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Sustainability Performance Indicators

On the following pages we present different Group performance indicators for the areas of environment, economy, transport, safety, and personnel. All performance indicators refer to the period from January 1, 2018, to December 31, 2018.

Companies that belonged to ALTANA for the entire period in which the performance indicators were recorded are included in the performance indicators.

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Environmental Performance Indicators

We represent the environmental performance indicators as absolute values, in relation to gross value added, or GVA for short (EBITDA adjusted for personnel costs), as well as related to production volume (produced finished goods). Where targets are specified, data related to gross value added are used.

Emissions

CO₂

	absolute in t	related to GVA	in kg/€	in kg/kg
Total (Scope 1 + Scope 2)				
2015 ^{1,4}	151,062		0.21	0.30
2015 ^{2,4}	210,858		0.27	0.41
2016 ^{1,4}	146,793		0.18	0.28
2016 ^{2,4}	202,234		0.24	0.39
2017 ^{1,3}	186,304		0.21	0.35
2017 ^{2,3}	187,548		0.21	0.35
2018^{1,3}	188,743		0.21	0.34
2018^{2,3}	193,085		0.21	0.34
Scope 1				
2015 ²	93,006		0.12	0.18
2016 ²	83,685		0.10	0.16
2017 ²	92,207		0.10	0.17
2018²	95,202		0.10	0.17
Scope 2				
2015 ^{2,4}	117,852		0.15	0.23
2016 ^{2,4}	118,550		0.14	0.23
2017 ^{2,3}	95,341		0.10	0.18
2017 ^{2,4}	111,976		0.12	0.21
2018^{2,3}	94,746		0.10	0.17
2018^{2,4}	97,884		0.11	0.17

¹ Data excluding the companies acquired in the last 3 years

² Data including the companies acquired in the last 3 years

³ Market based

⁴ Location based

Related to the basis year 2007, the specific CO₂ emissions decreased overall by 30 % (for Scope 1 and Scope 2); 0 % (for Scope 1); and by -45 % (for Scope 2). The ALTANA Group's indirect emissions, in other words emissions which arise due to energy requirements related to product transport, business trips, and the purchase of raw materials, will be determined by ALTANA in the coming years (Scope 3).

Scope 1: Emissions from ALTANA's own energy generation (e.g. for heat)

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

Scope 3: Emissions from services provided by third parties and purchased service input (e.g. transport)

Market based: Disclosure of Scope 2 based on supplier-specific emission factors

Location based: Disclosure of Scope 2 emissions based on country- and region-specific emission factors (electricity mix)

Energy Consumption

Energy sources

	absolute in MWh	related to GVA	in kWh/€	in kWh/kg
Natural gas				
2015	418,464		0.53	0.82
2016	373,033		0.45	0.72
2017	403,142		0.44	0.75
2018	398,819		0.43	0.71
Electricity				
2015	251,360		0.32	0.49
2016	252,805		0.30	0.49
2017	253,027		0.28	0.47
2018	258,799		0.28	0.46
Oil				
2015	10,741		0.01	0.02
2016	12,375		0.02	0.02
2017	17,576		0.02	0.03
2018	14,649		0.02	0.03
Steam (not generated internally)				
2017 ¹	19,923		0.02	0.04
2018¹	16,346		0.02	0.03
District heating (not generated internally)				
2017 ¹	1,314		<0.01	<0.01
2018¹	1,656		<0.01	<0.01
Compressed air (not generated internally)²				
2017 ¹	569		<0.01	<0.01
2018¹	616		<0.01	<0.01
Propane gas				
2017 ¹	532		<0.01	<0.01
2018¹	497		<0.01	<0.01
Solar energy (generated and used internally)				
2017 ¹	958		<0.01	<0.01
2018¹	994		<0.01	<0.01
Hydropower (generated internally)				
2017 ¹	215		<0.01	<0.01
2018¹	235		<0.01	<0.01

¹ In accordance with GRI Standards reported for the first time in 2017

² Converted into electricity

Waste

































Hazardous waste

	absolute in t	related to GVA	in g/€	in g/kg
Hazardous waste				
2015 ¹	18,426		25.54	36.01
2015 ²	18,571		23.57	36.30
2016 ¹	19,328		23.18	37.45
2016 ²	19,453		23.33	37.69
2017 ¹	19,376		21.40	36.23
2017 ²	19,390		21.24	36.26
2018¹	18,654		20.39	33.59
2018²	18,817		20.27	33.45
For recycling				
2015 ¹	3,290		4.56	6.43
2015 ²	3,418		4.34	6.68
2016 ¹	3,974		4.77	7.70
2016 ²	4,091		4.91	7.93
2017 ¹	4,662		5.15	8.72
2017 ²	4,662		5.11	8.72
2018¹	4,284		4.68	7.71
2018²	4,284		4.61	7.61
For thermal use				
2015 ¹	9,690		13.43	18.94
2015 ²	9,700		12.31	18.96
2016 ¹	9,488		11.38	18.38
2016 ²	9,494		11.39	18.40
2017 ¹	10,892		12.03	20.37
2017 ²	10,896		11.94	20.37
2018¹	10,951		11.97	19.72
2018²	11,067		11.92	19.67
For disposal				
2015 ¹	5,447		7.55	10.65
2015 ²	5,453		6.92	10.66
2016 ¹	5,867		7.04	11.37
2016 ²	5,869		7.04	11.37
2017 ¹	3,822		4.22	7.15
2017 ²	3,832		4.20	7.17
2018¹	3,419		3.74	6.16
2018²	3,466		3.73	6.16

¹ Data excluding the companies acquired in the last 3 years

² Data including the companies acquired in the last 3 years

Non-hazardous waste

	absolute in t	related to GVA	in g/€	in g/kg
Non-hazardous waste				
2015 ¹	6,579		9.12	12.86
2015 ²	10,418		13.22	20.36
2016 ¹	5,583		6.70	10.82
2016 ²	8,751		10.49	16.96
2017 ¹	11,665		12.88	21.81
2017 ²	11,768		12.89	22.00
2018¹	11,076	 Target for 2018: 12.49	12.11	19.94
2018²	11,380		12.26	20.23
For recycling				
2015 ¹	3,245		4.50	6.34
2015 ²	4,324		5.49	8.45
2016 ¹	3,177		3.81	6.16
2016 ²	3,807		4.57	7.38
2017 ¹	5,622		6.21	10.51
2017 ²	5,622		6.16	10.51
2018¹	5,066		5.54	9.12
2018²	5,075		5.47	9.02
For thermal use				
2015 ¹	1,077		1.49	2.11
2015 ²	1,080		1.37	2.11
2016 ¹	635		0.76	1.23
2016 ²	639		0.77	1.24
2017 ¹	967		1.07	1.81
2017 ²	1,012		1.11	1.89
2018¹	804		0.88	1.45
2018²	1,039		1.12	1.85
For disposal				
2015 ¹	2,258		3.13	4.41
2015 ²	5,014		6.36	9.80
2016 ¹	1,771		2.12	3.43
2016 ²	4,305		5.16	8.34
2017 ¹	5,076		5.61	9.49
2017 ²	5,134		5.62	9.60
2018¹	5,206	 Target for 2018: 5.51	5.69	9.37
2018²	5,266		5.67	9.36

