ALTANA

Corporate Report 2024

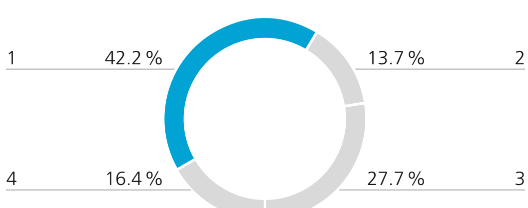
Group Profile 2024

ALTANA's divisions

ALTANA

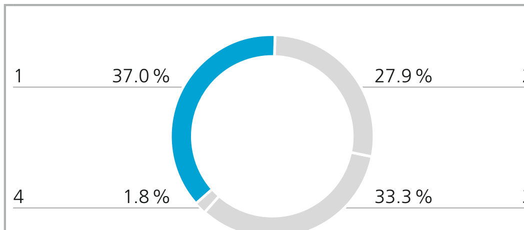
BYK | ECKART | ELANTAS | ACTEGA

Sales by division



in € million	2024
1 BYK	1,336.6
2 ECKART	433.6
3 ELANTAS	878.2
4 ACTEGA	519.2
Total	**3,168.8**

Sales by region



in € million	2024
1 Europe	1,172.4
2 Americas	885.6
3 Asia	1,053.8
4 Other regions	57.0
Total	**3,168.8**

Key figures at a glance

	2023	**2024**	Δ %
in € million			
Sales	2,741.5	3,168.8	16
Earnings before interest, taxes, depreciation and amortization (EBITDA)	385.1	489.8	27
EBITDA margin	*14.0 %*	*15.5 %*	
Operating income (EBIT)	216.3	288.8	34
EBIT margin	*7.9 %*	*9.1 %*	
Earnings before taxes (EBT)	166.3	239.3	44
EBT margin	*6.1 %*	*7.6 %*	
Net income (EAT)	110.2	164.4	49
EAT margin	*4.0 %*	*5.2 %*	
Research and development expenses	196.5	213.2	8
Capital expenditure on intangible assets and property, plant and equipment	138.3	179.5	30
Cash Flow from operating activities	412.8	439.0	6
Return on capital employed (ROCE)	*6.4 %*	*8.4 %*	
ALTANA Value Added (AVA)	-30.4	25.0	>100

	Dec. 31, 2023	**Dec. 31, 2024**	Δ %
in € million			
Total assets	4,140.5	4,460.2	8
Shareholders' equity	2,851.2	3,029.4	6
Net debt (-)/Net financial assets (+)[1]	-51.8	36.2	>100
Headcount	7,939	8,382	6

[1] This corresponds to the balance of cash and cash equivalents, short-term financial assets, marketable securities, loans issued, financial liabilities, and pension provisions.

	2023	**2024**[3]	Δ %[4]
WAI 1 (number of reported occupational accidents with lost work time of one day or more per million working hours)	2.8	1.9 (2.8)	-32
WAI 2 (number of reported occupational accidents with lost work time of more than three days per million working hours)	1.7	1.1 (1.9)	-35
WAI 3 (number of lost work days due to reported occupational accidents per million working hours)	31.8	21.5 (35.9)	-32
Total CO_2 equivalents (Scope 1 + Scope 2)[2] (t)	77,769	87,930 (119,702)	13
of which offset by compensation (Scope 1)[2] (t)	*44,600*	*87,930 (103,300)*	*97*
Specific CO_2 equivalents (Scope 1 + Scope 2)[2] (kg/kg finished goods)	0.15	0.16 (0.21)	7

[2] Scope 1: direct emissions; Scope 2: indirect emissions. The value for Scope 2 shown here is calculated based on the market-based method. Biogenic emissions are not included.
[3] The values shown in parentheses represent the key figures including the acquisitions of Imaginant, Von Roll, and Silberline.
[4] The percentage delta shown refers to the development compared to the previous year, excluding acquisitions.

Table of Contents

Management Board

Dear Ladies and Gentlemen,

In 2024, ALTANA achieved double-digit sales growth and a significant increase in profitability despite persistently challenging market conditions. All divisions and regions worldwide contributed to this success. More than ever, we are among the fastest-growing and most profitable companies in our industry – and for good reason. Our recipe for success in these still-challenging times remains a healthy mix of continuity and change – continuity comes primarily from our defining corporate culture and our focus on our strengths as an innovation-driven, customer-oriented, decentralized specialty chemicals group. At the same time, we remain committed to continuous, trailblazing change, turning challenges into opportunities and seizing them to our advantage.

With the integration of the recently acquired Von Roll and Silberline groups, our ELANTAS and ECKART divisions are undergoing a complete transformation. Significant changes are also underway at ACTEGA and BYK. Meanwhile, cross-divisional initiatives, such as those focused on digitalization and sustainability, are gaining momentum.

We have committed to operating virtually greenhouse gas-free worldwide by 2050 and achieving net zero emissions. Specifically, we aim to reduce emissions across our entire value chain (Scope 1, 2, and 3) by 90 percent by then. ALTANA will permanently remove any remaining unavoidable emissions from the atmosphere using recognized processes. By 2040, we will have already reduced greenhouse gas emissions within our direct sphere of influence (Scope 1 and 2) by 90 percent. Our targets align with the Paris Climate Agreement and have recently been validated by the renowned Science Based Targets initiative (SBTi).

This builds on the significant reduction in greenhouse gas emissions we have already achieved in recent years. Between 2014 and 2023, we reduced our Scope 1 and 2 emissions by approximately 70 percent. Starting in 2025, we will offset the remaining greenhouse gas emissions in Scope 1 and 2, as well as selected categories of Scope 3, by financing climate protection projects beyond our own value chain.

ALTANA's Management Board from left to right:
Dr. Tammo Boinowitz, Martin Babilas (Chairman)**, Stefan Genten**

ALTANA is thus not only acting in line with the UN Global Compact initiative for responsible and sustainable corporate governance but is also staying true to its own high standards. We want to leave our footprint in innovations, not in emissions – and we are consistently following this path. Whether developing solutions to improve packaging recyclability or enabling the reliable operation of the world's largest wind turbines, we have been enhancing the sustainability of our customers' products through innovation for many years. Now, we are extending this commitment to our entire value chain. This is our responsibility and our contribution to the urgent global effort to limit global warming.

Our financial strength enables us to make targeted investments in sustainable growth, even in volatile economic conditions, all over the world and in all our divisions. Notably, we have once again increased our research and development spending by around eight percent compared to the previous year – amounting to seven percent of sales, well above the industry average. In addition, we have made substantial investments in our sites. At our home base in Wesel, for example, BYK has begun detailed planning for a state-of-the-art innovation, laboratory, and seminar complex. Apart from the significant investment of 25 million euros, this project embodies key values that define the ALTANA Group: customer proximity, sustainability, and an attractive working environment.

Another example is the investment of more than 20 million euros in a new ELANTAS plant for wire enamels in Zhuhai, southern China, which we opened last autumn. This will allow us to better meet the significant increase in demand resulting from the expansion of renewable energies and e-mobility. We have also acquired a plot of land in India for a new cross-divisional site. With this step, we are bundling the strengths of the entire Group to strategically expand our business in this growing market.

In short, we do not let economic fluctuations dictate our course but instead focus on our strengths and on how we can successfully shape the future, even in difficult phases. Our answer to this is: Keep Changing. In the magazine section of this corporate report, you can read about how we achieve this and how the people at ALTANA embody this mindset.

We sincerely thank our employees for their outstanding commitment and personal contributions in 2024. We also extend our gratitude to our customers, business partners, and the members of the Supervisory Board for their constructive support and trust in ALTANA's work.

Martin Babilas **Dr. Tammo Boinowitz** **Stefan Genten**

About This Report

Corporate Report 2024

The Corporate Report for 2024 encompasses the annual and sustainability reports. With it, the ALTANA Group informs the public, its employees and business partners, as well as public authorities, nongovernmental organizations, and all other interested parties about the Group's development in economic, ecological, and social respects. In addition to the Group Management Report, which also contains information on corporate governance, and the Consolidated Financial Statements (condensed version), this report contains a description of ALTANA's understanding of sustainable management and the progress the Group has made in implementing it in the past fiscal year. As a result, this report for 2024 updates the content that was published in the 2023 Corporate Report (published on March 22, 2024). At the same time, it serves as the annual Communication on Progress of the UN Global Compact.

The Reporting Period

All financial and human resources information in the Group Management Report and the Consolidated Financial Statements for 2024, as well as the environmental key performance indicators and data on occupational health and safety, refer to the period from January 1 to December 31.

Unless otherwise stated, the prior year's safety and environmental performance indicators do not include data from Imaginant, the Von Roll Group, and Silberline, which were acquired in 2023 and 2024.

Reporting Principles

In terms of the Group Management Report and the Consolidated Financial Statements, the reporting adheres to the specifications of the International Financial Reporting Standards (IFRS), as applicable in the EU, and the additional requirements of German commercial law pursuant to section 315 e of the German Commercial Code (HGB). As in the previous years, this was audited and confirmed by an independent auditor. The Consolidated Financial Statements including the Notes to the Consolidated Financial Statements are available online at www.altana.com/consolidated_financial_statements_2024.

ALTANA reports in accordance with the standards of the Global Reporting Initiative (GRI). The report is also based on the framework of the International Integrated Reporting Council (IIRC). The accident indicators WAI 1, WAI 2, and WAI 3, as well as selected energy indicators, including greenhouse gas emissions, are presented in the Group Management Report and were part of the audit carried out by an independent auditing company. These and other sustainability indicators can be found in detail online at www.altana.com/facts_figures_sustainability_2024.

Details on the selection of relevant reporting content in accordance with the GRI standards and on the definition of the sustainability topics important for the ALTANA Group and its stakeholders can be found in the following section. A detailed list of all criteria in accordance with the GRI standards on which ALTANA provides information is available online at www.altana.com/facts_figures_sustainability_2024. This report is available in German and English.

Sustainability Management

ALTANA's Understanding of Sustainability

ALTANA consistently gears its activities to sustained profitable growth. But we can only achieve economic success in the long run if we also bear in mind ecological and social aspects and anchor them firmly in our company. Our understanding of sustainability as a triad of economy, ecology, and corporate social responsibility is also reflected in ALTANA's mission:

> We provide innovative solutions based on integrated chemical, formulation, and application expertise that make products of daily life better and more sustainable.
>
> Our solutions open up growth or savings potential for our customers and can change entire markets.
>
> As a result, we create value for our customers, employees, shareholder, and society as a whole.

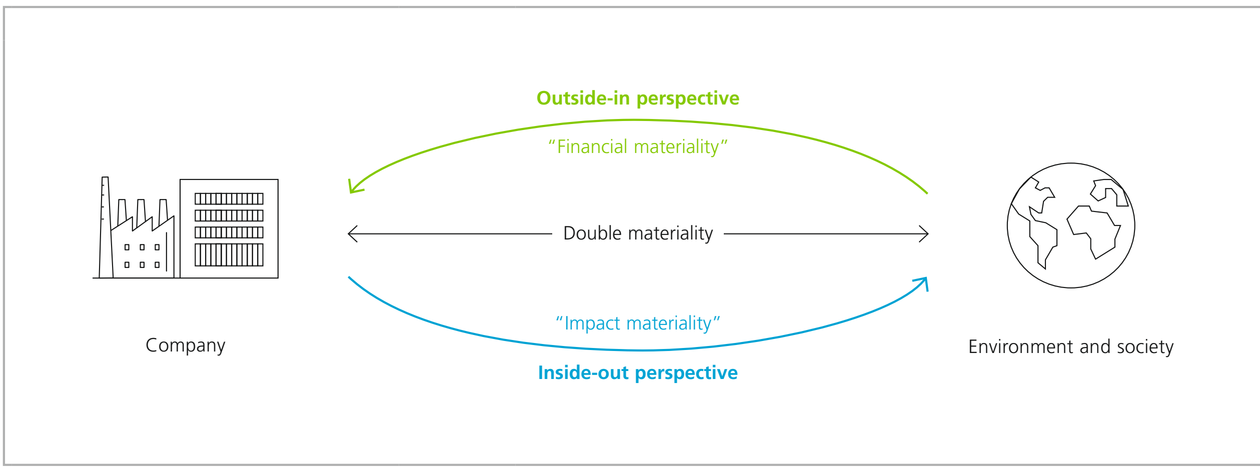
The View of our Stakeholders

As a globally manufacturing specialty chemicals company, ALTANA maintains regular contact and exchange with various stakeholders. These include its customers, employees, owner, suppliers, other business partners, authorities, associations, scientific organizations, as well as our neighbors at the different sites. The content and results of these dialogs are among the factors that shape ALTANA's understanding of sustainability and lead to the prioritization of certain topics. In preparation for mandatory sustainability reporting under the European Commission's Corporate Sustainability Reporting Directive (CSRD) starting in 2025, ALTANA conducted the required materiality analysis during the 2024 fiscal year. This analysis follows the principle of double materiality. According to this principle, a sustainability aspect is considered material not only if it entails financial risks or opportunities for the company (outside-in perspective) but also if the company's activities themselves impact the environment or society (inside-out perspective). When defining material topics, it is initially irrelevant whether these impacts are positive or negative. Rather, it is important that the assessment of whether a sustainability aspect is material or not is made with due regard to the interests and assessments of the relevant stakeholders.

The analysis was based on a stakeholder survey conducted in autumn 2022 and evaluated during the 2023 fiscal year. Approximately 30 expert interviews were conducted with selected stakeholders familiar with both the company and sustainability issues, including direct customers, brand owners, suppliers, employees, local politicians, and representatives from education, science, and research. Additionally, an online survey was conducted among these and other stakeholders. Building on the insights gained and in close collaboration with various specialist departments and colleagues from all regions, ALTANA prepared an initial draft in 2024 for the double materiality analysis, which will be updated in the 2025 fiscal year. A detailed description of the methodology used can be found in the document "Facts and Figures on Sustainability" on pages 20 ff.

Based on the results of the stakeholder survey and a dialog-oriented approach, ALTANA was able to clearly prioritize the topics that will require special attention in the coming years. In addition to environmental and social aspects, topics that are essential for sustainable corporate governance were included and given equal weighting. In the process, ALTANA identified the following material topics, which are described in more detail below: climate change (E1), pollution (E2), resource use and circular economy (E5), own workforce (S1), workers in the value chain (S2), and business conduct (G1). These topics form the focus for the company's future sustainability reporting and are incorporated into further strategy development. Other topics not explicitly

The Principle of Double Materiality



mentioned here remain important and will be pursued by ALTANA but are not considered material in terms of the methodology described above regarding the respective expected impacts. ALTANA will regularly review the findings of the materiality analysis and update them as needed. The most important basis for this are the discussions with stakeholders that are integrated into the business processes and take place continuously.

Climate Change (E1)

- Reducing greenhouse gas (GHG) emissions along the entire value chain, including through the production of low carbon products,
- Monitoring and management of GHG emissions,
- Analysis and consideration of climate-related transition risks and opportunities along the entire value chain,
- Optimizing energy use in processes (energy efficiency),
- Energy consumption and (possible) generation,
- Use of renewable energy sources.

Pollution (E2)

- Safety in the production, handling, use, distribution, and marketing of critical substances ("Substances of (very high) Concern") by ALTANA,
- "Substances of (very high) Concern" are chemicals that, due to their intrinsic properties, can have a harmful effect on human health or the environment. In certain cases, such substances can also prevent the recovery of safe, high-quality secondary raw materials by means of recycling. However, when used as raw materials in chemical processes, they also serve to manufacture products that make an important contribution to sustainability.
- Safe handling of dangerous goods.

Resource Use and Circular Economy (E5)

- Research and innovation with the aim of designing production processes that conserve resources,
- Development of products that minimize resource consumption,

– A product portfolio that minimizes the generation of waste along the entire value chain, including hazardous and non-hazardous waste,
– A product portfolio that mainly comprises B2B products that are integrated by our customers into their production processes and incorporated into end products. Accordingly, the management of environmental impacts at the end of the lifecycle is mainly beyond our direct sphere of influence.

Own Workforce and Workers in the Value Chain (S1 & S2)
– Reduction of the number of occupational accidents,
– Management systems for the prevention of health and safety,
– Continuous development of the company's workforce,
– Promoting a non-discriminatory environment in which an equal opportunities policy prevails.

Business Conduct (G1)
– Corporate culture characterized by fairness and a spirit of partnership,
– Management of the company's activities through shared values, guiding principles, and a unified code of conduct.

Objective Evaluation of Sustainability

To be able to measure not only the company's business performance but also its involvement in all areas of sustainability, alongside key performance indicators and certified management systems, ALTANA is using objective external evaluations increasingly. The assessments of the rating company EcoVadis play a special role. EcoVadis analyzes four topics based on leading standards (GRI, UN Global Compact, and ISO 26000): environment, labor and human rights, ethics, and sustainable procurement. EcoVadis has become the leading assessment platform for the chemical industry. Tens of thousands of companies now work with EcoVadis. ALTANA uses the objective EcoVadis rating of its production sites and ALTANA AG as a whole to make the respective status quo transparent both internally and externally, but also to systematically drive sustainability forward within the company. In the year under review, ALTANA again participated in the CDP "Climate Change" program. CDP (formerly Carbon Disclosure Project) is an international non-profit organization that encourages companies and governments to reduce their greenhouse gas emissions, conserve water resources, and protect forests.

Organization of Sustainability

Sustainability is firmly integrated into our corporate processes and plays an important role in our strategic decision-making. The Management Board takes direct responsibility for overseeing and implementing the associated strategy. A dedicated sustainability committee, comprising members of ALTANA's Management Board and the Head of Corporate EH&S, tracks progress through quantitative key performance indicators and ensures the achievement of our sustainability goals.

Within the four divisions, the management functions overseeing EH&S and sustainability, along with relevant departments such as production, procurement, and research and development, collaborate to execute the strategy. Each division is committed to continuously reducing the environmental impact of its business activities and enhancing safety at its sites. In addition, the management functions focus on reducing greenhouse gas emissions. Each site is also tasked with implementing appropriate management systems and securing certification. Moreover, cross-divisional expert platforms are established to facilitate the exchange of information on key EH&S topics (such as energy use, sustainability performance, and environmental indicators) and to identify best practices.

Sustainable Development Goals

ALTANA has been a member of the UN Global Compact since 2010 and commits to integrating the ten principles into the company and to observing the general goals of the United Nations (see the Communication on Progress of Global Compact on page 122). At the summit meeting on September 25, 2015, the 193 member states resolved the 2030 Agenda for Sustainable Development. ALTANA supports this United Nations initiative and developed the goals listed on the following page.

SDGs with special relevance for ALTANA

Occupational Health and Safety
For ALTANA, the health and safety of its employees is a top priority. All of its worldwide sites have established their own safety organization, which includes adherence to all local occupational safety regulations, training measures, as well as recording and evaluating accidents and near accidents. ALTANA uses the Work Accident Indicator (WAI) as the most important key performance indicator in order to observe the development of occupational safety at all sites and to continually improve it. Further information can be found in the Group Management Report, in the "Health and Safety" chapter, in the accident key performance indicators with the targets, as well as in the Management Approach "Occupational Health and Safety."

Training and Education
Our employees are our most important resource. ALTANA therefore promotes their professional development, prepares them for leadership positions, and enables them to participate in the company's economic success in order to retain them in the long term. A special focus is on recruiting young, specialized, and managerial staff. Further information can be found in the "People" chapter, in the GRI Content Index, and in the Management Approach "Employee-Oriented Management."

Gender Equality
ALTANA seeks in the medium to long term to reach the goal of increasing the share of women in leadership positions in the entire ALTANA Group to the percentage of women among the company's employees worldwide. Further information can be found in the Group Management Report, in the human resources key performance indicators, and in the Management Approach "Employee-Oriented Management."

