417-1	Requirements for product and service information and labeling	FFS, pp. 38–39	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.
	<a href="#">Innovative Solutions to Exploit Growth and Savings Potential for Customers</a>		
3-3	Management of material topics	FFS, pp. 43–44	
	Innovative solutions to exploit growth and savings potential for customers	CR, pp. 8, 11, 19–43, 65–66, 91–94, FFS, pp. 43–44	

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