¹ Data excluding the companies acquired in the last 3 years² Data including the companies acquired in the last 3 years

Water

Water consumption

	absolute in m ³	related to GVA	in l/€	in l/kg
Drinking water (excluding water as raw material)				
2015 ¹	511,201		0.71	1.00
2015 ²	1,472,924		1.87	2.88
2016 ¹	517,401		0.62	1.00
2016 ²	1,274,327		1.52	2.47
2017 ¹	1,233,377		1.36	2.31
2017 ²	1,239,617		1.36	2.32
2018¹	1,344,023		1.47	2.42
2018²	1,369,549		1.48	2.43
Surface water				
2015 ²	172,397		0.19	0.34
2016 ²	160,460		0.18	0.31
2017 ²	141,143		0.15	0.26
2018²	154,590		0.17	0.27
Groundwater				
2015 ²	841,701		0.92	1.65
2016 ²	783,424		0.86	1.52
2017 ²	700,536		0.77	1.31
2018	706,936		0.76	1.26

¹ Data excluding the companies acquired in the last 3 years

² Data including the companies acquired in the last 3 years

Wastewater indirect discharge: 12 tons COD

Wastewater direct discharge: 6 tons COD

(COD = chemical oxygen demand)

Additional Environmental Performance Indicators

Inert waste

	in t
2015	6,559
2016	6,064
2017	6,361
2018	4,441

Waste from demolition projects





	in t
2015	13,466
2016	3,930
2017	2,320
2018	5,443

Further emissions

	2015	2016	2017	2018
in t				
SO ₂	4.08	3.85	5.26	4.49
NO _x	61.71	55.01	60.26	59.09
N ₂ O ¹	0.18	0.16	0.18	0.18

¹ N₂O is considered a greenhouse gas. A GWP (Global Warming Potential) conversion factor of 265 (Source: GHG protocol) results in 46.6 tons of CO₂ equivalent for the 2018 reporting period.

Energy demand

	Related to finished goods	in kWh/kg
2015		1.34
2016		1.24
2017		1.30
2018		1.23

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

Economic Performance Indicators

The gross value added used in the table below considers all production sites and, from 2018, all sales offices, and is used as a reference figure for the environmental performance indicators. Further economic performance indicators are listed, in particular, in the Group Management Report of the Corporate Report.

Gross value added

in € thousand	
2015	787,816
2016	833,896
2017	912,790
2018	928,340

Finished goods

in t	
2015	511,632
2016	516,107
2017	534,815
2018	562,591

Raw materials used: 545,449 tons (fossil, renewable, mineral, and metallic raw materials)

Transport

The figures in the following table show the percentage distribution of finished goods transport routes.

Transport routes for finished goods

	Water	Road	Air	Rail
in %				
2015	26.51	72.55	0.79	0.15
2016	25.69	72.86	0.57	0.88
2017	24.75	73.58	0.81	0.86
2018	25.07	73.42	0.72	0.79

Human Resources Performance Indicators

The percentages in the tables below refer to the number of employees as of December 31, 2018.

Share of part-time employees

in %		
2015		7.2
2016		7.3
2017		7.5
2018		7.1

Share of women in management positions (in Germany)

in %		
2015		21.1
2016		21.5
2017		22.8
2018		22.3

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

in %		
2015		78.4
2016		79.9
2017		78.7
2018		80.2

Share of women (in Germany)

		2018
in %		
Employees		30.2
Managerial staff		12.9
Executive Management Team		10.0
Supervisory Board		25.0

New employees

2018		
	Number	%
Age group		
under 30 years old	271	4.2
30 to 50 years old	330	5.1
over 50 years old	71	1.1
Total	672	10.5

Staff turnover

2018		
	Number	%
Age group		
under 30 years old	87	1.4
30 to 50 years old	226	3.5
over 50 years old	152	2.4
Total	465	7.2

2018		
	Number	%
Gender		
male	502	7.8
female	170	2.6
Total	672	10.5

2018		
	Number	%
Gender		
male	361	5.6
female	104	1.6
Total	465	7.2

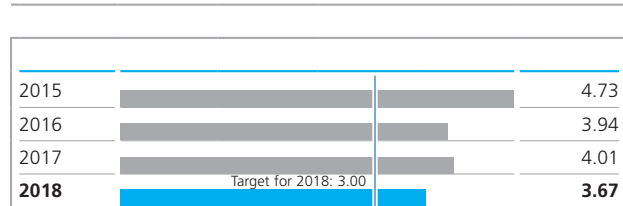
2018		
	Number	%
Region		
Europe	343	5.3
North America	183	2.8
South America	49	0.8
Southeast Asia	39	0.6
China	58	0.9
Total	672	10.5

2018		
	Number	%
Region		
Europe	173	2.7
North America	168	2.6
South America	74	1.2
Southeast Asia	33	0.5
China	17	0.3
Total	465	7.2

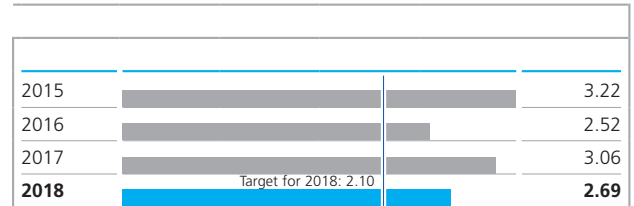
Safety Performance Indicators

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

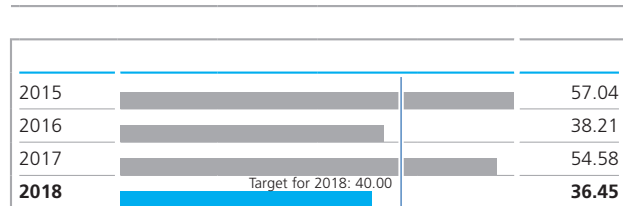
WAI 1 (number of occupational accidents with lost work time of one day or more per million working hours)



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

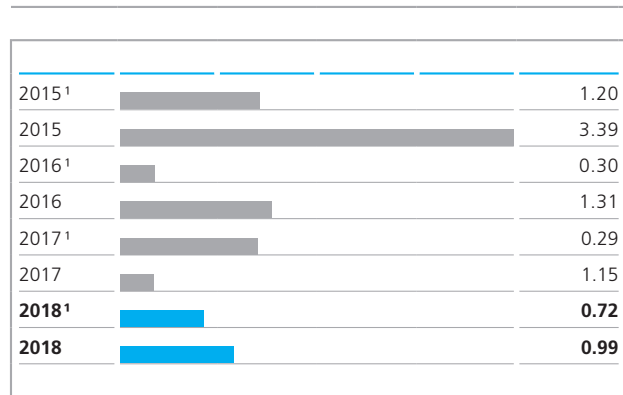


WAI 3 (number of lost work days due to occupational accidents per million working hours)



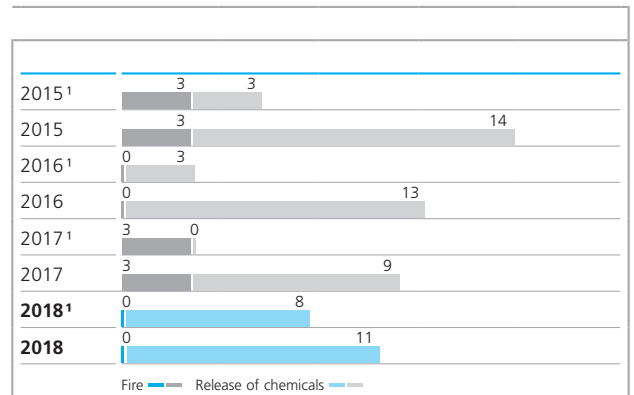
WAI = Work Accident Indicator

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



¹ According to ALTANA's specific definition of significant incidents (only damage incidents without secondary containment are considered)

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



¹ According to ALTANA's specific definition of significant incidents (only damage incidents without secondary containment are considered)

Accident key figures by region

		Region		
2018		Europe	Asia	Americas
WAI 1 ¹	Number of occupational accidents related to 1 million working hours	5.56	0	7.83
WAI 3	Number of lost work days based on occupational accidents related to 1 million working hours	42.44	0	39.84

¹ In this definition, accidents with lost work days and restricted workplaces are meant.