Sustainable Economic Growth and Decent Work
Our customers' success is at the center of ALTANA's business activities. We can only be successful in the competitive environment in the long run if we offer our customers added value. We not only aim to secure long-term economic success, but to act sustainably in every respect. As a member of the UN Global Compact, ALTANA therefore actively supports the targets of responsible corporate management. Further information can be found in the Group Management Report, in the Communication on Progress of the UN Global Compact, and in the Management Approaches "Strategy," "Compliance," and "Employee-Oriented Management."

Innovation: New Products and Technologies
ALTANA's products and services are geared to offering its customers special sustainable solutions and to enable them to gain a competitive advantage. To keep or to extend its position as a leading specialty chemicals company, the ALTANA Group intends to continually expand its competencies. To achieve this goal, ALTANA steadily grows its product portfolio through its own developments, as well as through acquisitions and cooperation with other companies, universities, and research institutes. Further information can be found in the Group Management Report, in the "Products" chapter, and in the Management Approach "Innovative Solutions."

Climate Protection Measures
Ecologically sound economic activity is a key component of ALTANA's corporate strategy. In alignment with the Paris Agreement, ALTANA has committed to achieving a globally greenhouse gas-neutral footprint by 2050 and reaching net zero emissions. Specifically, the company aims to reduce emissions across the entire value chain (Scope 1, 2, and 3) by 90 percent by that time. The remaining unavoidable emissions will be permanently removed from the atmosphere using recognized methods. By 2040, ALTANA plans to reduce greenhouse gas emissions within its direct sphere of influence (Scopes 1 and 2) by 90 percent. Additionally, ALTANA's products contribute to improving climate protection throughout the value chain. ALTANA controls the Group's efficiency regarding energy consumption and the resulting greenhouse gas emissions with the help of defined performance indicators and defined targets. Further information can be found in the Group Management Report, in the "Environment" and "Products" chapters as well as in the environmental performance indicators with targets in the Management Approaches "Energy" and "Emissions."

Corporate Bodies and Management

Management Board

Martin Babilas
Chairman

Responsibility:
– ELANTAS
– ACTEGA
– Corporate Development
– Human Resources
– Corporate Communications
– Internal Audit

Dr. Tammo Boinowitz

Responsibility:
– BYK
– ECKART
– Innovation Management
– Environment, Health & Safety
– Procurement
– Key Account Management
– ALTANA Excellence

Stefan Genten

Responsibility:
– Finance and Accounting
– Controlling
– Group Treasury
– Taxes
– Digital Transformation
– Information Technology
– Legal/Intellectual Property
– Compliance

Executive Management Team

The Executive Management Team is an advisory body in which strategic and operative issues that are important for ALTANA and the divisions are discussed and deliberated on. In addition to the members of the Management Board, the Executive Management Team includes the presidents of the divisions as well as selected executives of the company.

(in alphabetical order)

Dr. Jörg Hinnerwisch
President Division BYK

Thorsten Kröller
President Division ACTEGA

Ravindra Kumar
President Division ELANTAS

Volker Mansfeld
Head of Corporate Development

Carina Meier-Hedde
Chief Human Resources Officer

Dr. Christian Przybyla
President Division ECKART

Dr. Petra Severit
Chief Technology Officer

Supervisory Board

Prof. Dr. Frank Richter
Chairman

Ulrich Gajewiak[1]
Deputy Chairman

Susanne Klatten
Doctor of Science h.c., Univ. Buckingham
Deputy Chairwoman

Dr. Sven Abend

Jürgen Bembenek[1]

Dr. Anette Brüne[1]

Antje Gerber

Armin Glashauser[1]

Ruud Joosten

Klaus Koch[1]

Dr. Jens Schulte

Stefan Soltmann[1]

[1] Employee representative

Supervisory Board Committees

The Supervisory Board of ALTANA AG has established the following committees:

Human Resources Committee
Prof. Dr. Frank Richter (Chairman)
Jürgen Bembenek
Ulrich Gajewiak
Susanne Klatten, Doctor of Science h.c., Univ. Buckingham

Audit Committee
Dr. Jens Schulte (Chairman)
Armin Glashauser
Ruud Joosten
Stefan Soltmann

Mediation Committee
(in accordance with section 27 (3) of the German Codetermination Act)
Prof. Dr. Frank Richter (Chairman)
Ulrich Gajewiak
Susanne Klatten, Doctor of Science h.c., Univ. Buckingham
Klaus Koch

As of December 31, 2024

Report of the Supervisory Board

The Supervisory Board of ALTANA AG, carrying out the functions stipulated by law and the Articles of Association, closely followed the work of the Management Board and monitored its management activities in the 2024 fiscal year. The Supervisory Board dealt in depth with the situation and development of the company as well as with various current issues. The Supervisory Board was regularly informed by the Management Board about the respective agenda items through presentations and oral reports in meetings. The Supervisory Board also regularly received additional written reports. Between Supervisory Board meetings, the Chairman of the Management Board informed the Chairman of the Supervisory Board about significant developments and events and discussed pending or planned decisions with him. The Supervisory Board was involved in all major company decisions.

Meetings of the Supervisory Board

In the 2024 fiscal year, the Supervisory board held four regular meetings and one constituent meeting. At the regular meetings, the economic situation and development perspectives of the ALTANA Group, particularly in view of the persistently challenging business environment, as well as important events were discussed and deliberated on in detail. In addition to regular reporting on ALTANA's sales, earnings, and financial development, the Supervisory Board dealt in depth with the strategy of ALTANA and its individual divisions. Furthermore, the Supervisory Board discussed the situation, development, and plans of the BYK division and the ECKART division in depth in the 2024 fiscal year. The Supervisory Board decided at its March meeting, as scheduled, on the variable compensation components of the Management Board members and resolved to increase the Management Board's compensation. In addition, the Supervisory Board decided to amend the catalog of transactions requiring its approval. In June, the Supervisory Board met in Basel and combined this with a visit to the new ELANTAS site in nearby Breitenbach. The agenda included the reappointment of Martin Babilas as CEO and the corresponding extension of his service contract, as well as discussions on innovation, the intellectual property portfolio, and strategy. At its September meeting, the Supervisory Board focused on sustainability, environment, health & safety, and IT strategy. In December, apart from approving the variable compensation components for Management Board members, the Supervisory Board addressed an amendment to the long-term bonus, which now includes two factors from the Environment, Social & Governance (ESG) framework. As in every second year, the Supervisory Board conducted a self-assessment in 2024, with the results discussed at its December meeting. The Supervisory Board received regular updates on the company's investment in the Israeli Landa Corporation Ltd. ("Landa Digital Printing") and revisited this topic in detail at its June meeting. At its Decem-

Prof. Dr. Frank Richter, Chairman of the Supervisory Board of ALTANA AG

ber meeting, the Supervisory Board also reviewed the corporate planning for the next three years and the 2025 budget, approving the latter. Before the Annual General Meeting in March and an Extraordinary General Meeting in June, the Supervisory Board made recommendations for resolutions on all agenda items, particularly regarding the dividend. At its constituent meeting following the Annual General Meeting in March, the Supervisory Board elected its chairman, two deputy chairpersons, and an Audit Committee member (more information on this can be found below in the "Personnel Changes" section).

Meetings of the Committees

The Human Resources Committee met thrice in the year under review. In addition, it passed a resolution by written circulation. At its meetings, it discussed recommendations to the Supervisory Board on the payment of variable compensation components for 2023 and the payments from the ALTANA Equity Performance Program 2020 to the Management Board members, as well as the targets for the short-term bonuses of the Management Board members for 2025 and the allocation values in the ALTANA Equity Performance Program for 2025. Additionally, the Human Resources Committee recommended an increase in Management Board compensation and decided on an adjustment of the peer group relevant to the long-term bonus. A key focus of the Human Resources Committee's work in 2024 was the inclusion of two ESG factors in the long-term bonus targets, as well as the recommendation of specific targets for one of these factors for 2025. The Audit Committee met twice during the reporting year and regularly reported to the Supervisory Board. In the presence of the external auditors and members of the Management Board, the annual financial statements of ALTANA AG and the Consolidated Financial Statements were reviewed. Furthermore, before its December meeting, the Audit Committee held discussions with the external auditors without the presence of the Management Board. Additionally, the Audit Committee dealt with the issuance of the audit mandate to the external auditor, the determination of the audit fee, the monitoring of the auditor's independence, and the approval of non-audit services provided by the external auditor. The committee also addressed issues related to risk identification and monitoring within the Group, the work of the Internal Audit department, ALTANA's Compliance Management System, and good corporate governance. In March, the Audit Committee further focused on the company's preparations for the introduction of the EU taxonomy and sustainability reporting. In December, in addition to its regular agenda, the committee prioritized the further development of the system by which the company measures the quality of its corporate governance and discussed key accounting issues for the year with the management. The Mediation Committee pursuant to Section 27 (3) of the German Co-Determination Act did not meet in the 2024 fiscal year.

Annual Financial Statements

The Annual Financial Statements of ALTANA AG, the Consolidated Financial Statements for the year ended December 31, 2024, and the Management Report of ALTANA AG, as well as the Group Management Report, were audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, which was appointed by the Annual General Meeting and engaged by the Audit Committee of the Supervisory Board, and it issued an unqualified audit opinion in each case. The system for early risk recognition set up for the ALTANA Group pursuant to section 91 of the German Stock Corporation Act was audited, and the examination revealed that the monitoring system is suitable in all material respects for the early recognition, with reasonable assurance, of developments endangering the ability of the company to continue as a going concern.

The financial statement documentation, the Corporate Report, the reports of PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft on the audit of the Annual Financial Statements and the Consolidated Financial Statements, as well as the Management Board's proposal for the use of the net profit, were made available to all Supervisory Board members. The Audit Committee of the Supervisory Board dealt at length with this documentation. The Supervisory Board inspected the documentation and dealt with it in depth at its balance sheet meeting in the presence of the auditor, who reported on the main results of the examination. The Supervisory Board agrees with the findings of the audit without objections and in its meeting of March 19, 2025, approved the Annual Financial Statements and Consolidated Financial Statements prepared by the Management Board. The Annual Financial Statements are thereby adopted. The Supervisory Board evaluated the Management Board's proposal for the use of the net profit and agrees with its recommendation.

Report in Accordance with Section 312 of the German Stock Corporation Act

The Management Board prepared a report in accordance with section 312 of the German Stock Corporation Act on relations with affiliated companies for the 2024 fiscal year. The Supervisory Board inspected this report and found it to be accurate. The auditor issued the following audit opinion:

"On completion of our audit and assessment in accordance with professional standards, we confirm that the factual statements of the report are correct and that the consideration paid by the company for the legal transactions in the report was not inappropriately high."

The Supervisory Board noted and approved the auditor's findings. Following the completion of its own review, the Supervisory Board has no objections to the Management Board's statement at the end of the report.

Personnel Changes

At the end of the Annual General Meeting on March 20, 2024, the term of office of Dr. Matthias Wolfgruber as a member and chairman of the Supervisory Board came to an end. The Annual General Meeting elected Mr. Ruud Joosten as a new member of the Supervisory Board. The company supported Mr. Joosten in his mandate through an onboarding program.

The Annual General Meeting was followed by a constituent meeting of the Supervisory Board, at which the Supervisory Board elected Professor Dr. Frank Richter as its chairman and Mr. Ulrich Gajewiak and Dr. Susanne Klatten as its deputy chairman and deputy chairwoman, respectively. As Chairman of the Supervisory Board, Dr. Richter is also ex officio

Chairman of its Human Resources Committee and its Mediation Committee. Upon his election as Chairman of the Supervisory Board, Dr. Richter resigned from his mandate as a member of the Audit Committee, and the Supervisory Board elected Mr. Joosten as a new member of the Audit Committee.

The Supervisory Board sincerely thanks Dr. Matthias Wolfgruber for 22 years of service to ALTANA. Few people have contributed to ALTANA's development, success, strategy, and culture in such a significant and diverse manner as Dr. Wolfgruber as a Management Board member, CEO, Supervisory Board member, and Chairman of the Supervisory Board.

Wesel, March 19, 2025

The Supervisory Board

Prof. Dr. Frank Richter
Chairman of the Supervisory Board

Turn Challenges into Opportunities

The current and future challenges are manyfold. The necessity to adapt to an ever more complex world has rarely been as evident as it is today. This makes it all the more important to have clear and unambiguous priorities. ALTANA's recipe for success? Our Keep Changing Agenda for the future. The following pages show how we turn challenges into opportunities by combining a balanced mix of a solid foundation (keep) and trend-setting transformation (change).


How can we successfully shape the future?
KEEP CHANGING

We change while staying true to ourselves

The recipe for success of the Keep Changing Agenda is a balanced mix of a solid foundation (keep) and trend-setting transformation (change).

The need to adapt to present and future challenges has rarely been as evident as it is today. We live in a so-called "VUCA world." The term describes a volatile, uncertain, complex, and ambiguous environment. "That is precisely why the 'keep' in our agenda is so vital," says ALTANA CEO Martin Babilas. "Our solid foundation is our guiding principles. They embody our values of openness, trust, empowerment to act, and appreciation. It also includes the cornerstones of our business model: our close customer relationships, our innovative and financial strength, and the agility of our largely decentralized organization. These fundamental success factors make the ALTANA Group resilient and must be preserved. Yet, continuous change is also embedded in our DNA."

The top priority: people

In an increasingly complex world, it is especially important to establish clear and unambiguous priorities when implementing change. At ALTANA, these priorities revolve around the people who work here and sustainability in all its dimensions. "Our responsibility as a company and our future success are directly tied to these two focus areas. The other two priorities –

As a team, people at ALTANA shape the future together.

growth and innovation, along with the pursuit of excellence – are built upon this foundation," says Martin Babilas.

ALTANA's agenda for the future is built around four focus areas, each encompassing multiple action fields. Under the "People" focus area, for instance, the goal is to mold ALTANA into a continuously learning and high-performance organization where everyone can reach their full potential. The "Sustainability" focus area comprises four key action fields, collectively ensuring the ALTANA Group's sustainable orientation. Among these, the company's products serve as the most significant driver of both sustainability and sustainable growth. For decades, ALTANA solutions have helped customers make their processes and the end products developed with these solutions increasingly sustainable.

The key driver: sustainable products

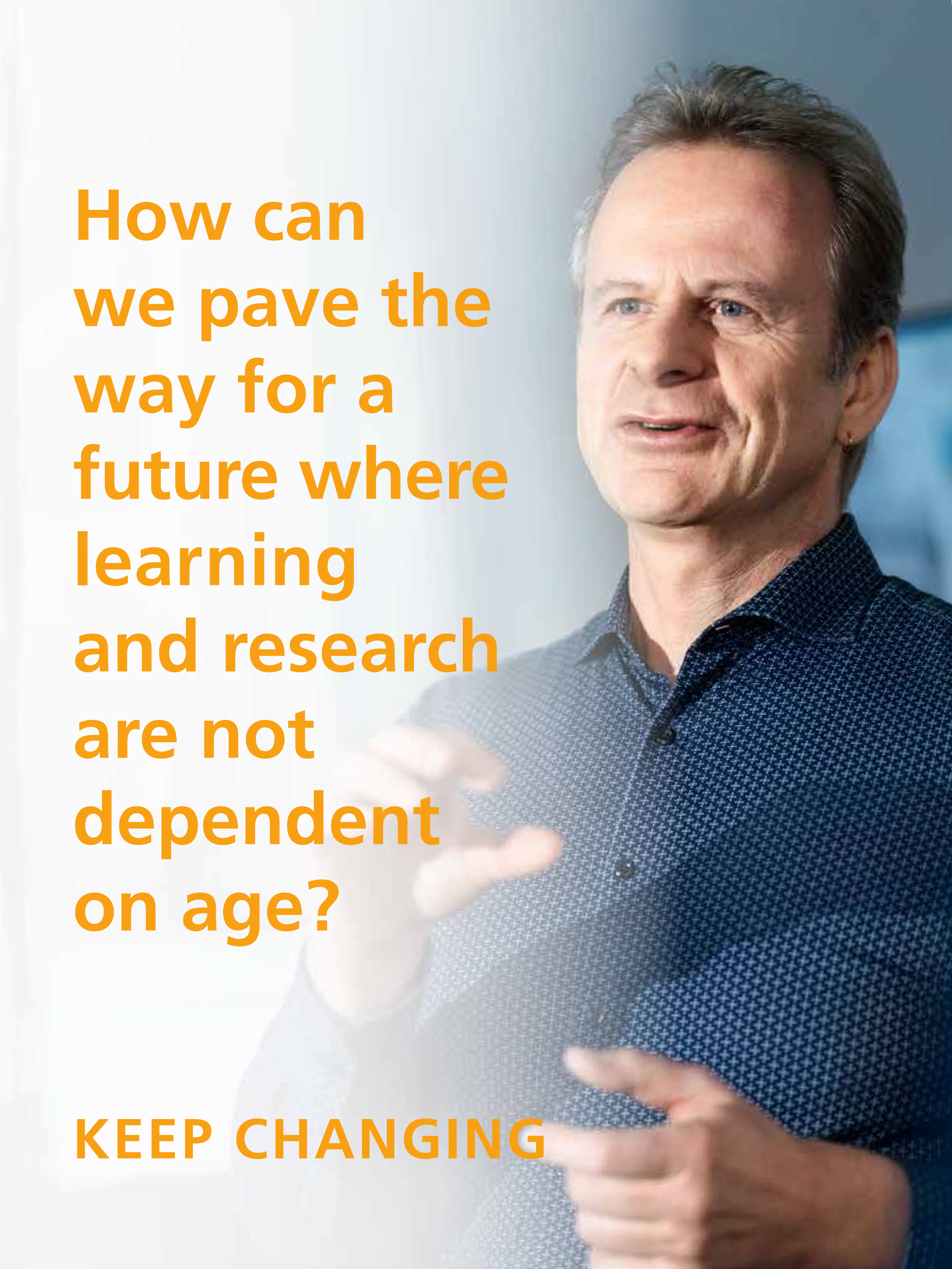
BYK additives, for example, facilitate the efficient production of batteries for electric vehicles. Insulation systems from ELANTAS ensure the long-lasting and safe operation of the world's largest offshore wind turbines. ACTEGA's innovative technologies help reduce material consumption in the packaging industry, while ECKART is among the first companies to offer products containing secondary aluminum, effectively lowering the carbon footprint across the supply chain.

On this basis, growth and innovation remain our most important drivers. And the pursuit of excellence remains a vital lever for achieving the objectives outlined in the Keep Changing Agenda. This includes fostering a forward-looking purchasing organization, leveraging intelligent digitalization, and efficiency in the process landscape.

All focus areas address a central question: How can we successfully shape the future and turn challenges into opportunities? The answers lie with the people at ALTANA, who contribute their expertise and creativity across many different fields.

Dr. Jessica Gödeker
Lab manager Home Care, Industrial and Institutional, BYK

Klaus Sulek
Plant manager in Wackersdorf, ECKART


How can we pave the way for a future where learning and research are not dependent on age?
KEEP CHANGING

As a Wise Peer, Klaus Sulek is helping to shape generational change in the company.

We create development opportunities for every generation

Whether you are an emerging talent or an experienced manager, at ALTANA we are united by our shared commitment to learning.

"The passion to keep developing and to question processes along the way – this is what I'm determined to pass on to future generations," says Klaus Sulek. The plant manager has been with ECKART in Wackersdorf for over 25 years, during which time he has accumulated a wealth of valuable experience. Yet he refuses to rest on his laurels. He decided to participate in the ALTANA Wise Peers program, a six-month development journey where experienced colleagues exchange insights on effectively passing on their knowledge to others.