Types of injuries, by gender and region

	Gender		Region		
	Women	Men	Europe	Asia	Americas
Number of accidents	9	52	38	0	23
Types of injury in %					
Mechanical impacts	23	12	13	0	13
Contact with moving machine parts	11	8	8	0	9
Contact with stationary objects	11	18	15	0	22
Collision with vehicle/moving machine	11	8	13	0	0
Sharp-edged surfaces (e. g. knife)	0	12	11	0	9
Ergonomic (muscles, lifting/carrying)	0	8	0	0	18
Contact with chemicals/hazardous substances	0	12	8	0	13
Eye contact with chemicals/hazardous substances	11	2	3	0	4
Stumbling, falling, sliding	11	12	20	0	0
Falling from up high (ladder)	0	2	3	0	0
Falling from up high (stairs, scaffolding)	11	2	3	0	4
Burning/scalding	0	2	0	0	4
Falling due to ice or snow	11	0	0	0	4
Accident during business trip	0	2	3	0	0

Management Approaches

With the Management Approaches we describe how we organize topics that are important for ALTANA and how we control their economic, ecological, and social impacts. Further information on these issues can be found in the ALTANA Corporate Report and in the Sustainability Performance Indicators in this document.

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GRI 102 – Strategy

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

In the following, the goals for ecology and social responsibility will be presented. Economic content and risks related to our strategy are discussed in the Corporate Report under “Group Management Report.”

Ecological Responsibility

ALTANA’s products not only improve application-technology-related qualities of customer’s 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 organic solvents. 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 CO₂ emissions, drinking-water consumption, and waste volumes in absolute terms and in terms of gross value added and finished products manufactured. To this end, each year we define targets oriented to longer-term developments and check them on a regular basis. The measures derived from them are specified and implemented in the respective companies.

The issue of safety is also very important at ALTANA. Accidents with lost work days are reported by all of the company’s sites worldwide and published in the form of internationally recognized Work Accident Indicators. From these indicators, annual targets are defined and checked on a quarterly basis. At all sites, appropriate measures are implemented to avoid accidents.

So that sustainability aspects can play a role already in decision-making, ALTANA developed and introduced sustain-

ability criteria in important business processes. With pre-defined checklists, the effects on the environment and people are determined in advance, so that suitable measures can be introduced if necessary. As a result, possible risks are recognized at an early stage and minimized by taking appropriate steps.

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

A worldwide network of experts ensures that ALTANA products can be marketed in the relevant countries, today and in the future. To meet global chemical law requirements, ALTANA uses in most companies the EH&S system from SAP, in which all material and toxicological data of raw materials, intermediates, and finished products are managed. On this basis, safety data sheets and finished product labels are created, among other things. For special chemical legislation, for example food contact, experts make product recommendations and support customers in their endeavors.

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

ALTANA joined the UN Global Compact initiative, whose members are voluntarily committed in their corporate

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

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

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

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

Organization

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

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

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

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

Social Responsibility

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

The natural sciences, mathematics, informatics, and technology are among the drivers of economic development and social progress around the world. In this context, ALTANA sees itself as having a responsibility to introduce young people to these disciplines at an early stage and to kindle their enthusiasm for them. In cooperation with experienced partners from the education sector, the ALTANA Group supports concrete projects, often in close proximity to ALTANA's sites. To maximize lasting impact, the company usually promotes these projects over a period of several years.

Risks

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

GRI 201 – Economic Performance

through rising energy prices. The risks that can arise from the marketing of ALTANA products are also assessed as being low. ALTANA's products are irreversibly integrated in composites (for example, additives and effect pigments in coatings, and wire enamels and overprint varnishes on packaging films), and thus have lower effects on the environment and human health.

In the sphere of human resources, the challenges mainly lie in the fields of "Recruitment of Skilled Workers" and "Demographic Change."

The Management Approach to this topic can be found in the Corporate Report under Group Management Report and in the online document "Consolidated Financial Statements."

Opportunities

Today and in the future, ALTANA offers and will offer companies around the world specialty chemicals solutions that make products used in daily 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 that offers work topics of exemplary interest, modern work-time models, and diverse further training possibilities. Young up-and-coming talents are promoted through the support of projects in education, science, and research, enabling them to keep developing.

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, where we report on the opportunities and risks connected with our products.

In the manufacture of its products, ALTANA distinguishes between the following raw-material groups:

- raw materials based on fossil sources,
- raw materials from renewable resources,
- raw materials from non-fossil and non-renewable resources (for example metals and clays), and
- drinking water as a raw material.

Some recycled materials are used for packaging.

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

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

Local suppliers with the same prices and 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 to avoid single-source situations.

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

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

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

ALTANA established a system for recording the different raw-material groups worldwide. ALTANA’s manufacturing sites are currently required to report on their raw-material volumes annually. These characteristics are recorded electronically in a globally accessible database. The data are then checked for completeness and plausibility. With this result, the efficient usage of raw materials can be checked and optimized so that the amount of raw materials used, if technically possible, can be processed into products. The key performance indicators are published internally based on sites, divisions, and at the holding level, and discussed with the Management Board and the division presidents. In produc-

GRI 302 – Energy

tion, ALTANA pursues the goal of processing the raw materials it uses, if technically possible, into products. In the process, we aim to keep the amount of waste and emissions as low as possible. With this volume record, efficient use of raw materials can be checked and optimized.

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

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

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

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

In addition to raw materials, energies for different purposes (heating, cooling, mixing, etc.) are 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 operations in the chemical industry, ALTANA has relatively low energy needs, expressed in the form of CO₂ 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 CO₂ emissions as low as possible.

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 in terms of gross value added or 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 hydro-power 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. The absolute consumption values are converted into CO₂ emissions using corresponding conversion factors. The energy consumption is represented and controlled via the CO₂ emissions calculated. Further proceedings are described in the Management Approach "Emissions."

GRI 303 – Water

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

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

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

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

In the manufacturing processes of the ALTANA Group, water is mainly used for cooling purposes, for washing processes, and as a raw material. Therefore, water is an essential production and usage factor and thus is highly relevant for ALTANA. In addition to the manufacturing sites, this applies to the Group's laboratories and administrative buildings (sanitary water).