Managing generational change

The initiative focuses on adopting new methods and devising strategies to enhance knowledge exchange between generations. "The Wise Peers program is a vital tool for successfully navigating generational change within the company," asserts Klaus Sulek. He has already experimented with some of the techniques and, with a smile, admits, "I'm still getting used to the new methods, but I'm learning."

One initiative that Sulek has collaborated on with other Wise Peers is already gaining traction. "We want to make training more appealing. To achieve this, we are creating cross-generational proposals to improve the attractiveness of job profiles and promote a better work-life balance," explains the plant manager.

Taking responsibility

Cross-generational exchange is intended to set an example for the future. With the initiative "Rent a Wise Peer Expert," a freely accessible program to bring emerging talent and experienced colleagues closer together has been launched at ALTANA. Developed and implemented by the Wise Peers, the program aims to improve the exchange of experience and expertise within the company by offering guidance and inspiration. Dr. Jessica Gödeker and Anne Drewer are already putting this into practice within ALTANA's BYK division. "The close exchange helped me quickly find my footing in the company, allowing me to internalize the corporate culture and grow in my role as a manager," says Dr. Gödeker.

For Anne Drewer, fostering young talent is a personal passion. As a Wise Peer, she is especially committed to supporting women in pursuing exciting careers and leadership positions. Dr. Gödeker, who heads technical service for the Home Care unit at BYK, highlights the importance of intergenerational mentoring and female role models as key drivers of personal growth: "At critical moments, I received clear guidance; at others, I was encouraged to make decisions myself and move forward. This approach allowed us to grow both individually and as a team." She views this as a strength of the corporate culture.

Acquiring knowledge and developing over generations. Through their dedication and desire for continuous learning, Dr. Jessica Gödeker and Klaus Sulek are instrumental in driving forward ALTANA's Keep Changing Agenda for the future. And they already agree on the next step: to develop the company together with and for the next generations.

Learning from each other: Fostering young talent is a personal passion for Anne Drewer.

Heath Whitfield
Operations manager, ELANTAS in the USA

Lena Neumann
Senior Category Manager Energy, ALTANA

How can we make a measurable contribution to climate protection?

KEEP CHANGING

We are becoming electrified

ALTANA is leveraging the expertise of regional colleagues to expand renewable energy sources. A model for success.

Purchasing global electricity demand from renewable energy sources sounds like mission accomplished. For ALTANA, however, it's just a milestone and the foundation for building its climate protection ambitions. "We want to drive the expansion of renewable energy infrastructure regionally. The electricity should be produced where it's consumed. That's sustainable in the long run," says Lena Neumann, Senior Category Manager Energy at ALTANA. By 2030, 80 percent of global electricity demand should be met through regional, renewable energy sources. To achieve this, ALTANA focuses on local green electricity contracts and is making substantial investments in expanding its own renewable energy generation facilities. The ALTANA Group already generates green electricity at over 18 sites. One of these is in the United States, specifically in Schenectady. About ten years ago, the team at ALTANA's ELANTAS division's production site began planning and constructing a solar plant. Operations Manager Heath Whitfield was instrumental in driving the project forward: "Commissioning the solar facility was an important step toward reaching our goals. At the same time, it's just one of many proj-

Schenectady, USA: About ten years ago, Heath Whitfield was instrumental in driving forward the construction of the first solar plant at the site.

Together with a network of over 60 colleagues, Lena Neumann is accelerating the regional expansion of renewable energies at ALTANA.

ects. We're constantly looking for ways to implement measures that improve our site's energy efficiency."

Decentralized structure as a success factor

Through their commitment, Heath Whitfield and his team are making an important contribution to ALTANA's Keep Changing Agenda for the future. With this, the company focuses on continuous transformation based on a solid foundation of values to develop solutions for future challenges. Regarding the key issue of sustainability, ALTANA takes a holistic approach. The company supports customers in achieving their sustainability goals while leading by example in reducing its own carbon footprint.

A key success factor is the decentralized structure. "Colleagues at the sites know the regional conditions very well and can therefore carry out projects efficiently," Lena Neumann explains. "Of course, we provide support with implementation and promote knowledge exchange to facilitate sustainable energy projects across the company." A network of over 60 colleagues is currently pushing forward regional sourcing and in-house green energy production across all divisions.

Conviction that inspires

Back in the United States: Heath Whitfield, who has been with the company for 23 years, has big plans. "We're motivated to expand our sustainability initiatives. We want to further increase our energy efficiency and are also considering expanding our capacity for in-house energy generation." This conviction is what excites Lena Neumann about the collaboration: "I speak to many colleagues from local sites and the commitment to collaboratively contributing to climate protection is exceptionally strong everywhere."

Beyond their own sustainability ambitions, the team at the Schenectady site keeps customer goals in mind. Among other things, the approximately 150 colleagues produce innovative insulation systems that help large offshore wind turbines generate electricity reliably.

Heidi Munnelly
Head of Research & Development – Signite®, ACTEGA

Grant Schutte
Vice President North America Technologies, ACTEGA


How do we create innovative products today to transform markets tomorrow?
KEEP CHANGING

We bundle our expertise

From concept to market maturity, ACTEGA is transforming the packaging industry with Signite®.

St. Louis, Leeds, Barcelona, São Paulo – Signite® is embarking on a world tour. The decoration technology from packaging specialist ACTEGA is showcased as a trio. In addition to the printing materials, the printing and application technology are on stage at the ALTANA division's presentations. This is because ACTEGA has taken a new approach in the development of Signite®: The printing and application technology were developed alongside the materials.

"We have chemical and engineering experts working closely together in our team. When we started developing Signite® in 2017, bundling these different skills was quite visionary for us as a specialty chemicals company," recalls Grant Schutte, Vice President North America Technologies at ACTEGA. And the team proved to be a winning combination, as the transformative decoration technology has successfully entered the market.

Waste-free printing process

Signite® is a unique decoration technology combining a low-waste printing technique with state-of-the-art application machinery. This creates a distinctive "no-

Heidi Munnelly and her team develop high-performance printing materials that are tailored to customer needs.

60 percent thinner labels: ACTEGA has developed Signite®, a transformative and sustainable technology.

label" look comparable to direct-to-container screen printing, but in a pressure sensitive application. All while improving recyclability and reuse capabilities for glass, plastic, or aluminum containers.

Heidi Munnelly and her team develop high-performance printing materials so that the innovative printing technology can reach its full potential. "All our solutions are UV-curing, which makes the production process both energy- and cost-efficient," explains the team leader, who has been part of the Signite® journey since its inception. "When I started, the idea of creating a completely new technology to protect the planet captivated me," she says. "Seeing the growing number of customers adopting this solution fills me with pride."

Success factor: cross-team collaboration

For Munnelly, this also means that the demand for customized materials is increasing. "We're not only focused on creating new decoration options but also on developing materials to provide end products with unique properties," she explains. These improvements, such as increased abrasion protection and impact resistance, result in exceptionally durable labels.

Chemical and engineering experts also collaborate closely when developing materials. "Working in this way, we ensure that materials and technology complement each other perfectly," says Grant Schutte. Another result of this pooling of expertise: Labels printed with Signite® are more than 60 percent thinner than conventional labels, significantly reducing material usage.

"When developing Signite®, we benefitted enormously from cross-team and partnership-wide exchange," says Schutte. Signite® is an impressive example of the ALTANA Group's Keep Changing Agenda for the future. The decoration technology combines innovation and growth. Thanks to its transformative potential and the team's tireless efforts, the technology has the momentum to gain a foothold in the growth market for sustainable packaging.

Oliver Schel
Category Manager Polyolefins, ACTEGA

Dr. Frederic Folwaczny
Chief Procurement Officer, ALTANA

How can we develop excellent solutions for our customers?

KEEP CHANGING

Sourcing raw materials, bringing people together: Oliver Schel's role goes far beyond that of a traditional buyer.

We bring people and data together

We are expanding our research and development team to foster innovation. New to the team – procurement managers.

Where are innovative products developed? In research and development, of course. Or maybe not? At ALTANA, researchers play a key role in finding solutions. But the company additionally puts strong emphasis on interdisciplinary and cross-divisional collaboration in product development. As a result, some inspiring ideas for new solutions may even come from the procurement departments.

Sustainable product solutions are becoming an increasingly central focus. "We work closely with suppliers and carefully examine the products available on the market, as well as whether we can purchase them in the required quantities," explains Dr. Frederic Folwaczny, ALTANA's Chief Procurement Officer, offering insight into the process. The purchase price is only one of many considerations. Availability, and particularly the quality and properties of products, are also critical factors. "When we identify new products on the market, such as bio-based precursors, we exchange ideas with our research teams to enhance our formulations in the long term," says Folwaczny.

Purchasing brings people together

As Category Manager Oliver Schel works

closely with suppliers – and with colleagues from various divisions and functional areas. His role goes beyond that of a traditional purchasing manager. “A very important part of my work is bringing people together and strengthening collaboration,” says Schel. He leads by example. Originally from Bremen, where he began his career at ACTEGA, Schel still considers the city his home. But as Category Manager, he now works across all divisions.

Recently, he led a workshop with researchers from BYK and ACTEGA. “Our goal was to harmonize the database between the divisions and make it transparent and accessible for everyone, in order to create an optimal decision-making basis for both research and purchasing,” explains Oliver Schel.

Leveraging the added value of data

Data is a central component for collaboration. It creates transparency and enables targeted action. “Data is important,” says Dr. Frederic Folwaczny. “But the key is colleagues like Oliver Schel, who work with it. We offer regular training courses to show how we can harmonize and analyze data. This ensures that everyone can find the information they need in the system.”

The synergy between digital transformation and close company-wide collaboration exemplifies ALTANA AG’s Keep Changing Agenda for the future. As a driver of innovation, the company is constantly evolving while building on core values and shared goals. This foundation enables interdisciplinary teams across the company to develop exceptional and customized product solutions with a strong customer focus. One successful example of this: the ACTEGA and BYK colleagues with whom Oliver Schel recently held the workshop.

The combination of interdisciplinary teams and digital transformation is a key innovation driver at ALTANA.

Group Management Report

Despite challenging market conditions and ongoing geopolitical crises, 2024 was a successful year for ALTANA. Due to increased demand for our products, sales grew more dynamically than expected and were significantly higher than in the previous year. Earnings before interest, taxes, depreciation, and amortization (EBITDA) in absolute terms increased in the low double-digit percentage range compared to 2023 and exceeded our 2024 plan. Driven by the strong sales performance, profitability improved over the previous year. However, due to persistently high costs and expenses related to the integration of our acquisitions, we did not achieve our strategic target for the EBITDA margin. Thanks to our solid financial position, we continued to invest substantial amounts in the future in 2024. We expanded our production sites, advanced our digitalization efforts, and made another strategic acquisition with the Silberline Group in January 2024. We also continued to pursue our ambitious long-term goals in the area of occupational safety and revised our climate targets to align with the Science Based Targets initiative (SBTi).

Group Basics

Organization and Legal Structure

The ALTANA Group is a global supplier of specialized chemical products and related services for different branches of industry and application fields. In the 2024 fiscal year, the Group's approximately 100 consolidated subsidiaries achieved sales of around € 3.2 billion. The ALTANA Group employs more than 8,000 people.

ALTANA's activities are grouped into four divisions, each of which has its own management and organizational structure. The divisions and the Group companies assigned to them are decentralized and empowered to largely make market-, location-, and product-related decisions themselves. The divisions are active worldwide and have their own production sites and sales offices as well as research and development laboratories in the markets that are important for them. In addition to the four operating divisions, there are holding companies in which Group management activities and internal services are bundled. Furthermore, activities for the cross-divisional development of new business areas are undertaken at this level.

ALTANA AG, headquartered in Wesel, is a stock corporation in accordance with German law. As the ALTANA Group's managing company, it assumes strategic control of the Group and the divisions. ALTANA AG is led by the Management Board, whose members act on their own responsibility and are solely committed to the interests of the company. The Management Board's activities are monitored by the Supervisory Board, whose members also advise the Management Board. More information on ALTANA AG's management and control system is provided in the Declaration on Corporate Governance in the Group Management Report.

All of the shares in ALTANA AG are held by SKion GmbH, Bad Homburg v. d. H., Germany, an investment company owned by Susanne Klatten. Until mid-2024, Ms. Susanne Klatten was the sole shareholder of SKion GmbH. In mid-2024, she transferred more than 99 % of the shares to her three adult children in equal portions, while retaining less than 1 % herself.

The decentralized organizational structure combines the individual operating units' ability to act swiftly and cater to the needs of markets and customers with the advantages of a financially strong and internationally active group. The organization is designed to adapt flexibly to changed market conditions and a volatile economic environment. In addition, new activities can be integrated into the organization in a short time.

Business Activity and Divisions

As a globally active specialty chemicals group, ALTANA focuses its core activities on sophisticated markets and customers who need individual solutions.

A significant share of the ALTANA Group's product and service portfolio encompasses input materials for the production of coatings, printing inks, and plastics. In addition, ALTANA manufactures printing inks and coatings for special applications, products for 3D printing, insulating and protective materials and systems for the electrical and electronics industries in the low-voltage and high-voltage range, sealants for packaging, and measuring and testing instruments.

Activities of the Divisions

BYK

The BYK division is one of the leading international suppliers of special-purpose ingredients, so-called additives, used in coatings and paints, plastics, and other industrial applications. The division's products, most of which are used in only very small amounts, have a decisive influence on the properties of their customers' end products or enable customers to improve their manufacturing and industrial processes.

Business divisions and areas of application

ALTANA

BYK	ECKART	ELANTAS	ACTEGA
Paint Additives	Coatings	Wire Enamels	Flexible Packaging
Plastics Additives	Graphic Arts	High Voltage	Metal Packaging Solutions
Industrial Applications	Cosmetics and Personal Care	Low Voltage	Paper & Board
Measuring and Testing Instruments	Plastics Industry	Electronics	
	Functional Applications	Engineering Materials	
		Composites	

Wetting and dispersing additives, one of the division's main product groups, help improve the even distribution of pigments and filling materials, and enable them to function better, for example in coatings and plastics. With the help of defoamers and air-release additives, foaming is prevented during the manufacture of coatings and paints as well as in end customers' applications. Surface additives are used to produce special properties such as shiny, matte or especially smooth surfaces. Rheology additives improve the flow behavior of coatings and plastics. The division also manufactures measuring and testing instruments that are used to determine surface properties, color shades, and optical effects and are utilized in the semiconductor industry.

BYK-Chemie GmbH, based in Wesel, is the management company of the division. In addition, it is the division's biggest production and development site for additives and the ALTANA Group company with the highest sales. BYK also produces at other sites in Germany, the Netherlands, Great Britain, as well as in the U.S. and China. The measuring and testing instruments are manufactured at a site in southern Germany (Geretsried), and also partly in Columbia, Maryland, and Rochester, New York (both in the United States).

The division sells its products primarily under the brands BYK (additives) and BYK-Gardner (instruments). Due to its comprehensive portfolio, BYK is a system supplier and partner of coatings manufacturers and plastics processors in particular. On the basis of its great problem-solving expertise, BYK has also attained an important market position in many other industrial application fields in recent years.

The division markets its products in the important regions via its own companies and branches. In addition, a dense network of dealers and agents markets its products worldwide. BYK generates the highest share of its sales in Asia, followed by Europe and the Americas. In terms of countries, the U.S. makes the largest contribution to sales, followed by China and Germany.

BYK continually expands and supplements its product portfolio. To gear its innovation activities closely to the needs of the markets, the division has its own network of development laboratories, which cooperate closely with customers in the respective regions. At the same time, new fields of application are continually tapped for existing or new products.

ECKART

ALTANA concentrates the development, production, and sale of pigments in the ECKART division. Customers use these products to achieve visual and functional effects, primarily in coatings, plastics, printing inks, cosmetics, and construction materials. The principal raw materials are aluminum, copper, and zinc. Aside from metallic effect pigments, other pigments are offered based on synthetic minerals. The division's portfolio is supplemented by effect printing inks, metal powders and alloys for 3D printing, as well as the corresponding services.

Aluminum-based effect pigments comprise the largest part of ECKART's business. Customers use them particularly to achieve silver metallic effects, for example, for car paints or on graphic arts products. Aluminum pigments are also used for functional purposes, for example, in the manufacture of aerated concrete. Copper-based bronze effect pigments generate golden effects in paints, printing inks, and plastic products. Customers use zinc pigments in special paints to achieve functional properties, particularly for corrosion protection.

ECKART GmbH is the division's operating management company. Since mid-2024, operational control of its business activities has been organized by the regionally structured areas: the Americas, Asia, and Europe. Major production sites are located in Southern Germany (Hartenstein and Wackersdorf), producing a significant share of the effect pigments sold worldwide. Additional production sites are in eastern Germany (Bitterfeld), Switzerland, Finland, the United Kingdom, the U.S., and China. The manufacturing process is characterized by a very high degree of value creation. In a number of successive steps, all kinds of pigments are made, refined chemically, and in some cases processed into press-ready printing inks.

The effect pigments are marketed predominantly via the division's own sales structures, but also by sales partners. ECKART's most important customers include international manufacturers of coatings, printing inks, and plastics. Other important customers are manufacturers in the construction industry, the metal-based 3D printing industry, and the cosmetics sector. ECKART achieves around half of its sales in Europe. Its next largest sales regions are Asia and the Americas.

As an important manufacturer of metal effect pigments, ECKART continually pushes forward the development of new product qualities and opens up new fields of application on the basis of sophisticated technological expertise and many years of knowhow. ECKART's product portfolio is continually improved in order to offer its customers further and even better high-performance materials. On January 19, 2024, ECKART GmbH acquired the Silberline Group, headquartered in Tamaqua, Pennsylvania, USA. This acquisition strengthens ECKART GmbH's regional presence, particularly in North America and Asia. The research and production capacities of both companies complement each other, allowing for a more flexible response to customer needs. Additionally, from ALTANA's perspective, the acquisition supports the development of sustainable product innovations.

ELANTAS

The companies in the ELANTAS division offer their customers in the electrical and electronics industries extensive expertise in the field of protective and insulating materials. As one of the world's leading suppliers, the division focuses on a product portfolio that includes coatings and tapes for insulating magnet wires as well as materials for the electrical, mechanical, and chemical protection of electrical and electronic components. These products include wire enamels, high-voltage tapes, impregnating resins, potting materials, and insulation papers.

ELANTAS operates under the management of ELANTAS GmbH, based in Wesel. This holding company controls the division's activities and supports its operating subsidiaries, which develop and produce insulating materials in Italy, Germany, France, Switzerland, Great Britain, China, India, Malaysia, the U.S., and Brazil.

The division's products are marketed worldwide. Among its most important customer groups are magnet wire manufacturers, which need materials to insulate wires made of copper or aluminum. The division also supplies insulating resins and coatings directly to manufacturers of electrical and electronic components.

ELANTAS' most important sales region by far is Asia, and particularly China. A high proportion of global manufacture of electrical and electronic components and consumer goods is concentrated in this region. The division has had its own production sites in China, India, and Malaysia for years. In 2024, production capacity for wire enamels in Zhuhai, China, was significantly expanded to meet future demand. The company operates 25 production sites worldwide and is backward integrated for key raw materials. After China, the U.S., India, and Germany are its most important sales markets.

Thanks to the comprehensive expertise in the manufacture and application of liquid insulating systems, the division is steadily expanding its activities. It seeks to tap new application fields and thus growth potential by developing new insulating materials and applying specific polymerization knowhow. Global trends such as increasing electromobility and the expansion of renewable energies offer additional growth opportunities. The increased use of electrical components in everyday life is also helping to further strengthen the company's market position.

ACTEGA

The ACTEGA division's portfolio is tailored to the needs of the packaging and graphic arts industries. It produces specialty coatings, printing inks, adhesives, and sealants used by customers to achieve functional and visual effects.

ACTEGA is managed by the holding company ACTEGA GmbH, based in Wesel. Its business activities are divided into three business lines: Flexible Packaging, Metal Packaging Solutions, and Paper & Board. In research and development, activities are bundled in four technology groups and one competence center. The products are distributed and manufactured by subsidiaries in Germany, Switzerland, France, Spain, the U.S., Canada, Brazil, Chile, and China.

Important product groups of the division include coatings and printing inks, as well as sealants and adhesives used to make packaging materials. A focal point of its product portfolio is the specific needs of the food industry with its high-quality requirements. In addition, there is a demand for ACTEGA's printing inks and overprint varnishes among customers in the graphic arts industry. The division's largest sales region is Europe, followed by the Americas. Its most important individual markets are the U.S. and Germany.

Together with the packaging industry, and in direct contact with brand manufacturers, ACTEGA develops new and improved optic and haptic functionalities. Its innovation activities primarily aim to improve the safety and shelf life of packaged foods.

In recent years, the division has invested in a targeted way in the acquisition and further development of existing and new technologies in order to tap new growth potential in the medium to long term for its business, to prepare its entry into new markets, and thus further expand its market position in label printing with the ECOLEAF and Signite® decoration solutions, for example. Both technologies underline ALTANA's ambition to offer customers more sustainable solutions.

Important Influences on Business Development

ALTANA's different sales markets are influenced by various short-, medium-, and long-term trends.

In the course of a year, seasonal fluctuations in demand result from lower customer activity, for example during the Chinese New Year Festival, during the summer holiday season, and at the end of the year.

Short- and medium-term fluctuations in demand result mainly from economic developments. The current development of consumer behavior is not the only factor. Our customers' expectations regarding the short-term development of the end markets downstream in the value chain also have a significant impact on their purchase behavior. This appraisal largely determines how much storage is reserved.

In addition, actual and expected changes in the prices of essential raw materials impact the sales situation. When raw-material prices continually rise, customers look for alternative input materials and this influences overall sales or the product mix. The same applies to significant changes in other cost components that have a strong influence on the price of products. This price sensitivity of the markets is also reflected in short-term changes in demand, when for example stronger price fluctuations are expected for significant raw-materials markets.

The competitive situation in the different product-specific market segments can have similar effects on customer behavior. The entry of new manufacturers into a market or the withdrawal of existing manufacturers from a market and the competitors' prices can impact demand.

Long-term changes in demand for the Group's products and services are brought about on the one hand by global megatrends and the economic growth of certain regions. On the other hand, product and technological developments continually open up new sales potential or lead to product segments being discontinued.

Strategy and Control System

Strategy

Current market requirements, and market demands expected for the future, determine the ALTANA Group's corporate action. The success of our customers is at the center of our business activities. We can only be successful in the competitive environment in the long run if we offer our customers added value.

ALTANA's strategy is consistently geared towards sustainable profitable growth in future-oriented specialty chemicals markets. Our top financial priority is to sustainably increase the company's value.

Profitable growth at ALTANA is based on four aspects: The first is the operational expansion of activities in existing markets and the development of new adjacent sales segments. ALTANA's four divisions occupy significant competitive positions in their respective sales markets. This positioning is an important prerequisite for being identified and acknowledged by market participants as a competent provider of customized solutions.

In addition to ALTANA's comprehensive product portfolio, innovation plays a key role in its high level of problem-solving expertise.

To enable customers to create new applications and strengthen their portfolio, ALTANA continually pushes forward its own research and development activities, particularly in the area of sustainability. To this end, our employees' know-how and experience are just as important as investments in new technologies.

ALTANA is actively engaged in the strategic alignment of its business operations with sustainable practices. This encompasses initiatives such as decarbonizing ALTANA and its supply chains, including logistics, but also the transformation of ALTANA's product portfolio towards sustainable materials that enable a circular economy.

Furthermore, we consistently enhance our operational growth by acquiring new companies or business activities, ensuring a continuous expansion of our specialized service portfolio. This strategic approach allows us to integrate new segments of the value chain into the Group or provide access to novel markets and technologies.

Control System and Goals

ALTANA's control system is fundamentally oriented to the goal of a sustainable increase in the company's value. A number of key performance indicators are derived whose developments are analyzed and for which target values are determined. The most important key performance indicators are sales growth, earnings before interest, taxes, depreciation and amortization (EBITDA), the EBITDA margin as well as the investment level, both in relation to sales, and the return on capital employed (ROCE) with the resulting ALTANA Value Added (AVA).

ROCE is derived from earnings before interest and taxes (EBIT), adjusted for one-time special effects and from which a calculated tax burden is deducted.

The capital employed, in turn, encompasses those components of the assets and liabilities needed to achieve operating earnings. Derived from ROCE, we also calculate ALTANA Value Added, which takes into account the cost of capital employed. The cost of capital is determined from the weighted average of cost of debt and cost of equity. We regularly examine the weighted average cost of capital but only adjust it for the calculation of the AVA if it exceeds or falls below a certain range. For 2024, the cost of capital rate remained at 7.5 %. No adjustment is planned for 2025.

Key performance indicators are used for measuring the company's success and as criteria for strategic and operational decisions at the level of the Group holding company, the divisions, and individual companies. In addition, the key figure AVA is also used to determine variable compensation components.

Our goal is to achieve operating earnings that exceed the cost of capital on a sustainable basis. In recent years, we have managed to generate a positive AVA. We achieved this goal of generating a positive AVA again in the reporting year, after an exception in 2023 due to the economic situation.

Sustainable profitable sales growth forms the basis for a long-term increase in our operating earnings and thus in the value of the company. ALTANA's goal is to outperform the general market growth in the most important sales segments and thus to obtain market shares.

In the long term, we aim to achieve average annual operating sales growth of 5 %. We seek to generate additional growth through acquisitions, either by acquiring supplementary activities at the level of our existing divisions or through the possible integration of new business activities.

But growth should not be achieved at the expense of profitability. Therefore, control of the EBITDA margin is very important for the ALTANA Group. The long-term target range for the EBITDA margin of the Group is 18 % to 20 %. Derived from this are long-term target margins for our four divisions, which may deviate from the average target value for the Group due to the different business activities and market characteristics. Over many years, the Group margins achieved were within or, in some years, even above the target range. In 2022 and 2023, EBITDA margins fell below the target range. This was due to inflation-related sales price increases, substantial cost escalations, and notably, a decline in sales in 2023 influenced by the prevailing economic conditions. In the 2024 reporting year, the EBITDA margin moved closer to our strategic target, but was still not within this range due to the continued high inflationary pressure on costs.

In addition to pursuing long-term sales and earnings growth, another focus to successfully increase the value of the company is control of the operating capital. The main factors of influence in this context are the development of fixed assets and of net working capital.

In research and development, we aim to achieve a cost ratio of 6 % to 7 % of sales in order to safeguard the long-term orientation of our innovation activities.

On average over several years, our investments in property, plant and equipment and intangible assets have been around 5 % to 6 % of our sales. Due to this continuity, sharp increases in operating capital and resulting short-term fluctuations of the ROCE can be minimized. In addition, every important investment is examined regarding its short- and long-term effects on the company's value.

For the control of net working capital, which is of great importance for the development of operating capital, we use key performance indicators to analyze and control profitable growth and the company's value. These key performance indicators concern the scope of inventories as well as trade accounts receivable and payable.

Apart from the aforementioned essential financial control parameters, there are other financial key indicators that help us analyze and control profitable growth and the company's value. The most important ones are cost figures (cost of materials, personnel expenses, etc.).

To guarantee that all activities are geared uniformly to the Group's strategy, we also use non-financial key performance indicators. Significant control-relevant non-financial indicators and thus key performance indicators for Group management relate to the areas of occupational safety and climate strategy. Starting in 2025, WAI 2 and Scope 1 and 2 greenhouse gas emissions will also be integrated into ALTANA's compensation system. To track the achievement of the goal of continuously improving occupational safety, the Work Accident Indicator (WAI) is used, which includes WAI 1, WAI 2, and WAI 3, as a key performance indicator. The WAI shows the number of reported occupational accidents with lost work days in relation to one million hours worked in the respective attribute defined per key performance indicator (for details, see page 66 f.). Furthermore, the ALTANA Group is committed to operating with virtually no greenhouse gas emissions worldwide by 2050, achieving so-called "net zero emissions." Specifically, emissions across the entire value chain (Scope 1, 2, and 3) are to be reduced by 90 percent by that time. The company will permanently remove any remaining unavoidable emissions from the atmosphere through SBTi-approved processes, such as investing in neutralization certificates from carbon capture projects with permanent carbon dioxide storage. By 2040, ALTANA aims to reduce greenhouse gas emissions in its direct sphere of influence (Scopes 1 and 2) by 90 percent. The Science Based Targets initiative (SBTi) has confirmed that these targets are in line with the Paris Agreement. To meet these goals, ALTANA is focusing on the electrification of processes and vehicles, the purchase of sustainable raw materials, and further reducing transport distances by leveraging the company's decentralized purchasing and production network. Starting in 2025, ALTANA will also voluntarily offset as many CO_2 equivalents as the company generates in Scope 1, Scope 2, and selected Scope 3 categories. To quantitatively measure these strategic aims, ALTANA has implemented a reporting system for greenhouse gas emissions, expressed as CO_2 equivalents. These emissions are categorized as direct emissions from company-owned or controlled sources (Scope 1), indirect emissions from the performance-related purchase of electricity (Scope 2), and indirect emissions along the value chain (Scope 3).

To support the implementation of this climate strategy, the corporate policy for investment control has been expanded to include sustainability considerations, such as an internal CO_2 price, ensuring the long-term achievement of the company's objectives.

Apart from these two groups of indicators, there are other non-financial indicators which are not regarded as being relevant for control. These include data for the evaluation of innovation activities as well as other key performance indicators in the area of sustainability, for the analysis of sales markets and customer satisfaction.

Business Development

Integrated Planning Processes

All of the key performance indicators relevant for control are compiled and analyzed within the framework of standardized reporting processes. To be able to use these key parameters effectively to control our strategy and possible short- and medium-term measures, there is an integrated planning process embracing different planning levels and dimensions.

The planning cycle has a strategic planning component, which combines the analysis of the essential performance indicators for future business development at the product group level with a detailed representation of the changes expected in the market environment.

From this, strategic measures are derived enabling us to react to expected developments at an early stage. These measures, developed in the strategic planning process, include not only fields of activity on current sales markets, but also concrete goals and planning steps for entry into new fields of business or application areas and changes in the portfolio of business activities.

The decisions taken within the framework of strategic planning enter into our subsequent medium-term financial planning. The latter delineates our growth and profitability goals for the coming three years and the effects of the expected business development on ALTANA's asset and financing structure. This is used to derive possible measures for our financing strategy. Our medium-term financial planning is supplemented by scenario analyses, which transparently reflect the sensitivities of the key performance indicators to relevant, predominantly cyclical changes in the market environment. From this, we derive levels of reaction for possible countermeasures.

General Business Setting

Overall Economic Situation

Amid ongoing geopolitical crises, global economic growth in 2024 reached a below-average yet stable level. Following growth of 3.3 % in the previous year, the International Monetary Fund (IMF) currently estimates that global economic output will increase by 3.2 % in 2024. As in previous years, however, developments varied across regions and economies. Inflation rates continued to decline, leading to a gradual easing of monetary policy. However, these measures did not have the same positive effect on stabilizing private consumption and investment activity everywhere. While the availability of raw materials and energy stabilized, price levels remained high.

According to IMF estimates, the economy in the Eurozone remained weak in 2024. Following growth of 0.4 % in the previous year, economic output increased only slightly, by 0.8 %. In Germany, economic output was slightly negative at -0.2 %, similar to the previous year. While consumption stabilized due to an increase in real incomes, persistent weakness in the manufacturing sector and exports contributed to the downward trend. Growth in other Eurozone countries also remained low, though slightly positive, with Italy at 0.6 % and France at 1.1 %. Spain, with a growth rate of 3.1 %, experienced above-average development compared to the Eurozone.

According to the latest IMF estimates, the economies in the Americas stabilized at a slightly positive level overall in 2024, with inflation continuing to ease. The U.S. achieved growth in gross value added of 2.8 %, while Canada recorded growth of 1.3 %. In the Latin American countries, growth remained on par with the previous year at 2.4 %. Brazil showed a positive trend compared to the previous year, with 3.7 % growth, whereas Mexico experienced a slowdown, with growth falling to 1.8 %. For Argentina, which had already seen a decline in economic output of -1.6 % the previous year, the IMF predicted a further deterioration, forecasting a decline of -2.8 %.

As per the IMF, Asia remained the region with the most dynamic economic development in 2024, even though the leading economies of China and India were unable to match the previous year's growth rates. China, which achieved 5.2 % growth in the previous year, lost some momentum in 2024, with growth forecast at 4.8 %. The ongoing crisis in the real estate sector and a lack of confidence among domestic consumers weighed on economic development. In India, where growth was 8.2 % in the previous year, industrial activity slowed. Nevertheless, it still achieved above-average growth, with an estimated increase in gross value added of 6.5 %, according to the IMF. The ASEAN-5 countries, following a 4.0 % increase in 2024, are forecast to see growth of 4.5 %. Japan, which grew by 1.5 % the previous year, is estimated to have experienced a decline in economic output of -0.2 %.

Industry-Specific Framework Conditions

The American Chemistry Council (ACC) estimates that global chemical production grew by 3.5 % in the past fiscal year (compared to 1.0 % in the previous year). This indicates that the chemical industry performed better than in the previous year and slightly exceeded the estimated overall economic growth for 2024. Demand recovered at varying speeds across different regions.

According to the German Chemical Industry Association (VCI), Germany, Europe's largest chemical producer, recorded growth of 2 % for the industry as a whole, following a sharp decline in the previous year (-8 %). Excluding the pharmaceutical sector, the VCI expects a 4 % increase for the past fiscal year (compared to -11 % the previous year). The industry association ACC forecast growth of 1.9 % for the European market as a whole, marking an improvement after the steep production decline in the previous year (-8.1 %), which was primarily caused by high energy costs due to the Russian war of aggression against Ukraine.

In the United States, chemical production excluding pharmaceutical products fell by 0.4 % overall, according to the ACC. As a result, it performed below both the overall economic development of the U.S. and the chemical production growth in North America as a whole, where production remained almost at the previous year's level with a growth of 0.2 %, according to the ACC. In Latin America, the industry was weaker than in North America, with an overall decline of 0.8 %.

According to the ACC, the chemical industry in the Asia-Pacific region grew by 4.8 % in the 2024 fiscal year, demonstrating continued growth momentum following growth of 4.3 % in the previous year.

Due to production cuts and ongoing geopolitical tensions, the price of a barrel of Brent crude oil continued to fluctuate strongly during the year. But with the annual high of 90 U.S. dollars in May 2024, the peaks of recent years were no longer reached. At the end of the year, the price of a barrel of Brent crude fell to 74 U.S. dollars. At 81 U.S. dollars, the average price for the year was on a par with that of the previous year (82 U.S. dollars).

Important Events for Business Development

Non-operating effects impacted ALTANA's earnings and financial position as well as its net assets in 2024.

Non-operating effects from acquisitions in the 2024 fiscal year stemmed primarily from transactions completed in the previous year. These included the BYK division's acquisition of Imaginant Inc. in Rochester, New York, on August 15, 2023, and the ELANTAS division's acquisition of a majority stake in the Swiss Von Roll Group on September 29, 2023. Additionally, the ECKART division acquired the Silberline Group, headquartered in Tamaqua, Pennsylvania, USA, on January 19, 2024.

The fluctuation of key exchange rates for ALTANA against the Group currency, the euro, had a slightly negative impact on sales development in 2024 and, to a lesser extent, on earnings development. The most significant effect came from the change in the euro exchange rate against the Chinese renminbi, which averaged CNY 7.79 for one euro, higher than the previous year's figure of CNY 7.66 to the euro. Other notable negative effects from exchange-rate fluctuations arose from the Brazilian real, which at BRL 5.83 for one euro was also higher than the previous year (BRL 5.40 to the euro). The Japanese yen followed the same trend, with a ratio of 163.85 JPY for one euro (previous year: 151.99 JPY to the euro), as did the Indian rupee, with a ratio of 90.56 INR for one euro (previous year: 89.30 INR for one euro), and the Mexican peso, with a ratio of 19.83 MXN for one euro (previous year: 19.18 MXN to the euro). The average U.S. dollar exchange rate remained at the same level as the previous year (USD 1.08 for one euro), contributing little to the overall exchange-rate effects. Slightly positive effects in 2024 were mainly due to a weaker Swiss franc exchange rate. The average exchange rate of the euro to the Swiss franc decreased from CHF 0.97 for one euro in 2023 to CHF 0.95 to the euro in 2024. Differences in exchange rates as of the balance sheet date had a net positive effect on balance sheet items compared to the previous year.

Business Performance

Group Sales Performance

Despite persistently difficult market conditions, ALTANA was able to significantly improve sales in 2024 over the previous year, both nominally and adjusted for non-operating effects. Group sales reached a total of € 3,168.8 million and thus increased by 16 % or € 427.3 million compared to 2023 (€ 2,741.5 million). Non-operating effects had a positive impact on the overall sales trend. Although the aforementioned exchange-rate fluctuations resulted in a slight decrease of € 20.8 million from the translation of foreign currency sales, the acquisitions boosted sales by a total of € 244.7 million, mainly due to the acquisition of the Von Roll Group (€ 173.8 million) in September 2023, which was integrated into the ELANTAS division. The Silberline Group, which was acquired for the ECKART division in January 2024, contributed € 64.9 million to total sales, while the business activities of Imaginant Inc., based in Rochester, New York, acquired for the BYK division in August 2023, generated additional sales growth of € 6.0 million. The effects were calculated based on the duration of the Group affiliation. Adjusted for the positive acquisition effects and negative exchange-rate effects, operating sales growth was 7 % above the previous year and therefore exceeded the strategic target of 5 %.

Key figures

	2023	**2024**	Δ %	Δ % op.[1]
in € million				
Sales	2,741.5	3,168.8	16	7
Earnings before interest, taxes, depreciation and amortization (EBITDA)	385.1	489.8	27	25
EBITDA margin	*14.0 %*	*15.5 %*		
Operating income (EBIT)	216.3	288.8	34	36
EBIT margin	*7.9 %*	*9.1 %*		
Earnings before taxes (EBT)	166.3	239.3	44	47
EBT margin	*6.1 %*	*7.6 %*		
Net income (EAT)	110.2	164.4	49	
EAT margin	*4.0 %*	*5.2 %*		

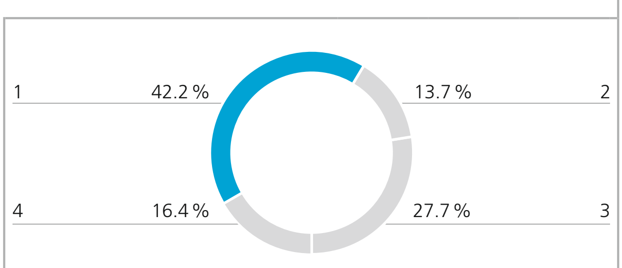
[1] Operating deviation, i.e., adjusted for acquisition and divestment as well as exchange-rate effects. This adjustment also applies to other sections of this management report.