The availability of water differs widely in different parts of the world. Some ALTANA sites are located in very water-rich areas (for example Finland), while other production sites are found in regions where there is a scarcity of water (such as India). According to current information, water extraction on the part of ALTANA manufacturing sites has no negative effects on the local drinking water supply. Overall, ALTANA believes that it is assured of sufficient water of appropriate quality. ALTANA mainly uses locally available drinking water. At some sites, the water needed is extracted from rivers and from groundwater and treated. As a result, even in regions with a scant drinking water supply the amount of water needed for production is ensured.

The sources of water that the ALTANA Group is responsible for (ground and surface water) are considered separately (ensuring the amount and quality of the water; biodiversity) and set up in accordance with the relevant legal specifications. Periodically, operations are checked regarding both quantity and quality.

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

ALTANA established a system for recording its water consumption worldwide (drinking water, surface water, ground water). ALTANA does not use other kinds of water (including rainwater and wastewater of third parties) to manufacture products and thus does not collect data on it.

At some sites, rainwater is used to water green areas. The manufacturing sites are required to report on their water consumption quarterly. These key performance indicators are aggregated electronically in a globally accessible database. For purposes of comparison, not only the absolute values but also the standardized values, in terms of gross value added and the volume manufactured, are represented (specific water consumption). These data are checked for completeness and plausibility. The key performance indicators are published internally in detail based on sites and divisions, and at the holding level, and discussed with the Management Board and the division presidents.

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

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

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

When investments are made and in acquisition processes, water consumption criteria are recorded and considered.

The examination is carried out based on predefined checklists with the aim of determining the water consumption in advance and introducing appropriate action if necessary.

GRI 305 – Emissions

Chemical manufacturing processes generate emissions, which mainly affect production sites. ALTANA aims to reduce local employees' exposure to emissions as well as the emissions discharged into the environment, and thus to minimize or rule out harmful effects (for example, respiratory illnesses, global warming, the depletion of the ozone layer, and acid rain). 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, employees are required to wear ear protection. The legally required thresholds in the respective countries are adhered to. Therefore, this issue is highly relevant for ALTANA.

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

ALTANA established a system for recording energy consumption worldwide at the respective sites (primary and secondary energies). The manufacturing sites are required to report the energy consumption quarterly. The consumption values are entered electronically into a globally accessible database, are checked for completeness and plausibility, and are then converted using a factor into greenhouse gas (GHG) emissions (for example, CO₂ and N₂O) as well as SO_x and NO_x emissions. The conversion factors for electricity come

from the International Energy Agency (IEA), and the conversion factors for other primary energies (such as oil and natural gas) come from the International Panel of Climate Change (IPCC) database. For purposes of comparison, not only the absolute values but also the standardized values are represented, related to gross value added and also to the volume produced (specific CO₂ 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. Each year, targets for specific CO₂ emissions are defined for ALTANA as a whole and the respective divisions. Target achievement is part of the variable compensation of the division presidents and is broken down further in the organization. The overall objective for the period from 2007 to 2020 is a specific CO₂ reduction of 30 % for the ALTANA Group as a whole. In addition, Volatile Organic Compounds (VOC) and other emissions are recorded and evaluated.

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

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

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

GRI 306 – Effluents and Waste

level of the division presidents and the head of Corporate EH&S.

For selected products, ALTANA carried out lifecycle assessments based on defined ISO standards. In the process, the CO₂ emissions and among others the ozone-depleting properties of the products were calculated. The data were recorded and evaluated using the software GABI, and the results were published in the form of standardized Environmental Product Declarations (EPDs). Finally, TÜV Rheinland validated and certified the overall results regarding the products selected.

One goal of the lifecycle assessment is to determine the product carbon footprint, in other words the carbon balance of the different products. In further steps, ALTANA intends to develop products with a reduced CO₂ 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.

Chemical manufacturing processes generate effluents and waste. These mainly affect production sites. ALTANA aims to reduce the amount of waste and wastewater it produces, thus minimizing the harmful effects on people and the environment (for example, landfill and water pollution). Therefore, this issue is highly relevant for ALTANA.

Chemically contaminated wastewater is treated in accordance with legal requirements either internally (for example in wastewater treatment plants) or externally (for example, through combustion). All other wastewater is discharged into the local sewage system in accordance with legal requirements, also taking into account the volume and quality of the wastewater. To avoid posing risks to the environment through wastewater, chemically contaminated water is channeled into separate sewers. In addition, regular samples are tested and measurements are taken continually. The chemically contaminated wastewater is cleaned locally in (biological) clarifying basins or carried in tankers for disposal. With these measures, contamination of the environment is normally ruled out.

The waste produced by ALTANA, in accordance with legal regulations, is divided into two main groups: hazardous and non-hazardous waste. The waste in each of the above-mentioned categories is further differentiated, recorded, and represented: waste for recycling, waste for thermal use (internally and externally), and waste for disposal. ALTANA aims to reduce the amount of waste it produces both in absolute terms and in terms of tonnage and gross value added. If waste cannot be avoided for technical reasons, ALTANA pursues the goal of recycling waste, or using it thermally, and only lastly disposing of it. In addition to the two main groups, at a few sites there is also inert waste (for example, dead rock) and demolition waste. Waste is always collected by specialized companies and disposed of properly in accordance with local legal (environmental) requirements. The remaining risk is that the disposal company

might not dispose of the waste properly and thus might possibly endanger the environment. To prevent this from happening, ALTANA works with qualified disposal companies and in most countries ensures proper disposal through a return receipt system.

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

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

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

The key performance indicators are aggregated in detail based on sites and divisions, and at the holding level, published internally, and discussed with the Management Board and the division presidents.

Each year, targets are defined regarding the specific waste volume (hazardous, non-hazardous, as well as the total amount and disposal) for the entire ALTANA Group and the respective divisions. Target achievement is a component of the variable compensation of the division presidents and is broken down further in the organization. The goal of this procedure is to ensure that the amount of waste is reduced. In the field of wastewater, the so-called chemical oxygen demand (COD) for direct and indirect discharges is recorded.

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

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

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

When investments are made and during acquisition processes, the amount of waste and wastewater is recorded based on the criteria described above and taken into account

GRI 308 – Responsible Supply Chain Management

in the decision-making process. The examination is carried out based on predefined checklists with the goal of determining the amount of waste and wastewater in advance and taking appropriate measures if necessary.

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. To avoid overextending the depth of value creation, close cooperation with our suppliers and research departments is important.

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

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

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

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

GRI 403 – Occupational Health and Safety

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

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

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

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

Our employees are our most important asset. It is anchored in our Guiding Principles that it is ALTANA's corporate duty to protect the environment and all employees and to guarantee staff safety. Occupational health and safety at the workplace are very important 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. At many sites, health-promotion campaigns are offered, including sports offers, health examinations, and psychological advising. All employees worldwide (including temporary workers and contractors) are required to have an understanding of safety. Therefore, the topic is highly relevant for ALTANA.

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

All of our sites worldwide have established their own safety organization, which is responsible for adhering to all local health and safety regulations, for training measures, as well as for recording and evaluating accidents and "near misses." Within the framework of this safety organization, all accidents with lost work time of more than one day have to be recorded immediately and emergency measures must be considered. Within 48 hours, an accident has to be reported to a defined circle of people, including the division president, 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 a policy and mandatory for all employees.

To record accidents with lost work time, ALTANA has implemented a system that is valid worldwide. Currently, all sites (production, laboratories, administration, and sales offices) of the ALTANA Group are asked to record accidents on a quarterly basis.

These accidents are documented electronically in a globally accessible database. Based on this documentation, ALTANA determines specific key figures, so-called Work Accident Indicators (WAI).

Definition of WAI 1, 2 and 3:

- WAI 1: Number of occupational accidents with lost work time of one day or more per million working hours
- WAI 2: Number of occupational accidents with lost work time of more than three days per million working hours
- WAI 3: Number of lost work days due to occupational accidents 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, and accidents followed by restricted workplaces.

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

tation 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.

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

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

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 major changes are made, customers automatically receive a safety data sheet in their national language and based on national requirements. It is absolutely essential that ALTANA 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 and thus guarantees safe use.

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

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

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

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

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

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

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

During acquisitions and when research and development projects are launched, chemicals legislation aspects are considered from the very beginning. The examination is based

Employee-Oriented Management

on predefined checklists with the aim of recognizing potential 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 to participate in the company's success to motivate them to stay with the company on a long-term basis. All employees in ALTANA companies have above-average qualifications and commitment. Our four central values of openness and trust, appreciation and empowerment to act – defined in ALTANA's Guiding Principles – characterize our culture of interaction. Therefore, this issue is highly relevant for ALTANA.

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

ALTANA offers its employees further training opportunities, promotes their professional development in targeted ways, and supports their health with special preventive

measures. This strengthens our attractiveness as an employer. These basic principles apply to all employees worldwide. With the ALTANA Management Challenge (AMC), the Group created a globally uniform assessment instrument for selecting future executives. The basis for the one-day assessment with practical business simulations and role play was developed in Germany and subsequently adapted to the respective regional conditions by local experts.

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

ALTANA also offers all of its employees worldwide further training programs. In Germany, for example, there is a comprehensive further training catalog with topics such as management training, conflict and communication training, and training for self-organization and time management.

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

With its Keep Changing Agenda for the future, ALTANA has also set itself the goal of increasing the number of women in leadership positions. To this end, ALTANA founded the LEADING WOMEN@ALTANA and Women Mentoring

initiatives, among others. And they have been successful: The number of women in leadership positions in Germany has already increased. The progress in terms of the key performance indicators is reviewed periodically. Despite the efforts to steadily increase the quota of women at ALTANA, all applicants are given equal opportunities. We continually evaluate measures that help us have a convincing overall offer as an employer and make an effort to maintain internationalism and cultural diversity, and to avoid unequal treatment (for example, when it comes to filling management positions and choosing participants for management training based on regionally specific criteria). Due to demographic change and the resulting lack of specialist workers, we pay particular attention to the recruitment of young employees, specialists, and managers. ALTANA sees possible risks of disadvantages to applicants and discrimination against employees. Furthermore, the topic of child labor is a risk that was recorded in HR.

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

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

- behave in accordance with the law and the principles of ethics,
- be loyal towards his/her company and the ALTANA Group,
- act professionally, fairly and reliably in all business relations,
- treat all employees, customers and business partners fairly, politely, and respectfully,
- reasonably consider the interests of customers and business partners, the authorities, the public, and the environment,

- respect and observe other cultures and cultural boundary conditions,
- refrain from any form of discrimination,
- handle any risks responsibly and transparently.

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

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

The target groups of interest to ALTANA recruiting communicate primarily via the Internet and mobile end devices. ALTANA therefore added new functions and applications to the career portal on the Group's website. The pages were optimized for mobile devices such as tablets and smartphones and the overall navigation was improved. 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 and at the same time laid the basis for integrated processing of applications and the resulting communication.

ALTANA also cooperates with universities in efforts to recruit young talent. Every year, ALTANA funds 20 students majoring in natural sciences, business, or IT. Apart from

financial support, they are given the opportunity to do internships at ALTANA or to complete their degree thesis at one of the Group's sites. Seminars and workshops round off the wide-ranging mentoring program for the scholarship holders. At an annual meeting at the Group headquarters in March, they have the opportunity to meet and exchange ideas with each other and with mentors about projects and application areas.

ALTANA also continues to cooperate with Hochschule Niederrhein and Rhine-Waal University, which are located near the Group's headquarters.

To develop established processes further, there is a new project in the ALTANA Group that in the future will enable us to measure the efficiency of processes through key performance indicators. This system will be expanded in the years to come. The effectiveness will be ensured by queries, reports, and talks with the division presidents and the Management Board. Changes in the system are coordinated in advance with the division presidents and approved by the Management Board. Change processes are coordinated and managed by Corporate HR.

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

Compliance

GRI 205 Anti-corruption

GRI 206 Anti-competitive Behavior

GRI 307 Environmental Compliance

GRI 416 Customer Health and Safety

GRI 419 Socioeconomic Compliance

The main elements of compliance can be found in the “Corporate Governance” chapter, the “Group Management Report,” and the “Report of the Supervisory Board” in our Corporate Report. The following remarks on compliance concern EH&S and chemical regulations. These areas have a decentralized structure at ALTANA.

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

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

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

Safety-related and environmentally relevant data on ALTANA products are recorded systematically and documented in structured form on a safety data sheet. This document is made available to all customers in the respective national languages, enabling them to access all safety-related and

environmentally relevant information (see also Management Approach GRI 417, “Marketing and Labeling”).

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

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

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

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

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

Innovative Solutions to Exploit Growth or Savings Potential for Customers

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

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

ALTANA's products and services are geared to offering customers special, sustainable solutions and giving them a competitive edge. Our customers recognize us as specialists and we are usually integrated in their product development process at an early stage. To be able to maintain or further consolidate 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 more than 1,100 employees. The continued high share of research and development expenses in sales of more than 6 % 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 electronically and evaluated internally in the division. New product and technology developments are carried out in the form of projects with the responsible project managers. 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 at review meetings. At these 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 in the ALTANA Innovation Council.

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

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

34	GRI Content Index
35	General Disclosures
38	Topic-specific Disclosures

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 are particularly important in cases where we did not discuss the disclosures in our Corporate Report.