Already at the beginning of 2024, demand for our products developed slightly better than planned. This trend continued throughout the year, resulting in nominal sales growth of 11 % in a year-to-year comparison. Adjusted for non-operating effects from acquisitions, volume growth amounted to 9 %. The slightly lower raw-material prices in 2024, compared to the previous year, led to reductions in our sales prices in certain product segments, which had a slightly negative impact on operating sales development, in addition to changes in the product mix. Overall, however, not only was there a significant increase in sales and turnover compared to 2023, but the sales growth expectations for 2024 were also exceeded in the mid-single-digit percentage range in operational terms.

The positive sales trend was evident across all regions, albeit with varying intensity due to the specific conditions in each sales region. As a result, there were slight shifts in the regional sales and turnover structure. With a 37 % share of total Group sales (compared to 38 % in the previous year), Europe remained the most important region for ALTANA. It recorded sales growth of 13 %, with an increase of 2 % when adjusted for acquisitions and exchange-rate effects. Germany, the market with the highest sales, grew by 3 % compared to the previous year, adjusted for non-operating effects. Other Eurozone countries also saw growth, while operating sales declined only in a few Western European countries and in Poland.

Sales in the Americas exceeded the previous year's figure by 12 % in 2024, with a 4 % increase when adjusted for exchange-rate and acquisition effects. In operational terms, U.S. sales remained at the previous year's level. The country's share of the Group's total sales fell slightly to 18 % in 2024, from 19 % in the previous year. However, as in 2023, the U.S. remained the Group's strongest single market in terms

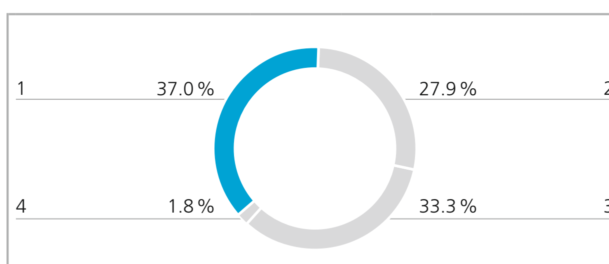
Sales by division[1]



in € million	2023	2024	Δ %	Δ % op.
1 BYK	1,208.3	1,336.6	11	11
2 ECKART	351.1	433.6	24	5
3 ELANTAS	685.6	878.2	28	4
4 ACTEGA	496.5	519.2	5	5
Total	**2,741.5**	**3,168.8**	**16**	**7**

[1] Sales of the holding companies is not disclosed separately.

Sales by region



in € million	2023	2024	Δ %	Δ % op.
1 Europe	1,037.1	1,172.4	13	2
thereof Germany	*292.0*	*336.5*	*15*	*3*
2 Americas	792.4	885.6	12	4
thereof U.S.	*521.3*	*579.2*	*11*	*0*
3 Asia	863.4	1,053.8	22	17
thereof China	*461.8*	*554.7*	*20*	*15*
4 Other regions	48.6	57.0	17	14
Total	**2,741.5**	**3,168.8**	**16**	**7**

of sales. Sales also increased in all other countries in the region, with some experiencing double-digit growth. Brazil saw a 14 % increase in operational terms, followed by Mexico with 7 % and Canada with 4 %. The Americas' share of Group sales decreased slightly to 28 % in 2024, from 29 % in the previous year.

In the past fiscal year, Asia once again increased its share of total Group sales, rising from 31 % to 33 %. The region recorded the strongest nominal and operational sales growth within the Group. Growth amounted to 22 % in nominal terms and 17 % in operational terms, adjusted for negative exchange-rate and acquisition effects. The main drivers of this development were China and India, the region's most important markets. With operating growth of 15 %, China made up for the previous year's sales decline and also recorded growth. Its share of the Group's total sales rose again from 17 % to 18 %. India even surpassed the exceptional growth of the previous year, recording operating growth of 13 %. The Southeast Asia region, South Korea, and the Middle East countries also saw significantly higher sales figures.

Sales Performance of BYK

The BYK division's sales increased by 11 %, or € 128.3 million, reaching € 1,336.6 million in the 2024 fiscal year, compared to € 1,208.3 million the year before. This included negative exchange-rate effects of € 8.5 million and positive effects of € 6.0 million from the acquisition of the business activities of Imaginant Inc., based in Rochester, New York, on August 15, 2023. These effects resulted in only a slight non-operating deviation, meaning that an 11 % increase in sales was also achieved in operational terms.

Despite the challenging market environment, the division was able to nearly offset the previous year's decline in sales. The growth was primarily driven by an increase in sales volumes, while price and mix effects played a lesser role. The growth impacted nearly all product lines in the additives product area, particularly those for paints and coatings. Additionally, further growth was achieved in the instruments business.

All regions contributed to the growth in 2024, though at different rates. Asia was by far the leading region in terms of sales development, surpassing Europe as the region with the highest sales. This growth was driven by the markets in China and India, which saw double-digit percentage growth in sales after adjusting for exchange-rate effects. Significant expansion was also achieved in other Asian markets. Adjusted for exchange-rate and acquisition effects, Europe experienced mid-single-digit percentage sales growth in 2024 but continued to lose momentum in Germany, the market with the highest sales. The overall positive development was mainly driven by growth in other Eurozone countries, such as Italy and Spain, as well as in markets like Poland, Eastern Europe, and Turkey. The Americas region showed positive overall development, achieving operating growth in the mid-single-digit percentage range, although the U.S., the market with the highest sales, only grew by a low single-digit percentage after adjusting for non-operating effects. The most dynamic markets in this region were Mexico and Brazil, with operating growth rates in the double-digit percentage range.

ECKART Sales Performance

The ECKART division generated sales of € 433.6 million in 2024 (previous year: € 351.1 million). The year-on-year growth of 24 % was mainly influenced by the acquisition of the Silberline Group, headquartered in Tamaqua, Pennsylvania, USA, on January 19, 2024. Exchange-rate effects had a slightly negative impact. Operating growth amounted to 5 % and was largely driven by positive price and mix effects. Adjusted for acquisition effects, the development of sales volume was slightly negative.

Sales performance in 2024 was mixed at the regional level. Europe, the region with the highest sales, saw a mid-single-digit percentage increase when adjusted for exchange-rate and acquisition effects, with Germany, the leading market, achieving double-digit growth. Asia experienced a significant boost in momentum, recording double-digit operating growth, driven primarily by China, the largest market in terms of sales, as well as India and Thailand. South Korea and Japan also saw operating growth. While the Americas grew overall due to the acquisition of the Silberline Group, the operating sales trend was negative. Adjusted for currency and acquisition effects, sales in this region declined by a low single-digit percentage, with the U.S., the largest market in terms of sales, experiencing a notable loss in the mid-single-digit range. In contrast, other markets in the region, particularly Brazil, along with Mexico and Canada, achieved double-digit percentage operating growth.

Sales Performance of ELANTAS

In the ELANTAS division, sales in 2024 increased by 28 % or € 192.6 million to € 878.2 million (previous year: € 685.7 million), primarily driven by positive effects from the acquisition of the Von Roll Group in the previous year, amounting to € 173.8 million in 2024. Operating sales growth, adjusted for the positive acquisition effects and negative exchange-rate effects of € 6.9 million, was 4 %. In 2024, ELANTAS recorded positive operating sales development in the upper single-digit percentage range. However, the resulting sales growth was partially offset by negative price effects.

The sales performance across regions in the ELANTAS division presented a heterogeneous picture. Adjusted for exchange-rate and acquisition effects, the Asia region demonstrated strong momentum, achieving double-digit percentage growth. This positive development was primarily driven by China, the market with the highest sales. India also continued to show operating growth in the high single-digit percentage range. In contrast, Europe experienced a decline in operating sales, down in the mid-single-digit percentage range. Both Italy and Germany, the largest markets, saw a decrease in operating sales, while some Eurozone countries and Eastern Europe achieved positive growth in percentage terms. In nominal terms, the ELANTAS division achieved a significant increase in sales, particularly in this region, due to the acquisition of the Von Roll Group. The performance in the Americas was also positive in nominal terms, but when adjusted for currency and acquisition effects, the region recorded a slight loss in sales in the low single-digit percentage range. The leading market, the USA, along with Canada and Mexico, experienced a decline in operating sales, while Brazil and other markets in the Americas showed positive operating growth.

Sales Performance of ACTEGA

With sales of € 519.2 million (previous year: € 496.5 million), the ACTEGA division achieved a 5 % increase in sales compared to 2023. Operating sales development remained stable, with only minor negative currency effects of € 4.2 million. Volume sales performed significantly more positively in this division, showing growth of 9 %. However, price reductions due to lower raw-material prices slightly tempered the overall growth.

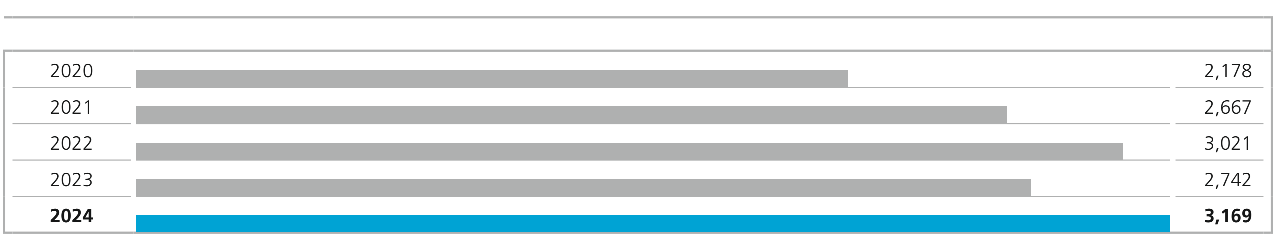
The division's sales performance was positive across all regions in 2024, though the momentum varied between them. Europe, the region with the highest sales, saw operating sales growth in the mid-single-digit percentage range. Germany, the largest European market, and Italy both recorded increases in operating sales, while France experienced slight losses. The Netherlands and Turkey stood out in the Europe region, achieving double-digit percentage growth in operating sales. In the Americas, sales increased across all markets in 2024, with overall growth in the mid-single-digit percentage range after adjusting for exchange-rate effects. The U.S., the region's largest market in terms of sales, recorded only moderate growth in the low single-digit percentage range, while Brazil saw growth in the mid-single-digit percentage range. Mexico achieved the highest growth in the region, with double-digit percentage increases. The Asia region showed the greatest momentum for the ACTEGA division, with operating sales growth in the double-digit percentage range. This was primarily driven by expansion in the markets of Thailand and India, while China, the largest market, saw only moderate operating growth in the mid-single-digit percentage range.

Earnings Situation

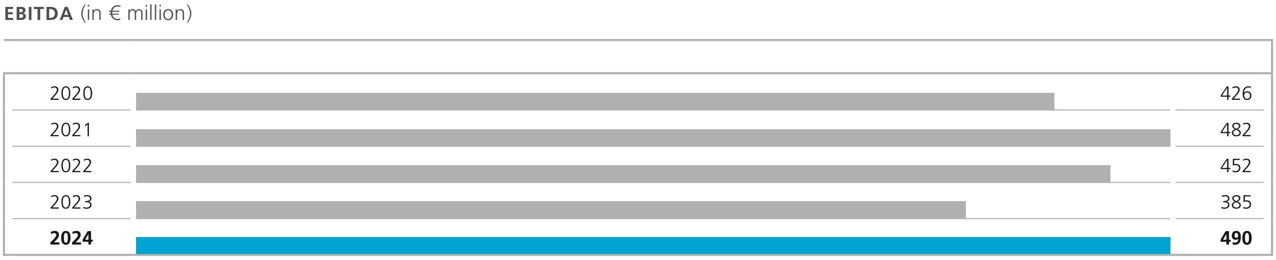
We significantly improved our earnings position in 2024 compared to the previous year, primarily driven by a substantial increase in demand for our products. The cost of materials, measured against sales, continued to decrease slightly compared to the previous year. Combined with the increased sales volume, this led to a significantly positive development in contribution margins compared to 2023. In addition to tariff increases and higher variable sales costs, operating costs were impacted by significant one-time effects, including costs related to the integration of acquired companies. Thanks to the positive development of the contribution margin, absolute earnings before interest, taxes, depreciation, and amortization (EBITDA) rose by 27 %, or € 104.7 million, reaching € 489.8 million – a notable increase from the previous year's € 385.1 million. Adjusted for acquisition and exchange-rate effects, operating earnings growth amounted to 25 %. At 15.5 %, the EBITDA margin was higher than the previous year's 14.0 %, though, as expected, it remained below our strategic target range

Multi-period overview of the earnings situation

Sales (in € million)



EBITDA (in € million)



of 18 % to 20 %. This not only significantly exceeded last year's figures, but also surpassed the targets set for 2024 for both absolute EBITDA development and further improvement of the EBITDA margin.

Variable raw-material and packaging costs remain the most significant cost factor for ALTANA. The material cost ratio, these costs relative to sales, was already below the previous year's level at the start of 2024 and maintained this trend throughout the year. In the first quarter, the material cost ratio started at 42.6 %, and, after slight fluctuations, it reached 44.3 % by the fourth quarter. For the full year 2024, the material cost ratio stood at 43.3 %, a decrease from the previous year's 46.5 % and lower than our initial forecast. The trend in material costs was positive across all four divisions, with the ELANTAS and BYK divisions showing the most significant year-on-year reduction in the material cost ratio.

The level and structure of cost development in 2024 were primarily influenced by the acquisitions made in 2023 and 2024. While inflation continued to fall slightly, costs remained at a high level. Personnel costs saw a double-digit percentage increase in nominal terms compared to the previous year, with a significant portion of the rise attributed to the addition of employees from the acquisitions of the Von Roll Group and the Silberline Group. The operational increase was mainly driven by higher salaries and wages. As a result, the ratio of total personnel costs to sales increased slightly to 23.5 % (previous year: 22.7 %).

Within production costs, personnel costs were notably higher than the previous year, primarily due to the increase in staff from the acquisition of the Von Roll Group and the Silberline Group. Energy costs and other variable cost components also rose, reflecting the positive operational development and higher volume of production compared to the previous year.

The absolute increase in selling expenses is partly due to the takeover of the acquired companies' distribution activities, but also to the operational increase in volumes sold. Freight costs and other volume-related costs such as sales bonuses rose significantly in absolute terms.

In 2024, ALTANA once again increased its research and development expenditures. This increase was mainly driven by the integration of the R&D activities of the acquired companies, as well as a rise in personnel expenses. Despite the higher spending, the relative share of R&D costs to total sales decreased from 7.2 % to 6.7 %, due to the significant increase in sales. Nevertheless, the ratio remained within our target range of around 7 %.

Administrative expenses saw the largest increase compared to the previous year, primarily driven by the ELANTAS and ECKART divisions. The main contributing factors were integration costs related to the recent acquisitions and the transfer of employees from the acquired companies. Additionally, salary and wage increases across all divisions added to the growth in personnel costs. As a result, the ratio of administrative costs to sales climbed to 5.6 %, up from 5.2 % in the previous year.

The other operating result was negatively impacted by expenses for real estate transfer tax amounting to € 20.5 million at German companies, due to the transfer of shares in SKion GmbH, as well as extraordinary write-downs on assets held for sale totaling € 19.4 million. However, insurance reimbursements related to an incident in 2023 at a site in Germany, amounting to € 36.5 million, had a positive effect on the other operating result. As a consequence, earnings before interest and taxes (EBIT) amounted to € 288.8 million, reflecting a 36.4 % increase compared to the previous year (€ 216.3 million).

At € -17.1 million, the financial result was lower than the previous year's € -7.1 million. Net interest deteriorated in 2024, primarily due to the interest expense from the € 180 million promissory note loan drawn down in November 2023. During the fiscal year, loans with conversion options were sold, and an issued loan was impaired due to payment default risks. The earnings effects of these two items largely offset each other in the financial result. The result from companies accounted for using the equity method improved from € - 43.0 million in the previous year to € - 32.4 million in 2024. An additional € - 37.7 million was recognized off balance sheet due to a limited allocation of losses.

Earnings before taxes (EBT) increased to € 239.3 million (previous year: € 166.3 million), while earnings after taxes (EAT) rose to € 164.4 million (previous year: € 110.2 million). The effective tax rate, adjusted for earnings from companies accounted for using the equity method, stood at 27.6 %, slightly higher than the previous year's rate of 26.8 %.

Asset and Financial Situation

Capital Expenditure

In the past fiscal year, ALTANA invested a total of € 179.5 million in intangible assets and property, plant and equipment. Capital expenditure thus exceeded the previous year's figure (€ 138.3 million). At 5.7 %, the investment ratio, that is the ratio of investments to sales, was within our long-term target range of 5 % to 6 %.

Total investments amounted to € 179.5 million, with € 158.9 million allocated to property, plant, and equipment (previous year: € 122.7 million). For several years, major projects have been underway to strategically expand regional production and laboratory capacities. Investments in intangible assets totaled € 20.6 million in 2024, up from € 15.6 million in 2023, primarily focused on advancing digitalization and ERP systems.

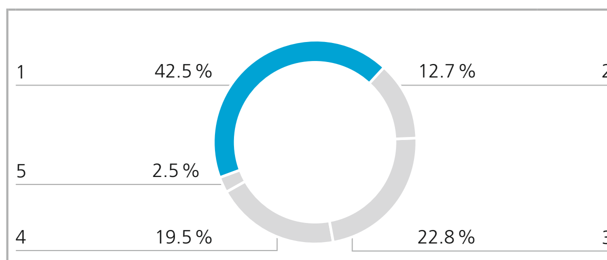
There were project-related shifts in the regional distribution of investments compared to the previous year. Europe's share increased from 50 % in 2023 to 54 % in the reporting year. Asia's share remained unchanged at 16 %, while the Americas' share saw a significant decrease, dropping to 29 % of the total volume (from 34 % in 2023).

In 2024, the BYK division invested a total of € 76.2 million, a significant increase compared to the previous year (€ 60.0 million). The main focus of these investments was the further expansion of production capacities in the U.S., Germany, and the Netherlands. Additionally, investments were made in research and development capacities, as well as strategic digitalization projects.

In 2024, the ECKART division's investment volume amounted to € 22.8 million, higher than the previous year's € 16.3 million. As in the previous year, most of the investment was directed towards the division's site in Hartenstein and its sites in the U.S. Additionally, a significant portion of the investment was allocated to measures at sites of the newly acquired Silberline Group.

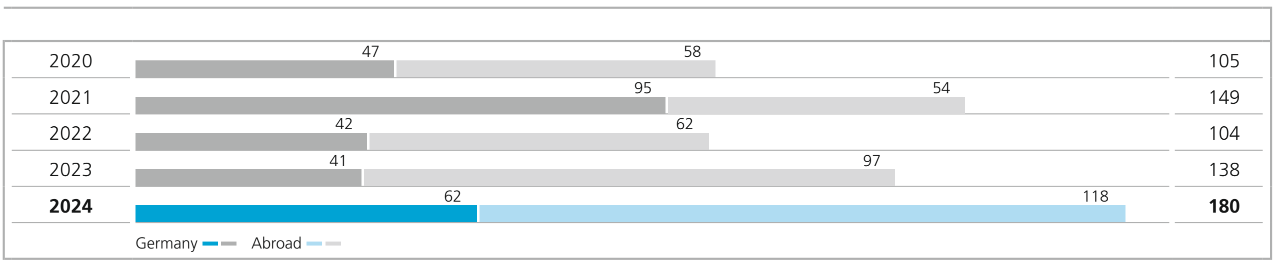
In 2024, the ELANTAS division increased its investments in property, plant and equipment, as well as intangible assets, to € 40.9 million, compared to € 38.7 million in the previous year. The division's investments were primarily fo-

Capital expenditure by division



in € million	2023	2024	Δ %
1 BYK	60.0	76.2	27
2 ECKART	16.3	22.8	40
3 ELANTAS	38.7	40.9	6
4 ACTEGA	19.0	35.1	84
5 Holding	4.3	4.6	7
Total	**138.3**	**179.5**	**30**

Capital expenditure ALTANA Group (in € million)



cused on acquiring land for future production expansion in India, upgrading production facilities at the Zhuhai site in China, and enhancing the Von Roll site in Switzerland. Investments in the ACTEGA division amounted to € 35.1 million (previous year: € 19.0 million). Investments in the past fiscal year mainly related to digitization and the new site in North Carolina in the United States.

Balance Sheet Structure

At the end of 2024, the ALTANA Group's balance sheet structure changed due to the inclusion of the Silberline Group in the scope of consolidation, as well as developments from ongoing business activities. Total assets increased from € 4,140.5 million in the previous year to € 4,460.2 million in 2024, marking a rise of € 319.7 million, or 8 %. This growth was mainly driven by an increase in current assets, with positive exchange-rate effects also impacting the balance sheet total. For the presentation of assets and disposal groups held for sale, reclassifications were made across various balance sheet items in accordance with IFRS 5.

Intangible assets decreased slightly to € 1,025.9 million (previous year: € 1,033.8 million). But property, plant and equipment saw an increase, rising from € 1,147.0 million in the previous year to € 1,219.9 million. Investments in property, plant and equipment amounted to € 158.9 million, surpassing depreciation and amortization of € 124.0 million. Positive exchange-rate effects also contributed to the increase in the carrying amounts in the Group currency, the euro, in both areas. The change in long-term financial investments results from the sale of loans with conversion options as well as the reclassification of issued loans into short-term assets.

Total non-current assets amounted to € 2,342.8 million as of the reporting date (previous year: € 2,353.5 million), reflecting a decrease of € 10.7 million compared to the previous year. Their share of the total balance sheet fell to 53 % (previous year: 57 %).

The change in current assets was mainly due to the increase in net working capital items, short-term financial assets, and cash and cash equivalents. Inventories rose to € 626.5 million (previous year: € 561.8 million), driven partly by the inclusion of the Silberline Group in the scope of con-

Key figures

	2023	**2024**	Δ %
in € million			
Total assets	4,140.5	4,460.2	8
Shareholders' equity	2,851.2	3,029.4	6
(+) Net financial assets/ (-) Net debt[1]	-51.8	36.2	> 100

[1] Comprises cash and cash equivalents, short-term financial assets, current marketable securities, loans granted, debt, and employee benefit obligations.

solidation, as well as increased business activity. Similarly, trade receivables increased, reaching € 548.5 million, compared to € 505.8 million in the previous year. At € 917.3 million, the scope of net working capital and current trade payables surpassed the level at the end of 2023 (€ 853.1 million). The range of net working capital relative to the business performance of the preceding three months increased slightly to 135 days, up from 132 days at the end of 2023. The absolute value of net working capital at the end of 2024 exceeded the forecast, partly due to the acquisition of the Silberline Group. The anticipated decline in the reach was not achieved due to these developments. Cash and cash equivalents increased to € 558.2 million (previous year: € 491.3 million), largely due to the positive performance of business activities and profitability. As a result, total current assets rose significantly to € 2,117.4 million (previous year: € 1,787.0 million).

On the liabilities side, changes resulted primarily from improvements in equity due to the positive result after taxes, increases in current liabilities, and exchange rate-related adjustments. The Group's equity rose by € 178.2 million, or 6 %, to € 3,029.4 million (previous year: € 2,851.2 million). A dividend of € 40 million was distributed in 2024. As of December 31, 2024, the equity ratio remained stable at 68 %, comparable to the previous year's ratio of 69 %.

Total non-current liabilities decreased by € 5.0 million during 2024, primarily due to the repayment of non-current liabilities. As a result, non-current liabilities saw a slight decrease of € 10.3 million, totaling € 784.4 million (previous year: € 794.7 million).

The total current liabilities reported on the balance sheet as of December 31, 2024, saw a significant increase, rising from € 494.6 million to € 646.3 million. This increase was driven by notable growth in trade payables, current tax provisions, and other provisions.

Structure of consolidated balance sheet

Assets	Dec. 31, 2023		**Dec. 31, 2024**	
	€ million	%	€ million	%
Non-current assets	2,353.5	57	2,342.8	53
Inventories, trade accounts receivable and other current assets	1,224.3	30	1,355.6	30
Cash and cash equivalents, short-term financial assets, and current marketable securities	562.7	13	684.9	15
Assets and disposal groups held for sale			76.8	2
Total assets	**4,140.5**	**100**	**4,460.2**	**100**

Shareholders' equity and liabilities	Dec. 31, 2023		**Dec. 31, 2024**	
	€ million	%	€ million	%
Shareholders' equity	2,851.2	69	3,029.4	68
Non-current liabilities	794.7	19	784.4	18
Current liabilities	494.6	12	646.3	14
Total shareholders' equity and liabilities	**4,140.5**	**100**	**4,460.2**	**100**

As of December 31, 2024, the balance of cash and cash equivalents, current financial assets, short-term securities, loans issued, financial liabilities, and employee benefit obligations resulted in net financial assets of € 36.2 million. This represents an improvement of € 88.1 million compared to the previous year, when net financial debt stood at € 51.8 million, primarily driven by the increase in cash and cash equivalents.

Principles and Goals of the Financing Strategy

The financing of operating activities should generally be covered by the cash flow generated from these activities. The same applies to investment requirements that serve the continuous expansion of business activities.

Based on this, the objectives of our financing strategy are geared, on the one hand, to keeping the cash and cash equivalents generated in the Group centrally available. On the other hand, we strive for a financial framework that enables ALTANA to handle acquisitions and large investment projects that go beyond the usual scope flexibly and quickly.

To successfully implement these goals, we manage nearly all the Group's internal financing centrally via ALTANA AG. To this end, cash pools are set up for the important currency areas.

In June 2021, ALTANA restructured its long-term Group financing: Since June 2021, ALTANA has had access to € 250.0 million in the form of a syndicated credit facility from an international bank consortium which has a minimum term until 2026. In 2023, the term was extended until 2028. This credit line had not been utilized as of December 31, 2024. In addition, ALTANA has had access to loans from the European Investment Bank (EIB) of up to € 200.0 million since the end of June 2021 for the development of climate-friendly, digital, and sustainable products. In the 2022 fiscal year, the EIB loan commitment was increased by € 50 million to a total of € 250 million and the call period was extended by one year until December 21, 2023. The EIB loans were utilized in the amount of € 210.0 million by the end of the call period in 2023; in 2024, principal payments of € 5 million were made. In November 2023, ALTANA issued a promissory note loan with a sustainability component of € 180 million with a minimum term until 2026. The promissory note is divided into tranches with different terms of between three and seven years, which have both variable and fixed interest rates.

This financing structure provides ALTANA with the flexibility needed to capitalize on short-term and investment-heavy growth opportunities. The maturity distribution of the existing financing instruments allows us to efficiently manage liability repayments through inflows from operating cash flow.

Off-balance-sheet financing obligations arise from bank guarantees, purchase commitments, and guarantees related to employee benefit obligations. Further details regarding the existing financing instruments are provided in the Consolidated Financial Statements.

Liquidity Analysis

Key figures

	2023	**2024**	Δ %
in € million			
Cash flow from operating activities	412.8	439.0	6
Cash flow from investing activities	-415.1	-243.2	41
Cash flow from financing activities	40.0	-95.2	>-100

In 2024, cash and cash equivalents rose by € 66.9 million to € 558.2 million (previous year: € 491.3 million), with a reduction of € 36.6 million due to the reclassification of cash and cash equivalents to assets held for sale. The cash inflow from operating activities amounted to € 439.0 million, exceeding the previous year's figure of € 412.8 million and aligning with our expectations. This positive result was primarily driven by the increase in earnings after taxes and non-cash expenses related to the rise in current provisions. However, this was partially offset by the liquidity tied up in net working capital, especially in inventories.

The cash outflow from investing activities decreased in 2024, totaling € 243.2 million compared to € 415.1 million in the previous year. The outflow included € 45.6 million for the acquisition of the Silberline Group, which was significantly lower than the € 223.4 million spent in the previous year for the Von Roll Group acquisition. Investments in intangible assets and property plant and equipment were higher than the previous year's level.

Cash outflow from financing activities amounted to € 95.2 million in the 2024 fiscal year, primarily due to the repayment of non-current and current liabilities, mainly those reported by a company in the Silberline Group at the time of its acquisition. In addition, ALTANA AG paid a dividend of € 40.0 million in 2024 (compared to € 150.0 million in the previous year). In contrast, the previous year saw an inflow of funds from financing activities amounting to € 40 million.

Value Management

Key figures value management

	2023	**2024**
in € million		
Operating capital (annual average)	2,676.1	2,861.6
Operating earnings	170.3	239.6
Return on capital employed (ROCE)	*6.4 %*	*8.4 %*
Weighted average cost of capital	*7.5 %*	*7.5 %*
ALTANA Value Added (relative AVA)	*-1.1 %*	*0.9 %*
ALTANA Value Added (absolute AVA)	-30.4	25.0

ALTANA determines the change in the company's value via the key figure ALTANA Value Added (AVA), whose calculation is explained in the "Group Basics" section. In addition, the key figure Return on Capital Employed (ROCE), which is also presented in the "Group Basics" chapter, is used to measure the development of the company's value.

In the 2024 fiscal year, a positive contribution to the development of the company's value was again achieved, driven by the significantly improved earnings situation. However, this was somewhat offset by a considerable increase in the average operating capital tied up in the Group, primarily due to the acquisitions made.

The average operating capital tied up in the Group increased by 7.0 % in year-to-year terms, reaching € 2,861.6 million (previous year: € 2,676.1 million). This rise is primarily attributed to the inclusion of the Von Roll Group, and to a lesser extent, the acquisition of Imaginant Inc. and the pro-rata consolidation of the Silberline Group in 2024. The increase was largely due to higher investments in property, plant and equipment, as well as intangible assets.

ALTANA's positive earnings performance in 2024 was reflected in operating income after taxes, which amounted to € 239.6 million (previous year: € 170.3 million). The

EBIT development, combined with a slightly improved effective tax rate of 25.7 % (previous year: 26.8 %), adjusted for significant special effects, contributed to an overall improvement in the earnings base relative to operating capital. The application of an unchanged cost of capital rate of 7.5 % resulted in a cost of capital of € 214.6 million (previous year: € 200.7 million).

In 2024, the return on capital employed (ROCE) reached 8.4 %, an increase from the previous year's figure of 6.4 %. The absolute value added (AVA) amounted to € 25.0 million, a significant improvement compared to € -30.4 million in the previous year. The relative AVA also improved, rising from -1.1 % in 2023 to 0.9 % in 2024.

Thanks to the improved earnings situation in 2024, the expectations regarding the development of the value management key figures were exceeded. Despite the increase in average operating capital tied up in the Group due to the acquisition of the Silberline Group, a clearly positive result was achieved. In addition, the development of ROCE surpassed expectations.

Innovation, Employees, Environment, and Safety

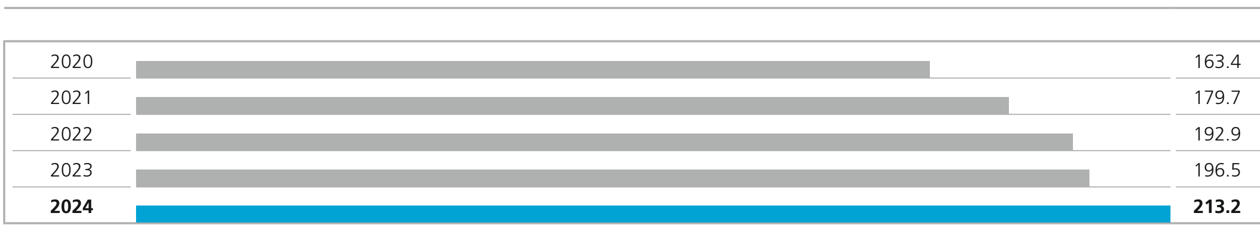
Innovation

As a specialty chemicals company, innovations are an important factor for ALTANA, enabling us to offer our customers new, competitive solutions and at the same time to meet current requirements regarding performance profile, costs, environmental protection, and sustainability. Thanks to close cooperation with our customers, we are able to identify global technology trends at an early stage and to be immediately involved in new development fields. This enables us to develop tailored solutions quickly and reliably. We build on existing competencies, on the one hand, and gain access to new ones on the other, to continuously adapt our product portfolio to market and customer needs. There is also great potential to combine our competencies across the divisions to establish innovative solutions on the market more quickly and efficiently. To this end, our research and development teams have access to the latest analytical methods in our chemical laboratories and application-technology test laboratories. Numerous awards from our customers underscore our success as an innovative solutions provider.

In addition to the activities in the divisions, selected innovations are initiated and coordinated at the ALTANA level to explore new business areas and address emerging technological and market trends. These innovations are built upon the strong competencies of the divisions across the entire value chain, as well as the synergies that emerge between them. To create new areas of innovation, we employ a variety of complementary approaches, including the ALTANA Institute, our technology platforms, corporate venturing, and other innovative growth fields.

With the help of the ALTANA Institute, we leverage external networks and foster close cooperation with universities and research institutes around the world to gain valuable external insights for our development. In this area, we collaborate on fundamental research, which serves as the foundation for more application-oriented internal research

Research and development expenses (in € million)



and development activities. Completed projects are transferred to our business divisions through technology transfer. This year, seven new projects were launched, further strengthening our partnerships. We expanded our longstanding collaboration with Niederrhein University of Applied Sciences on two topics and initiated a new project with the University of Bayreuth. Additionally, our strategic partnership with Friedrich Schiller University Jena was enhanced with two more projects. A new research collaboration was also established with Graz University of Technology in Austria. For the first time, a doctoral thesis is being conducted at the ALTANA Institute in partnership with the University of Twente, Netherlands.

ALTANA's investments in technology platforms saw a significant increase compared to the previous year, highlighting the ongoing expansion of the division, driven by strategic customer collaborations.

The "Printed Electronics" technology platform, integrated into the ELANTAS division, significantly ramped up its marketing activities during the reporting period and expanded its reach to additional regions. Sales grew due to new business opportunities and an expanded product portfolio, while the project pipeline continued to grow.

As part of the "Cubic Ink" technology platform, the product portfolios for both inkjet and VAT polymerization were standardized and completed. The first major order was secured for applications in dental medicine, with additional projects pending final approval.

The "Heliosonic" laser transfer technology platform was able to sell another print head and put it into operation at the customer's premises. In addition, a printing machine with a larger print width was successfully built and accepted.

Thanks to the close collaboration between the Corporate Innovation and Corporate Venturing departments, ALTANA is able to continuously assess technology and market potential, entering new attractive markets through targeted investments in innovative technology companies. For instance, in the 2024 fiscal year, ALTANA initiated a partnership with the newly affiliated Nordtreat Group to jointly develop bio-based flame retardant additives.

A growth field project in the hydrogen sector was initiated to develop profitable new business with strong growth potential. The goal is to further expand existing expertise and create innovative solutions for the production, transportion, and storage of hydrogen.

The basis for our innovative strength is an open and dynamic corporate culture that gives our 1,294 employees worldwide in our research and development centers the freedom to act creatively and entrepreneurially. The equipment in our development centers enables our employees to turn their ideas into market-ready solutions. Compared to the previous year (€ 196.5 million), our research and development expenditure increased by € 16.8 million to € 213.3 million. The decline in the proportion of sales accounted for by research and development expenses to 6.7 % (previous year: 7.2 %) is primarily due to the significant increase in sales compared to the previous year. In general, our expenditure is linked to the achievement of important milestones, the implementation of individual customer requirements in future, innovative products, and the long-term orientation of our innovation activities.

Employees

At the end of 2024, the companies of the ALTANA Group employed 8,382 people worldwide (previous year: 7,939). This represents an overall increase of 443 employees, or 6 %. The primary driver of this growth was the acquisition of the Silberline Group in January 2024, which contributed 430 employees.

In the BYK division, the workforce grew by 77, reaching a total of 2,592 employees in 2024 (previous year: 2,515). The increase in employees was seen across all functional areas, with particular growth in administration, research and development, and production.

The number of employees at ECKART increased by 389, reaching 2,100 by the end of 2024 (previous year: 1,711). The acquisition of the Silberline Group added 430 employees, with 70 % of them working in production. Excluding the Silberline acquisition, the number of employees in the ECKART division declined, particularly in research and development and administration, while there was a slight increase in production.

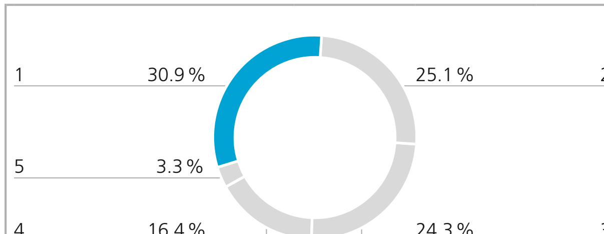
In the ELANTAS division, staff numbers decreased by 60, bringing the total to 2,041 in 2024 (previous year: 2,101). This reduction was primarily due to integration measures following the Von Roll acquisition. The decline affected not only production but also other functional areas.

ACTEGA's workforce increased by 21, reaching a total of 1,375 employees in 2024 (previous year: 1,354). The growth in the ACTEGA division was primarily seen in the areas of production and administration.

Employees in research and development

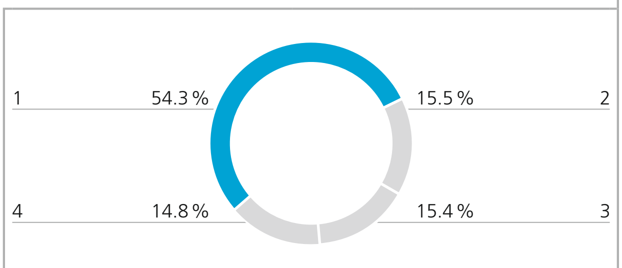
BYK	535
ECKART	234
ELANTAS	230
ACTEGA	259
Holding	36
Total	**1,294**

Employees by division



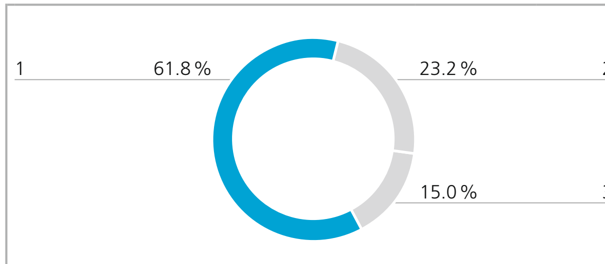
	Dec. 31, 2023	**Dec. 31, 2024**	Δ %
1 BYK	2,515	2,592	3
2 ECKART	1,711	2,100	23
3 ELANTAS	2,101	2,041	-3
4 ACTEGA	1,354	1,375	2
5 Holding	258	274	6
Total	**7,939**	**8,382**	**6**

Employees by functional area



	Dec. 31, 2023	**Dec. 31, 2024**	Δ %
1 Production and logistics	4,270	4,546	6
2 Marketing and sales	1,267	1,303	3
3 Research and development	1,265	1,294	2
4 Administration	1,138	1,239	9
Total	**7,939**	**8,382**	**6**

Employees by region



	Dec. 31, 2023	**Dec. 31, 2024**	Δ %
1 Europe	5,091	5,181	2
thereof Germany	*3,847*	*3,873*	*1*
2 Americas	1,809	1,944	7
thereof U.S.	*1,412*	*1,526*	*8*
3 Asia	1,039	1,257	21
thereof China	*620*	*827*	*33*
Total	**7,939**	**8,382**	**6**

The headcount at the Group holding companies rose by 16 to 274 in the past fiscal year (previous year: 258). At 12 people, a large part of the increase was attributable to ALTANA Management Services GmbH (AMS), which provides both global and regional services for Group companies.