ALTANA fulfills the General Disclosures

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

as well as the Topic-specific Disclosures

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

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

CR	= Corporate Report 2018
CFS	= Consolidated Financial Statements 2018
FFS	= Facts and Figures on Sustainability 2018
C	= Cover Corporate Report 2018

	General Disclosures	References	Comments
	Organizational Profile		
102-1	Name of the organization	CR, p. 47	
102-2	Activities, brands, products, and services	CR, pp. 47–50	In the marketing of its products, ALTANA adheres to the chemical laws and regulations in the respective countries with all the prohibitions and restrictions.
102-3	Location of headquarters	CR, p. 47	
102-4	Location of operations		ALTANA is represented in 26 countries.
102-5	Ownership and legal form	CR, p. 47	
102-6	Markets served	CR, pp. 47–50	
102-7	Scale of the organization	CR, pp. 47–70	
102-8	Information on employees and other workers	CR, pp. 66–70	The total number of employees divided up according to employment contract and region is currently not determined. The employment factor at ALTANA is not subject to seasonal fluctuations.
102-9	Supply chain	FFS, pp. 16–17, 23–24	
102-10	Significant changes to the organization and its supply chain	CR, pp. 53–65, 78–79	
102-11	Precautionary principle or approach	CR, p. 12, FFS, pp. 13–15	
102-12	External initiatives	CR, pp. 3, 10, 13	ALTANA is a member of the United Nations Global Compact initiative and signed the charter of the International Council of Chemical Associations (ICCA) on the topic of Responsible Care.
102-13	Membership of associations		ALTANA is, among others, a member of the European Chemical Association (CEFIC), German Chemical Industry Association (VCI), the Chinese Chemical Association (AICM), the Association of Chief Financial Officers Germany (GEFIU), the Lower Rhine Chamber of Industry and Commerce (IHK) in Duisburg-Kleve, and the American Chamber of Commerce.
	Strategy		
102-14	Statement from senior decision-maker	CR, pp. 3–4, FFS, pp. 13–15	
102-15	Key impacts, risks, and opportunities	CR, pp. 47–58, 71–79 FFS, pp. 13–32	
	Ethics and Integrity		
102-16	Values, principles, standards, and norms of behavior	CR, pp. 10, 11–13 FFS, pp. 27–29	
102-17	Mechanisms for advice and concerns about ethics	CR, pp. 10, 12–13	
	Governance		
102-18	Governance structure	CR, p. 11	
102-19	Delegating authority	FFS, p. 30	The Management Board of ALTANA AG installed departments to address economic, ecological, and social issues and vested them with necessary authorizations and responsibilities.
102-20	Executive-level responsibility for economic, environmental, and social topics		The Management Board of ALTANA AG installed departments to address economic, ecological, and social issues. The heads of these departments report to the Management Board at regular intervals.

	General Disclosures	References	Comments
102-21	Consulting stakeholders on economic, environmental, and social topics		The Management Board and our stakeholders talk regularly about economic, ecological, and social issues. During these meetings, all stakeholder aspects are considered. Issues pertaining to the environment, health and safety (EH&S), as well as chemical regulations/laws are discussed with the division presidents and the Management Board on a quarterly basis. Furthermore, there is a monthly talk between the responsible Management Board member and the head of Corporate EH&S. Decisions pertaining to EH&S are resolved by the Management Board of ALTANA AG. Similarly, coordination meetings on economic and social issues are carried out between the responsible heads and the Management Board.
102-22	Composition of the highest governance body and its committees	CR, pp. 11, 14–15	
102-23	Chair of the highest governance body	CR, pp. 14–15	
102-24	Nominating and selecting the highest governance body	CR, p. 11	
102-25	Conflicts of interest	CR, p. 11, CFS, pp. 71, 75–76	
102-26	Role of highest governance body in setting purpose, values, and strategy	CR, p. 11, FFS, pp. 13–15	
102-27	Collective knowledge of highest governance body	CR, pp. 3–4	
102-28	Evaluating the highest governance body's performance	CR, pp. 16–19	Ecological, economic, and social issues are presented and discussed regularly by the Supervisory Board, and appropriate measures are agreed upon if necessary.
102-29	Identifying and managing economic, environmental, and social impacts	CR, pp. 71–79, FFS, pp. 13–32	The Management Board and our stakeholders talk regularly about economic, ecological, and social issues. During these meetings, among other things risks/opportunities and their consequences are discussed and the resulting measures incorporated in operating business processes. Corporate EH&S reports regularly to ALTANA's Management Board and to the division presidents about current issues pertaining to the environment, health, and safety, and to chemical regulations/laws. In addition, representatives of the Executive Management Team, the division presidents, and the responsible heads regularly discuss economic and social issues. In the process, all stakeholder aspects are considered.
102-30	Effectiveness of risk management processes	CR, p. 11	
102-31	Review of economic, environmental, and social topics		The Management Board of ALTANA AG regularly examines economic, ecological, and social consequences, as well as risks and opportunities.
102-32	Highest governance body's role in sustainability reporting		ALTANA's Management Board examines and approves the ALTANA Corporate Report.
102-33	Communicating critical concerns		The ALTANA Compliance Hotline gives employees, as well as external third parties, the opportunity to report evidence of illegal conduct, if need be, anonymously. In severe cases, the Management Board and/or the Supervisory Board are informed.
102-34	Nature and total number of critical concerns		In the year under review, no critical matters were reported to the highest control bodies.
102-35	Remuneration policies	CFS, pp. 72–73	
102-36	Process for determining remuneration	CFS, pp. 72–73	The external advisor that ALTANA consults is independent.

	General Disclosures	References	Comments
102-37	Stakeholder's involvement in remuneration	CFS, pp. 72–73	
102-38	Annual total compensation ratio		Adequate compensation is an important issue for ALTANA. In this context, the principles of function, region, and performance are considered in particular. ALTANA views the indicators required here as not being meaningful for the appropriateness of compensation.
102-39	Percentage increase in annual total compensation ratio		Adequate compensation is an important issue for ALTANA. In this context, the principles of function, region, and performance are considered in particular. ALTANA views the indicators required here as not being meaningful for the appropriateness of compensation.
	Stakeholder Engagement		
102-40	List of stakeholder groups	CR, p. 7	
102-41	Collective bargaining agreements		For Germany and Italy together 56%. Not relevant or not determinable for the other countries.
102-42	Identifying and selecting stakeholders	CR, p. 7	
102-43	Approach to stakeholder engagement	CR, p. 7	As members of the Supervisory Board, employee representatives and the owner are embedded in decisions of particular importance for the company. Exchange with employees and their representatives is carried out at works council and employee meetings as well as at regular meetings of the works councils with the Management. In addition, ALTANA's Management Board engages in regular exchange with the company-wide Group works council. Via employee surveys carried out every three years, the opinions of all employees worldwide are obtained. The ALTANA companies exchange ideas regularly and intensively with their most important customers. Meetings are also held with other customer groups on a regular basis, in part via local agents. Customer seminars and customer satisfaction analyses supplement direct exchange.
102-44	Key topics and concerns raised	CR, pp. 21–45	
	Reporting Practice		
102-45	Entities included in the consolidated financial statements	CFS, p. 16	
102-46	Defining report content and the topic Boundaries	CR, pp. 7–8	
102-47	List of the material topics	CR, p. 8	
102-48	Restatements of information		There is no information that requires a new representation of the Corporate Report 2017.
102-49	Changes in reporting	CR, pp. 6–8	
102-50	Reporting period	CR, p. 6	
102-51	Date of most recent report	CR, p. 6	
102-52	Reporting cycle	CR, p. 6	
102-53	Contact point for questions regarding the report	C	
102-54	Claims of reporting in accordance with the GRI Standards	CR, p. 6	
102-55	GRI Content Index	GRI Content Index	
102-56	External assurance	CR, p. 6	