The functional structure of the workforce changed only slightly in the 2024 fiscal year due to the acquisition of the Silberline Group. The share of employees in production increased to 54 %, or 4,546 people (previous year: 4,270), with 298 of these employees coming from the acquisition of the Silberline Group. The number of employees in research and development rose by 29 to 1,294 in 2024 (up from 1,265), with 40 of these additions from the Silberline Group. In marketing and sales, the employee count grew by 36, reaching 1,303 in 2024 (up from 1,267), with all 36 new employees coming from the Silberline Group. The administration department included 1,239 employees in the reporting year (previous year: 1,138), with an increase of 101 employees, 56 of whom were taken over from the Silberline Group.

In terms of regional structure, there were only slight shifts from Europe to Asia in 2024 compared to the previous year. European Group companies continued to account for the largest share of the workforce, with 5,181 employees (previous year: 5,091). At the end of the year, 3,873 employees (up from 3,847) were based in Germany, with the majority working at the largest production and development sites of the ECKART and BYK divisions in Hartenstein and Wesel, respectively. The inclusion of the Silberline companies led to an increase of 87 employees in the UK. In the Americas, the number of employees rose by 135 to 1,944 by the end of 2024 (previous year: 1,809), with the increase mainly attributed to the American company of the Silberline Group, which added 123 employees. The workforce in Asia grew by 218 employees, from 1,039 in the previous year to 1,257 in 2024. The newly acquired Asian Silberline companies accounted for 215 of these new employees, with the largest share, 206, based in China.

At the end of the 2024 fiscal year, 2,155 women and 6,227 men worked at ALTANA. 90 % of all employees had an unlimited contract and 10 % a limited contract on the balance sheet date. At the end of 2024, 76 % of female employees were employed full-time and 24 % part-time. Among male employees, the share of full-time employees was 97 %. Apart from the Group's own employees, 453 people from employment agencies worked for Group companies as of December 31, 2024. The increase compared to the previous year (+384) is primarily due to a high number of temporary workers at Von Roll (308), the majority of whom are again attributable to Von Roll India (287).

In the year under review, the focus of the Human Resources department was on implementing new initiatives and expanding established processes and systems across other ALTANA companies. These measures align with the division's strategic goal of enhancing its attractiveness as an employer and fostering a corporate culture based on diversity, equality, and inclusion. Additionally, these efforts ensure that our employees have access to attractive and appropriate training opportunities.

To enhance our attractiveness as an employer, surveys were conducted among our employees. Since January 1, 2024 the offer of a supplementary bicycle leasing service as part of a deferred compensation scheme for employees in Germany has not only fulfilled a frequently expressed wish, but also promotes health through physical activity. The foundation for this was laid in 2023 with the conclusion of a collective agreement between the IGBCE trade union and the German Chemical Employers' Association (BAVC).

A significant step in the continuous expansion and improvement of further training opportunities was taken in 2024 with the launch of the Wise Peers Initiative. This program is specifically designed for employees with more than 20 years of professional experience within the Group. As part of this training and activation program, key topics such as knowledge transfer, lifelong learning, and appreciation were covered.

In addition to implementing additional benefits and further training opportunities, the focus was also placed on further harmonization and increasing efficiency. As part of integrating the individual companies of the former Silberline Group into the existing corporate structures of the ECKART division and the ALTANA Group, the portfolio of additional benefits for employees of Silberline Inc. was aligned with the offerings of other U.S.-based companies. This adjustment will simplify local personnel processes moving forward, without significantly reducing the range of benefits provided to employees. For several years, all ALTANA companies in the U.S. have been managed and billed by a common payroll provider. Starting in January 2025, Silberline Inc. will also be serviced by this provider, streamlining future cooperation. This harmonization is an important step in preparing Silberline for integration into SAP SuccessFactors and other IT systems in the coming year.

In the reporting year, the compensation review process was extended to other Group companies via SAP SuccessFactors, increasing the efficiency and transparency of the process. Further implementations are planned for 2025.

Environment and Safety

Environmentally compatible management and occupational safety are key components of ALTANA's corporate strategy. The ALTANA Group measures progress in environmental protection using specific key figures, such as the consumption of natural gas or electricity as energy sources and the resulting greenhouse gas emissions, and in the area of safety with the help of accident figures. Our aim here is to continuously reduce the number of accidents, ideally to zero.

In terms of environmental protection, our goal is to continuously reduce energy consumption at all our sites and in all areas and to promote the use of energy from renewable sources. Since 2020, the global purchase of green electricity has marked a key milestone on our path to independence from fossil fuels. The sites also invest in energy transformation measures annually.

At the end of September 2023, the ELANTAS division acquired a majority stake in the Swiss Von Roll Group. In January 2024, the ECKART division acquired the Silberline Group. The data from all sites of the newly acquired companies will be fully integrated into the existing reporting system from 2024.

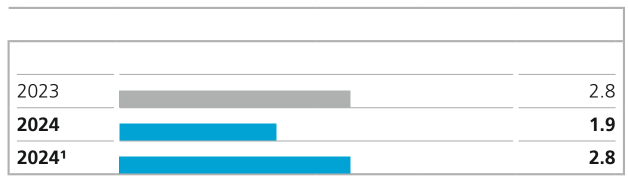
The issue of safety is a top priority at ALTANA. ALTANA ensures continuous improvement in the safety of its employees by means of various technical and organizational measures tailored to the production conditions at the sites and to the laws and regulations that apply there. All our worldwide sites have established their own safety organization, which is responsible, among other things, for complying with all local occupational safety regulations, for training and education measures, and for recording and evaluating accidents. Throughout the Group, the Work Accident Indicator (WAI) serves as the key performance indicator for recording and evaluating the development of occupational safety at all sites based on reported accidents with lost days. Three key figures are defined for better comparability: WAI 1 refers to the number of reported occupational accidents with lost work time of one day or more per million working hours. WAI 2 comprises the number of reported occupational accidents with lost work time of more than three days per million working hours. And WAI 3 represents the number of lost work days due to reported occupational accidents per million working hours.

ALTANA determines the working hours on the basis of the actual hours worked. If such recording is not possible, a qualified estimate of the average hours worked is made. Accidents are recorded directly on site and reported to a defined group of persons within 48 hours. On a quarterly basis, the reported accidents with lost work days are evaluated in a global IT system. Subsequently, the evaluations are made available to all responsible persons, such as the Management Board, division presidents, managing directors, and experts from the area of Environment, Health and Safety (EH&S). On the basis of this data, ALTANA's Management Board, together with the EH&S department, sets target values for the three WAIs for each year, which apply equally to all ALTANA Group companies.

For 2024, ALTANA again defined ambitious target ranges for all three accident indicators (WAI 1: 0 to 2.3; WAI 2: 0 to 1.5, and WAI 3: 0 to 27.0), once again emphasizing how important the continuous improvement of occupational safety is for the company. These target values did not yet include the newly acquired companies, partly because their safety cultures were at different levels of maturity. ALTANA's goal is to bring these new sites up to the safety standards of the existing companies within the next three years. To ensure this goal is met, ALTANA will report two sets of WAI key figures moving forward and establish differentiated target ranges.

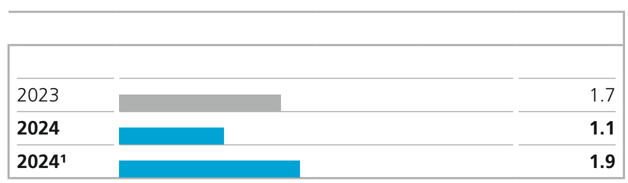
Including the newly acquired companies, the number of accidents has increased. However, if we look at the number of occupational accidents excluding acquisitions, we succeeded in significantly reducing the figures compared to the previous year and achieving the respective target ranges. Globally, 41 accidents with days lost were reported at ALTANA. Of these, 20 accidents are attributable to the newly acquired companies. Overall (including the acquisitions), 10 more accidents were registered compared to the previ-

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



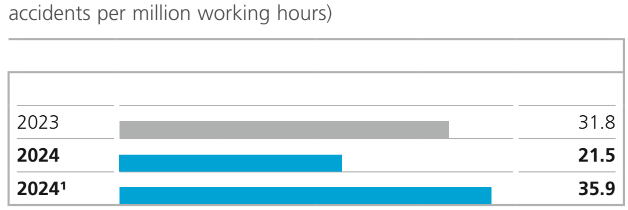
¹ The value includes the acquisitions of Imaginant, Von Roll, and Silberline.

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



¹ The value includes the acquisitions of Imaginant, Von Roll, and Silberline.

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



¹ The value includes the acquisitions of Imaginant, Von Roll, and Silberline.

ous year. Based on the hours worked, the following WAI values result, adjusted for the acquisitions: WAI 1: 1.9 (previous year: 2.8); WAI 2: 1.1 (previous year: 1.7), and WAI 3: 21.5 (previous year: 31.8). Including the newly acquired companies, the WAI values are as follows: WAI 1: 2.8; WAI 2: 1.9; WAI 3: 35.9.

ALTANA has also been addressing the issue of energy efficiency and the associated greenhouse gas emissions for several years. In addition to absolute values, energy consumption is set in relation to the quantity of finished goods that are produced. ALTANA establishes annual reduction targets for energy consumption in relation to the quantity of produced finished goods. The recording and calculation of emissions relates, as Scope 1, to direct greenhouse gas emissions from emission sources owned or controlled by the Group. These include, for example, the combustion of primary energy sources in the course of heat generation and fuel consumption in the company's own vehicle fleet at some sites. Scope 2 includes indirect greenhouse gas emissions from the performance-related purchase of electricity. They are recorded and calculated in accordance with the standard "A Corporate Accounting and Reporting Standard – Revised Edition" of the Greenhouse Gas Protocol initiative. The energy consumption of all production sites included in the scope of consolidation is recorded and evaluated in a global reporting system. The CO_2 equivalents for Scope 2 are calculated based on conversion factors (g CO_2/kWh) defined by the International Energy Agency (IEA) in line with the currently published values (2022) for the location-based method and with the aid of emission factors of the electricity supplier or an individual electricity product for the market-based method. For Scope 1, we use the conversion factors from the Intergovernmental Panel on Climate Change (IPCC).

The companies generally determine consumption based on utility bills. If this is not possible for the last two months of the reporting year, the companies first make a qualified estimate of the values. As a result, the previous year's figure may be adjusted retrospectively in the following year as soon as all invoices are available. In 2024, ALTANA had a total energy consumption of 871,320 MWh (previous year: 611,843 MWh). The main energy sources were natural gas (467,990 MWh) and electricity (321,599 MWh). ALTANA set a target value of 1.17 MWh/t for the specific energy parameter – based on one ton of finished goods – for 2024 and slightly exceeded this with 1.19 MWh/t (previous year: 1.18 MWh/t) for the ALTANA Group excluding acquisitions. Including the acquired companies of the Von Roll Group and the Silberline Group, this results in a specific energy value of 1.50 MWh/t. The significantly higher value is due to the different product portfolio and the more energy-intensive manufacturing processes. The resulting greenhouse gas emissions are listed in the tables further on.

For the purchased electricity of 321,599 MWh, the same amount of Guarantees of Origin was acquired in accordance with recognized quality standards (for example, CoO for Europe, GREEN-E for the U.S., and IREC for China) and through a German PPA (Power Purchase Agreement). This is electricity that is generated from renewable energies and whose origin is made transparent by means of a Guarantee of Origin. ALTANA plans to finalize the decommissioning of these Guarantees of Origin for 2024 in April 2025. According to the location-based method, 113,751 tons of CO_2 equivalents are calculated for this electricity procurement, but this corresponds to zero CO_2 emissions due to the measures taken by ALTANA according to the market-based method, as described above. The purchase of steam, district heating, and compressed air causes 1,880 tons of CO_2 equivalents in Scope 2 greenhouse gas emissions according to the location-based method and the market-based method. In 2024, ALTANA successfully had long-term and short-term targets for the reduction of greenhouse gas emissions validated by the Science Based Targets initiative (SBTi). These targets include the reduction of emissions in Scopes 1, 2, and 3. To meet the requirements of the GHG Protocol and the SBTi, the greenhouse gas emissions of our acquisitions of Von Roll, Silberline, and Imaginant were also retroactively included in these calculations. These adjustments are based partly on projections and partly on actual data. The recalculated greenhouse gas emissions (Scope 1 and 2) for 2021, which serves as the base year for SBTi, and for 2023 including the acquisitions (adjusted) are compared with the values reported from previous years in the following table.

Recalculation (adjustment) of greenhouse gas emissions including acquisitions of Imaginant, Von Roll, and Silberline

Tons CO_2e	Base year 2021	Base year 2021 adjusted	**2023**	**2023 adjusted**
Scope 1	101,495	129,047	76,393	106,404
Scope 2 market-based	1,356	31,687	1,377	27,332
Total (1+2) market-based	**102,851**	**160,734**	**77,769**	**133,736**
Scope 2 loction-based	99,451	121,328	86,877	109,387

As part of the SBTi initiative, ALTANA has set both short-term and long-term emission reduction targets. By 2032, emissions in Scope 1 and 2 are to be reduced by 50 % compared to the base year, with a further reduction of 90 % targeted by 2040. To track progress toward these goals, ALTANA reports its Scope 1 and 2 emissions annually, along with the interim target that must be met according to the SBTi pathway to stay within the greenhouse gas budget aligned with the Paris climate targets. The following table presents ALTANA's Scope 1 and 2 emissions in comparison to the base year and the interim target.

As the table shows, the annual interim target for Scope 1 and 2 emissions was achieved in 2024, reaffirming the ALTANA Group's commitment to its climate strategy through various measures and projects. In addition to focusing on reducing emissions within its own value chain, ALTANA also invests in certified climate protection projects. When selecting these projects, we ensure they are certified according to internationally recognized standards such as the Verified Carbon Standard (VCS) and contribute to selected United Nations Sustainable Development Goals. Furthermore, we

Greenhouse gas emissions compared to the SBTi interim target for 2024

Tons CO_2e	Base year 2021 adjusted	2023 adjusted	**Interim target 2024**	**2024**
Scope 1	129,047	106,404		117,822
Scope 2 market-based	31,687	27,332		1,880
Total (1+2) market-based	**160,734**	**133,736**	**138,640**	**119,702**
Scope 2 loction-based	121,328	109,387		115,631

review the portfolio annually to assess whether it continues to meet our requirements. For the reporting period, ALTANA offset 103,300 tons of CO_2 equivalents through certificates from the Kinnaur hydropower plant project on the Satluj River in the Himachal Pradesh region of India (Verra Register VCU serial number 9355-83857819-83961118-VCS-VCU-997-VER-IN-1-1742-01012018-31122018-0). This quantity corresponds to approximately 88 % of the greenhouse gas emissions generated in Scope 1 during the reporting year.

This voluntary contribution to mitigating climate change is not offset against the emissions generated. However, the approach aligns with the SBTi's best practice recommendations for support measures on the path to decarbonization. ALTANA has set the goal of voluntarily offsetting as many CO_2 equivalents as the company generates in Scope 1, Scope 2, and selected categories of Scope 3 starting in 2025.

Declaration on Corporate Governance [1]

Corporate Governance

Good corporate governance is an essential basis for the sustainable success of ALTANA. Even as a company not listed on the stock exchange, ALTANA orients itself to the recommendations and suggestions of the German Corporate Governance Code, as well as the statutory corporate governance regulations applicable to publicly traded companies.

At least once a year, the Supervisory and Management Boards deal with the German Corporate Governance Code and examine which recommendations and suggestions ALTANA AG can follow even as a company not listed on the stock exchange and sensibly apply given its shareholder structure.

In the 2024 fiscal year, ALTANA complied with the vast majority of the applicable recommendations of the German Corporate Governance Code. This especially applies to the recommendations concerning the composition of the Supervisory Board, the cooperation between the Management Board and the Supervisory Board, the cooperation between the Chairman of the Supervisory Board and the Supervisory Board plenum, dealings with conflicts of interest of the Supervisory Board members, the setting up and composition of the committees, as well as matters relating to the audit.

The Management Board and Supervisory Board intend to again largely follow the recommendations and suggestions of the German Corporate Governance Code in the 2025 fiscal year.

Management and Control

The Management Board of ALTANA AG consists of three members. The selection criteria include experience, business and professional expertise, as well as competence in ecology and social responsibility. Considerations regarding diversity also play a role in the selection process. The Supervisory Board, together with the Management Board, addresses long-

[1] The disclosures in this section were not audited by the auditor.

term planning for the succession of Management Board members and the structure of the Management Board in regular discussions between the Chairman of the Supervisory Board and the Chairman of the Management Board. An age limit of 65 years has been set for members of the Management Board. The Management Board manages the Group independently and is solely committed to the interests of the company. Together with the presidents of the divisions and selected heads of central functional areas, the Management Board forms the Executive Management Team. In regular meetings, this team discusses and analyzes the development of business and important business events, as well as plans for the Group's future development and sustainability issues.

The company's Supervisory Board has twelve members. Half of them are employee representatives elected in accordance with the German Codetermination Act, while the remaining six are shareholder representatives. Here, too, experience and expertise play an important role, as does independence. In 2024, all the shareholder representatives were independent of the company and the Management Board. Ms. Susanne Klatten is considered independent from the company and the Management Board despite her longstanding membership on the Supervisory Board, as she was indirectly the sole shareholder of the company until June 2024. All of the shareholder representatives, with the exception of Ms. Klatten and Professor Dr. Richter, are independent of the company's controlling shareholder. They are normally elected for a period of five years. An age limit of 70 years has been set for members of the Supervisory Board. The Management Board reports to the Supervisory Board regularly, without delay, and comprehensively on all issues relevant for the company regarding business development, risks, and planning, and discusses ALTANA's strategy with the Supervisory Board. Sustainability issues are also discussed regularly at the Supervisory Board meetings. The Supervisory Board monitors and advises the Management Board in its management activities. The Supervisory Board's tasks also include approving the Annual Financial Statements and the Consolidated Financial Statements. Specially defined business decisions of the company, such as major acquisitions and divestments, require the approval of the Supervisory Board, in accordance with a list of transactions that are subject to authorization.

The Supervisory Board formed an Audit Committee, a Human Resources Committee, and a Mediation Committee, legally required in accordance with section 27 (3) of the German Codetermination Act. Each committee consists of two shareholder representatives and two employee representatives. The Chairman of the Human Resources Committee and the Mediation Committee is the Chairman of the Supervisory Board. Dr. Matthias L. Wolfgruber was chairman until the end of the Annual General Meeting on March 20, 2024; since then, the committee has been led by Professor Dr. Frank Richter. The Human Resources Committee also includes Mr. Jürgen Bembenek, Mr. Ulrich Gajewiak, and Ms. Susanne Klatten. In addition to the Chairman, the members of the Mediation Committee are Mr. Gajewiak, Ms. Susanne Klatten, and Mr. Klaus Koch. Dr. Jens Schulte is the Chairman of the Audit Committee. The other members of the Audit Committee are Mr. Armin Glashauser, Mr. Stefan Soltmann, and until the end of the Ordinary General Meeting on March 20, 2024, Professor Dr. Frank Richter, and since then Mr. Ruud Joosten. Through their current and previous activities, Dr. Schulte and Professor Dr. Richter have expertise and special knowledge and experience in the fields of accounting and auditing, including the application of accounting principles and internal control and risk management systems, as well as sustainability reporting and its auditing.

The Supervisory Board conducts a self-evaluation every two years. In 2024, it carried out this self-evaluation as planned. Each member completed a questionnaire prepared by the Chairman of the Supervisory Board and agreed upon in advance with the members. The responses were analyzed both quantitatively and qualitatively, and the results were presented to the members during a Supervisory Board meeting.