	Topic-specific Disclosures	References	Comments
	Direct Economic Value for Customers, Employees, Owner, and Society as a Whole		
	Management Approach	CR, pp. 46–79, CFS, FFS, p. 15	
201-1	Direct economic value generated and distributed	CR, pp. 53–65, CFS, pp. 1–74	
201-2	Financial implications and other risks and opportunities due to climate change	FFS, pp. 13–15	
201-3	Defined benefit plan obligations and other retirement plans	CFS, pp. 49–53	
201-4	Financial assistance received from government		In the reporting period, ALTANA received investment subsidies amounting to € 0.23 million from government agencies. The largest amount was used at two sites in Spain and the Netherlands. There are currently no government agencies in ALTANA's shareholder structure.
	Compliance: Anti-corruption		
	Management Approach	CR, pp. 12–13, FFS, p. 30	
205-1	Operations assessed for risks related to corruption		In the reporting period, a total of 20 audits were performed by the Internal Audit department, among other things, with regard to corruption. No incidents were identified.
205-2	Communication and training about anti-corruption policies and procedures	CR, pp. 12–13	
205-3	Confirmed incidents of corruption and actions taken		A systematic survey was carried out in the Group with the result that in the year under review there were no corruption incidents identified and so no fines had to be paid.
	Compliance: Anti-competitive Behavior		
	Management Approach	CR, pp. 12–13, FFS, p. 30	
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.
	Renewable and Recycled Materials		
	Management Approach	CR, p. 83, FFS, pp. 16–17	
301-1	Materials used by weight or volume	CR, p. 89	
301-2	Recycled input materials used		ALTANA only uses a few secondary products as direct raw materials.
301-3	Reclaimed products and their packaging materials		ALTANA's products, e. g. resins, additives, and effect pigments, are incorporated in customers' end products. As a result, the properties of the end products are optimized. This means that ALTANA's products cannot normally be re-obtained from the end products. The packaging used for ALTANA's products, however, can be recycled. For some large-volume products (e. g. resins from ELANTAS), the companies use so-called IBC containers, which they take back, clean, and reuse. In addition, ALTANA companies use metallic cans and barrels. The customers recirculate them to the reusable material cycle as scrap. For quality-assurance reasons, a systematic return of these containers is not offered.

	Topic-specific Disclosures	References	Comments
	Clean Energy and Greenhouse Gas Emissions Reduction: Energy		
	Management Approach	CR, p. 10, FFS, pp. 17–18	
302-1	Energy consumption within the organization	CR, p. 89, FFS, pp. 3, 17–18	Small amounts of energy from our own production were fed into the public grid: Cogeneration unit (165 MWh), solar energy (34 MWh). Moreover, ALTANA does not sell any cooling, steam, or heating energy. The conversion factors (e. g. natural gas: m ³ in MWh) are determined locally and used to calculate the entry into the ALTANA data system. For 43,989 MWh certificates for electricity from renewable sources are available (Spain and Germany). 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		ALTANA currently does not determine the energy consumption outside of the organization. This is planned for the next few years.
302-3	Energy intensity	FFS, p. 7	
302-4	Reduction of energy consumption	FFS, pp. 3, 17–18	
302-5	Reductions in energy requirements of products and services	FFS, pp. 3, 7	
	Water Efficiency		The reporting is based on GRI 303: Water (2016)
	Management Approach	CR, p. 10, FFS, pp. 18–19	
303-1	Water withdrawal by source	FFS, pp. 6, 18–19	
303-2	Water sources significantly affected by withdrawal of water		None of the water intake points at ALTANA correspond to the GRI criteria for “significantly affected water sources.” All of the intake sites are approved by the authorities and meet local environmental protection requirements.
303-3	Water recycled and reused		ALTANA has no significant recycling processes for water.
	Clean Energy and Greenhouse Gas Emissions Reduction: Emissions		
	Management Approach	CR, p. 10, FFS, pp. 20–21	
305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	FFS, pp. 2, 20–21	ALTANA does not produce any significant biogenic CO ₂ emissions. In keeping with Scope 1 and Scope 2, the emissions calculated concern only CO ₂ emissions and not equivalents of other greenhouse gases as these have negligibly low values (CH ₄ , FHC, PFHC, SF ₆ , NF ₃). N ₂ O emissions are converted separately into CO ₂ equivalents and represented in the sustainability performance indicators. The data were collected for the first time in 2007 and so 2007 is taken as the basis year.
305-2	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	FFS, pp. 2, 20–21	In keeping with Scope 1 and Scope 2, the emissions calculated concern only direct CO ₂ emissions and not equivalents of other greenhouse gases as these have negligibly low values (CH ₄ , FHC, PFHC, SF ₆ , NF ₃). N ₂ O emissions are converted separately into CO ₂ equivalents and represented in the sustainability key performance indicators. The data were collected for the first time in 2007 and so 2007 is taken as the basis year.
305-3	Other indirect greenhouse gas (GHG) emissions (Scope 3)	FFS, p. 2	

	Topic-specific Disclosures	References	Comments
305-4	Greenhouse gas (GHG) emissions intensity	FFS, p. 2	In keeping with Scope 1 and Scope 2, the emissions calculated concern only direct CO ₂ emissions and not equivalents of other greenhouse gases as these have negligibly low values (CH ₄ , FHC, PFHC, SF ₆ , NF ₃). N ₂ O emissions are converted separately into CO ₂ equivalents and represented in the sustainability key performance indicators. The data were collected for the first time in 2007 and so 2007 is taken as the basis year.
305-5	Reduction of greenhouse gas (GHG) emissions	CR, pp. 89–90, FFS, pp. 2, 20–21	In keeping with Scope 1 and Scope 2, the emissions calculated concern only direct CO ₂ emissions and not equivalents of other greenhouse gases as these have negligibly low values (CH ₄ , FHC, PFHC, SF ₆ , NF ₃). N ₂ O emissions are converted separately into CO ₂ equivalents and represented in the sustainability key performance indicators. The data were collected for the first time in 2007 and so 2007 is taken as the basis year.
305-6	Emissions of ozone-depleting substances (ODS)		The ALTANA Group does not produce, import, or export any ozone-depleting substances.
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	FFS, pp. 7, 20–21	NO _x and SO _x are currently being recorded and published in the document “Facts and Figures on Sustainability.” POP, VOC, HAP, and PM emissions will be determined in the next few years. The conversion factors for greenhouse gases were taken from the IPCC database.
	Reduction of Effluents and Waste		
	Management Approach	CR, p. 10, FFS, pp. 21–23	
306-1	Water discharge by quality and destination	FFS, pp. 6, 21–23	Currently, ALTANA does not determine wastewater volumes/quality centrally. In the next few years we plan to record and evaluate this data.
306-2	Waste by type and disposal method	FFS, pp. 4–5, 21–23	Our waste is largely disposed of by external special service providers. In the process, local legal requirements (e.g. certificates of disposal) are adhered to.
306-3	Significant spills		During the reporting period, there were no “significant spills of harmful substances” that are mentioned in the consolidated financial statements or had effects on the environment.
306-4	Transport of hazardous waste		At ALTANA, hazardous waste is either recycled (internally or externally), taken to a thermal processing plant (internally or externally), or disposed of (externally). As a rule, ALTANA does not transport hazardous or treated hazardous waste (including import/export). Waste is generally transported by specialist companies for recycling/disposal.
306-5	Water bodies affected by water discharges and/or runoff		None of the water bodies at ALTANA corresponds to the GRI criteria for “significantly affected” bodies of water. All water bodies are approved by the authorities and meet local environmental protection requirements.
	Compliance: Environment		
	Management Approach	CR, pp. 10, 12–13, FFS, pp. 13–15, 30	
307-1	Non-compliance with environmental laws and/or regulations		A systematic survey was carried out in the Group with the result that in the year under review there were no violations of environmental law identified and therefore no fines were paid.

	Topic-specific Disclosures	References	Comments
	Responsible Supply Chain Management		
	Management Approach	CR, p. 10, FFS, pp. 23–24	
308-1	New suppliers that were screened using environmental criteria	FFS, pp. 23–24	ALTANA, in cooperation with EcoVadis, carried out status checks of all important raw-material suppliers. 55 % of the total purchasing volume is covered by suppliers that were assessed by EcoVadis. Both existing and new suppliers were considered in this procedure.
308-2	Negative environmental impacts in the supply chain and actions taken	FFS, pp. 23–24	ALTANA, in cooperation with EcoVadis, carried out status checks of all important raw-material suppliers. 55 % of the total purchasing volume is covered by suppliers that were assessed by EcoVadis. Parallel to this step, ALTANA had sustainability assessments carried out with approximately 20 raw-material suppliers. In the supply chain no significant negative effects on the environment were found.
	Employee-oriented Management: Employment		
	Management Approach	FFS, pp. 27–29	
401-1	New employee hires and employee turnover	FFS, p. 9	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	FFS, p. 9	ALTANA is currently determining the proportion of employees to whom a company pension plan or company-financed pension plan is offered. No information is available about the other requirements because they are not meaningful enough for ALTANA.
401-3	Parental leave		Information on this topic is not available because it is not meaningful enough for ALTANA.
	Occupational Health and Safety		The reporting is based on GRI 403: Occupational Health and Safety (2016).
	Management Approach	CR, p. 10, FFS, pp. 24–25	
403-1	Workers representation in formal joint management-worker health and safety committees		The management-worker health and safety committees are composed of representatives of all hierarchy levels (e. g. business unit managers, department heads, masters, supervisors, clerks, and workers) together. More than 98 % of the employees (including trainees, interns, and contract workers) work in organizational units that have introduced a management-worker safety committee.
403-2	Types of injury and rates of injury, occupational diseases, lost days, absenteeism, and number of work-related fatalities	FFS, pp. 11, 24–25	The occupational disease rate, the lost day rate, and the absentee rate cannot be determined at present due to a lack of global statistics. In the reporting period, there were four accidents with contractors (stumbling/falling/slipping, contact with chemicals and contact with a stationary object). Only men were affected. All of these accidents occurred in the EU. There were no accident-related fatalities with contractors. The total number of hours of the contractors is not recorded, and so no accident rates can be provided. No occupational diseases due to activities at ALTANA were recorded.
403-3	Workers with high incidence or high risk of diseases related to their occupation		At ALTANA, there are no employees (e. g. trainees, interns, the company's own employees, contract workers, or contractors) who have a high risk of getting certain diseases. Nor could a higher occurrence of occupational diseases be determined. This concerns employees whose workplace is under ALTANA's control. The respective local regulations were adhered to (e. g. maximum workplace concentrations).

	Topic-specific Disclosures	References	Comments
403-4	Health and safety topics covered in formal agreements with trade unions		ALTANA's health management is described in the Group works agreement 14/01. The agreement primarily includes the topics of "health protection," "health promotion," "addiction prevention," and "occupational integration management" (OIM). The agreements on health and safety include all relevant topics (e.g. personal protective equipment, management-worker health and safety committees, education and further training, and participation of employees in health and safety inspections).
	Attracting and Maintaining a Skilled Workforce		
	Management Approach	CR, pp. 10, 32–33, FFS, pp. 27–29	
404-1	Average hours of training per year per employee		Employees in Germany invested an average of 8.5 hours in education and further training. A consolidated evaluation is not available for ALTANA's worldwide sites. Further information on this topic is not available because this is not meaningful enough for ALTANA.
404-2	Programs for upgrading employee skills and transition assistance programs	FFS, pp. 27–29	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. 93–94, FFS, pp. 27–29	To promote its employees' professional development, ALTANA regularly uses specially developed dialogs. They include the progress dialog that disciplinary superiors are required to carry out personally with each employee at least once a year.
	Employee-oriented Management: Diversity and Equal Opportunity		
	Management Approach	CR, pp. 10, 32–33, FFS, pp. 27–29	
405-1	Diversity of governance bodies and employees	FFS, p. 9	The distribution of age groups is not available because it is not meaningful enough for ALTANA.
405-2	Ratio of basic salary and remuneration of women to men		Information on this topic is not available because it is not meaningful enough for ALTANA.
	Employee-oriented Management: Non-discrimination		
	Management Approach	CR, p. 10, FFS, pp. 27–29	
406-1	Incidents of discrimination and corrective actions taken		A systematic survey was carried out in the Group with the result that one incident was identified during the reporting period. It was settled internally with no legal steps taken.
	Compliance: Health and Safety of Customers		
	Management Approach	CR, pp. 12–13, FFS, p. 30	
416-1	Assessment of the health and safety impacts of product and service categories	CR, pp. 82–83, FFS, pp. 16–17, 30	For all classified products (100 %), safety data sheets and finished-goods labels are generated in accordance with legal requirements. In keeping with legal requirements and customer specifications, product checks are carried out regularly and corresponding adjustments are made to product recipes (e.g. replacement of critical substances).
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		In the year under review, no violations were identified that infringe regulations and/or voluntary behavior rules in connection with the effects of products and services on health and safety.

	Topic-specific Disclosures	References	Comments
	Marketing and Labeling		
	Management Approach	FFS, pp. 26–27	
417-1	Requirements for product and service information and labeling	FFS, pp. 26–27	For all classified products (100%), safety data sheets and finished-goods labels are generated in accordance with legal requirements.
417-2	Incidents of non-compliance concerning product and service information and labeling		A systematic survey was carried out in the Group with the result that there were no violations infringing regulations and/or voluntary behavior rules in connection with the labeling of products identified and therefore no fines had to be paid.
417-3	Incidents of non-compliance concerning marketing communications		In the reporting period, no violations infringing regulations and/or voluntary behavior rules in connection with marketing and communications, including advertising, sales promotion, and sponsoring were reported.
	Compliance: Socioeconomic		
	Management Approach	FFS, p. 30	
419-1	Non-compliance with laws and regulations in the social and economic area		A systematic survey was carried out in the Group with the result that in the year under review there were no violations due to non-compliance with laws and/or regulations in the social and economic sphere.
	Innovative Solutions to Exploit Growth and Savings Potential for Customers		
	Management Approach	FFS, pp. 31–32	
	Innovative solutions to exploit growth and savings potential for customers	CR, pp. 10, 28–29, 36–37, 40–41, 66, 80–83	

Contact

Corporate Communications

Tel +49 281 670-10900

Fax +49 281 670-10999

press@altana.com

Credits

Publisher

ALTANA AG

Abelstr. 43

46483 Wesel, Germany

Tel +49 281 670-8

Fax +49 281 670-10999

info@altana.com

www.altana.com

Design

Heisters & Partner

Corporate & Brand Communication, Mainz

ALTANA AG
Abelstr. 43
46483 Wesel, Germany
Tel +49 281 670-10900
Fax +49 281 670-10999

www.altana.com