There is a D&O liability insurance scheme for members of the Management and Supervisory Boards. The insurance covers personal liability risks in the event that a claim is made against members of the Management and Supervisory Boards while they are performing their activities. For Management Board members, the insurance contract stipulates a deductible of ten percent of the damages, but a maximum of one-and-a-half times the amount of the fixed annual compensation of the respective member of the Management Board per insurance year. Further information on the compensation of the Management and Supervisory Boards can be found in the complete Consolidated Financial Statements on page 82 f.

Compliance

Compliance with laws is the basis for all of ALTANA's actions. In addition, we set ourselves certain rules as part of our corporate social responsibility, which we adhere to like laws.

At ALTANA, compliance is an integral part of our corporate social responsibility. The trust of our customers, business partners, employees, and the public is the basis and condition for our business success.

For this purpose, ALTANA established a Compliance Management System in 2008. Its goal is to ensure that laws and the rules we have set ourselves are observed throughout the Group. To this end, the Compliance Management System identifies significant risks that can arise from violations of laws or regulations by ALTANA employees. The Compliance Management System also ensures that employees are aware of the content and significance of the laws and regulations relevant to them and know how to behave best in light of them. Furthermore, the Compliance Management System is intended to ensure the implementation of processes that prevent, detect, and help to remedy compliance violations. The Compliance Management System encompasses eight compliance areas: corruption, antitrust law, environmental protection and safety, human resources, customs and foreign trade, data protection, financial reporting, and taxes.

The ALTANA Compliance Management System follows the ALTANA structure and is therefore decentralized. The local management is primarily responsible for making sure that the individual subsidiaries and their employees behave in accordance with the rules. ALTANA AG lives up to its compliance responsibility by providing a framework, making competencies and instruments available, creating platforms and forums for local authorities, and by taking concrete measures to ensure compliance on the part of the management of subsidiaries or to impose minimum requirements, especially through guidelines that are binding Group-wide.

ALTANA's Code of Conduct, which holds for the entire company, contains binding rules regarding responsible, ethical, and lawful behavior for all staff members. This applies in particular to issues such as corruption, conflicts of interest, antitrust law, environmental protection, and discrimination. Together with the company's Guiding Principles, the Code of Conduct provides orientation for responsible corporate action. The Code of Conduct and the Guiding Principles are published on our website (www.altana.com).

Moreover, for each compliance area further specific measures have been developed and implemented to ensure that laws and internal regulations are adhered to. This includes, for example, a system through which business partners who support ALTANA's holding company and its subsidiaries in terms of sales or in their cooperation with authorities are investigated for certain compliance risks with IT support.

Another important element to guarantee the effectiveness of the Compliance Management System is the work of Internal Audit. For a few years now, compliance programs have been carried out regularly at ALTANA and its subsidiaries.

With the ALTANA Whistleblowing System, ALTANA provides another central means of ensuring compliance. It gives employees as well as external third parties the possibility of anonymously reporting compliance violations.

Once a year, the Audit Committee of the Supervisory Board receives a written report on compliance that is presented and discussed in a meeting of the committee in addition to the other proceedings. The report gives an overview of the risks identified for each compliance area, as well as already implemented or planned measures to advance the system. The Audit Committee is also informed about compliance violations in this context.

ALTANA joined the UN Global Compact initiative, whose members are voluntarily committed to adhering to social and environmental standards as well as the protection of human rights. By joining Global Compact in 2010, ALTANA has not only acknowledged its principles but also shown a general commitment to support and promote overall UN aims. As part of its supply chain due diligence system, ALTANA has been operating a Group-wide risk management system since January 1, 2023. This system aims to mitigate specific risks related to human rights and environmental protection within its own operations and among its suppliers, in compliance with the German Supply Chain Due Diligence Act.

Internal Control System, Risk Management System

The ALTANA Group has established both an internal control system (ICS) and a risk management system. These also include the compliance management system described above. The ALTANA Group's ICS is geared to the specific needs of the company. It is intended to ensure the correctness of internal and external financial reporting as well as the nonfinancial key figures and to ensure the effectiveness and efficiency of the company's business activities and compliance with the relevant legal regulations and internal guidelines. It comprises all principles, instructions, and measures introduced for this purpose. The core elements of the ICS are documented in a Group guideline that defines tasks, processes, and responsibilities. Internal Audit regularly evaluates monitoring and control processes as part of its activities, thereby helping to improve the system.

The risk management system comprises all organizational regulations and measures for identifying, assessing, managing, and communicating risks. The risks identified are continuously managed, regularly reviewed, and reassessed taking into account the measures taken. The ALTANA Group's risk management system is documented in a Group guideline that defines tasks, processes, and responsibilities. Features of the risk management system and identified risks are explained in detail in the chapter "Anticipated Development" in the "Risks" section of the Group Management Report (pages 77 ff.).

In designing and implementing the ICS and the risk management system, particular consideration was given to the size, structure, and complexity of the ALTANA Group. The systems aim to identify, control, and manage the main risks. Despite the comprehensive analysis of risks, however, there are inherent limitations to any control and risk management system, meaning that the occurrence of risks cannot be ruled out under all circumstances.

Responsibility for the appropriateness and effectiveness of the ICS of the accounting processes and the processes for collecting and reporting non-financial key performance indicators is clearly regulated and lies with the responsible managers and process owners. The Management Board deals with the ICS on an ongoing basis and informs the Audit Committee at least once a year. The Audit Committee informs the Supervisory Board about the results. Any significant changes to the ICS are reported immediately to the Management Board and, if necessary, to the Supervisory Board. The Management Board and the Audit Committee are informed about the ICS on an annual basis.

Upon reviewing the internal control system and risk management, the Management Board is not aware of any circumstances that raise doubts about the adequacy and effectiveness of these systems.

Targets for the Proportion of Women (Section 289 f (4), Sentence 1, Subsection 2, No. 4 of the German Commercial Code)

Pursuant to sections 76 (4) and 111 (5) of the German Stock Corporation Act, the Management Board and Supervisory Board of ALTANA AG set targets for the proportion of women in the two management levels below the Management.

Most recently, the Supervisory Board and the Management Board resolved the following targets for the proportion of women by the end of June 30, 2026: 33 % of Supervisory Board members, 0 % of Management Board members, 30 % of the first and 30 % of the second management level below the Management Board. The Supervisory Board justifies the 0 % target for members of the Management Board as follows: "The already achieved and targeted percentages of women on the Supervisory Board, in the Management Board, and in the two management levels below the Management Board and in the rest of the company show that the company has long taken increasing the proportion of women in management positions seriously. However, the Management Board only has three members, and the employment contracts of the Management Board members generally have terms of between three and five years. In this situation, a target figure of more than 0 % would mean that the next time the Supervisory Board decides to (re)appoint a member of the Executive Board, a woman would have to be appointed instead of one of the current three male Management Board members (or the Management Board would be expanded to include a fourth, female member, which is not the intention). However, such a restriction of the Supervisory Board's future selection decision would not be in the interests of the company. Not only because it should remain possible to reappoint the current members of the Management Board, but also because this would give the gender of the Management Board member to be appointed too much significance in the selection decision compared to other selection criteria. In the medium and long term, the Supervisory Board will of course also consider increasing the proportion of women on the Management Board as a goal when making decisions on the (re)appointment of Management Board members."

General Assessment of Our Business Performance and Business Situation

In 2024, the global economy continued to face challenging external conditions, primarily due to ongoing geopolitical conflicts. Despite these difficulties, economic development stabilized at a low level. The chemical industry managed to halt the previous year's decline, showing slight growth again. Within this demanding environment, ALTANA slightly exceeded its sales volume and turnover targets for the year. Strong customer demand and a slight decline in raw material prices contributed to a significant increase in absolute earnings before interest, taxes, depreciation and amortization (EBITDA) compared to the previous year. While the earnings margin improved, it remained below our long-term strategic target range due to persistently high costs driven by inflation and expenses related to integrating our acquisitions.

These challenges notwithstanding, we persisted in advancing our strategic initiatives aimed at exploring medium- to long-term growth areas through ambitious acquisitions, research and development, and digital transformation.

In terms of workplace safety, excluding the acquisitions made in 2023 and 2024, we successfully reduced the number of occupational accidents across our global locations and met our ambitious targets at the Group level. Regarding our climate protection objectives, we proactively further pursued our efforts to reduce energy consumption and CO_2 emissions in line with SBTi.

At the end of 2024, ALTANA's balance sheet remained very robust, providing ample financial flexibility for future investments and acquisitions, further supporting our commitment to sustainable and profitable growth.

Subsequent Events

No reportable events have occurred after the balance sheet date.

Expected Developments

Future Orientation of the Group

As of now, ALTANA does not plan to make any fundamental changes to its Group strategy or organizational structure for the next two years. The company will continue to focus on growing specialty markets and offering innovative chemical solutions tailored to customer requirements. This approach is expected to drive business development.

Entering new market segments or application areas is not anticipated to fundamentally alter the sales structure in the medium term, nor the balanced regional distribution of sales.

However, bolt-on acquisitions could lead to changes in sales and market structures, particularly the integration of a new business division. Additionally, existing business activities might be sold or discontinued.

The area of occupational safety and the focus on environmentally compatible management will continue to be components of the ambitious objectives that influence the strategic orientation of the ALTANA Group.

Economic and Industry Outlook

In anticipation of global economic development at a low but stable level, ALTANA expects a further slight improvement in demand in 2025. While geopolitical conflicts from recent years persist, and additional economic risks could arise from expected trade conflicts, inflation rates have continued to stabilize over the past year, with inflationary pressures generally expected to decrease further. The supply chain and energy supply situation are not anticipated to worsen. According to the International Monetary Fund (IMF), global economic output is expected to grow by 3.3 % in 2025, which is roughly the same growth rate projected for 2024 (3.2 %).

As in the previous year, economic growth in industrialized nations is expected to be weaker than in emerging and developing countries. The IMF forecasts a growth rate of 1.9 % for all industrialized nations in 2025 (previous year 1.7 %), a trend observed across various economies, though with differing intensities. In the U.S., growth is projected to be 2.7 % in 2025, following a 2.8 % increase in 2024. This growth is attributed to stable domestic demand, supported by a less restrictive monetary policy and a stable labor market. In the Eurozone, the IMF expects growth of 1.0 % in 2025 (2024: 0.8 %). For Germany, the IMF forecasts modest growth of 0.3 % in 2025, after the economy contracted by 0.2 % in 2024. Weaker momentum in the manufacturing sector, combined with greater uncertainty due to the geopolitical situation, is expected to have a more significant impact on growth. However, positive trends such as declining inflation and a subsequent easing of monetary policy are likely to provide some counterbalance.

According to the IMF forecast, emerging markets are projected to grow by 4.2 % in 2025, maintaining a rate above the global average and consistent with the previous year (2024: 4.2 %). However, growth expectations vary among individual economies. China is anticipated to experience slightly lower growth of 4.6 % in 2025, down from 4.8 % in 2024. This outlook reflects uncertainties in the local real estate sector and trade policies, though government fiscal measures may mitigate these effects. In contrast, India remains one of the world's most dynamic economies, with a projected growth rate of 6.5 % in 2025, mirroring the previous year's performance. Latin American economies are forecasted to grow by 2.5 % in 2025, a stable outlook compared to 2.4 % in 2024. Brazil, which saw a better-than-expected growth of 3.7 % in the past fiscal year, is projected to grow by 2.2 % in 2025, slightly below some other countries in the region.

The IMF highlights the difficult-to-predict impacts of trade restrictions, new tariffs, and counter-reactions to these, driven by new protectionist trends in global politics, as the primary macroeconomic risks for 2025. The effects of significant deregulation in certain markets are also hard to estimate in terms of their impact on global economic growth. Furthermore, the IMF sees the risk of escalation in existing and the emergence of new military and political conflicts in 2025. A rapid increase in energy, raw material, and food prices as a result could reignite inflation, severely impacting economies with low levels of economic activity. The IMF has not explicitly named the risks arising from climate change, but their relevance has not diminished. Major natural disasters are occurring more frequently and, as the range of extreme weather events across all continents in 2024 showed, pose a threat to all economies.

Global growth in the general chemical industry is expected to be slightly lower in 2025 than the forecast for overall economic development. The American Chemistry Council (ACC) projects global chemical production to increase by 3.1 % in 2025, following growth of 3.5 % in the previous financial year. Weaker growth is anticipated for industrialized nations compared to emerging and developing countries. In North America, growth is expected to be 2.0 %, and in Europe, 1.4 %, both lagging behind the Asian region, which is projected to grow by 3.7 %.

Based on the economic and industry-specific conditions, we assume that general demand in the markets relevant to ALTANA will develop slightly positively, albeit with regional and market-specific differences. The extent to which changes in inventory storage behavior along the value chain influence the actual demand for divisions' products largely depends on the short- to medium-term development expected by our customers. Movements in inventory levels can have a significant impact on business development.

The price of crude oil is challenging to predict. The average price per barrel fell in 2024 but remained at a high level. According to the IMF, a further slight decrease in the price of oil is expected for 2025. The availability, pricing, and consumption volume of chemical products are subject – to varying degrees – to the influence of the crude oil market. In addition, the expectations of market participants regarding the future development of the price of oil can lead to significant changes in warehousing along the entire value chain of the chemical industry.

As in previous years, the key exchange rates for ALTANA in 2025 may also be subject to pronounced volatility. In addition to the development of regional interest rates and economic performance, political influence can also be decisive for exchange-rate movements. Specific risks, but also opportunities, can arise from a deviation of the actual exchange-rate development from our planning assumptions.

Expected Earnings, Assets, and Financial Situation

Expected Sales and Earnings Performance

Due to the anticipated moderate growth in the global economy, we also expect demand for our products and services to continue to develop positively in the 2025 fiscal year. Operating sales growth, that is, sales growth adjusted for exchange-rate and acquisition effects, is expected to be in the mid-single-digit percentage range. The main driver of growth should be an increase in sales volumes.

No significant exchange-rate effects are expected for 2025 compared to the previous year, nor have any further potential acquisitions been taken into account when determining the growth rates.

We assume there will be no significant shifts in cost ratios in relation to sales for the key functional cost figures. We forecast that the cost of materials ratio will remain at approximately the same high level as in the past fiscal year.

In 2025, we anticipate a modest increase in personnel costs, slightly exceeding the projected operating sales growth. This adjustment is primarily attributed to planned salary increases within our workforce. Conversely, we expect other cost variables to grow at a rate below that of operating sales, thanks to rigorous cost management and the realization of synergies. Overall, our objective is to achieve a slight reduction in operating costs relative to sales for 2025. The EBITDA margin in 2025 should be slightly above the previous year's level in operational terms, but still below our strategic target range of 18 % to 20 % due to the inflationary effects of previous years and further integration costs for the acquisitions made in the last two years. Absolute EBITDA is expected to increase by a mid-single-digit percentage compared to the previous year.

After 2025, we expect operating growth momentum for Group sales in line with our strategic goals in the mid-single-digit percentage range and a continuous improvement in our profitability, which we expect will return to our long-term target range from 2027.

Expected Asset and Financial Situation

Overall, there should be no significant shifts in the balance sheet structure in 2025 compared to the end of 2024. The level of our investments in property, plant and equipment and intangible assets should remain within our long-term target range of 5 % to 6 % of sales over the next two years. The absolute values of net working capital are expected to develop in line with the general business performance, although our aim is to slightly reduce the relative level compared to the end of 2024.

Based on the expected business development, we will continue to generate a clearly positive cash flow from operating activities in the coming years, which should be higher than the previous year's figure. We will use the cash inflow primarily to finance investments and, if necessary, further acquisitions. We expect the key figures for value management to improve compared to the previous fiscal year. This is mainly due to a further increase in underlying sales compared to the prior year. For the relative and absolute ALTANA Value Added (AVA) as well as the Return on Capital Employed (ROCE), we expect a corresponding slightly positive development.

Expected Development in the Area of Occupational Safety and the Environment

In the realm of occupational safety, we set the following target ranges for the three work accident indicators for 2025: WAI 1: 0 to 2.2; WAI 2: 0 to 1.5; and WAI 3: 0 to 27.0. These values refer to the ALTANA Group excluding the Von Roll Group and Silberline companies acquired in 2023 and 2024, respectively. The target values for the ALTANA Group including these acquisitions are as follows: WAI 1: 0 to 2.8; WAI 2: 0 to 1.9; and WAI 3: 0 to 35.0.

The target for the specific energy parameter in 2025 is 1.44 MWh/t for the ALTANA Group, including the Von Roll Group and Silberline sites, following an actual value of 1.50 MWh/t in the previous fiscal year. In subsequent years, further reductions in specific energy consumption in the order of 2 % per year are sought. For greenhouse gas emissions, a value of 131,275 tons of CO_2 equivalents for Scope 1 and 2 is set for 2025 in accordance with the SBTi target range.

Risks

Management and control of the ALTANA Group are geared to the strategy that has been defined and the target levels derived from it. Due to changes in the economic environment or internal and external factors of influence, it might not be possible to implement the strategy successfully or to achieve targets in the planned time frame or to the planned extent. To be optimally prepared for such situations, ALTANA systematically identifies, evaluates, and considers risks within the framework of decision-making processes.

To anchor our risk policy at all decision-making levels, we established a Group-wide risk management system that brings together various information, communications, and monitoring systems. Core elements of our risk management include strategic corporate planning, internal reporting, our internal control system, compliance organization, and risk management in the strict sense.

Our strategic corporate planning is closely tied to our medium- to long-term financial planning. The extent of the fulfillment of our targets is examined in monthly reports on the company's business performance and in our short-term financial planning. Apart from an analysis of the current business situation, in these reports our expectations for the current fiscal year are discussed extensively at the divisional level on a regular basis. As a result, deviations from planned developments can be recognized and countermeasures introduced if necessary.

Our internal control system defines, among other things, organizational and procedural requirements that serve to prevent damage to the company. It is intended to ensure the correctness of internal and external financial reporting as well as non-financial key figures, the effectiveness and efficiency of the company's business activities, and compliance with the relevant legal regulations and internal guidelines. It comprises all principles, instructions, and measures introduced for this purpose. In connection with our established compliance organization, it aims to prevent possible violations of guidelines and laws on the part of employees.

At ALTANA, risk management in the strict sense is viewed as the systematic compilation, evaluation, documentation, communication, and, if not already in place, derivation of measures regarding the relevant risks as well as the determination and assessment of the risk-bearing capacity. Thus, it is an essential component of the company's system of early risk recognition in accordance with section 91 (2) of the German Stock Corporation Act. This system was voluntarily examined by the auditor again in 2024. The audit deemed that the Management Board took the measures required under section 91 (2) of the German Stock Corporation Act, in particular to set up a monitoring system, in an appropriate form and that the monitoring system is suitable in all material respects for identifying developments that could jeopardize the company's continued existence at an early stage with sufficient certainty.

Risks that are identified are evaluated in a uniform way. So-called evaluated risks are assessed based on the probability of their occurring and the potential damages. Individual risks are assigned to certain risk groups. Risks or risk groups rated as very high are risks which could cost the company more than € 25 million in the next twelve months. Individual risks that could cost the company between € 12 million and € 25 million are rated as high risks; risks that would cost between € 5 million and € 12 million are categorized as medium risks; and risks that would cost less than € 5 million are deemed low risks. The prioritization resulting from the assessment determines focal points for the development and initiation of countermeasures to prevent or reduce the potential effects of risks.

The individual risks and risk fields described below could have a material adverse effect on the Group's earnings, financial, and asset situation in the years to come and thus give rise to a negative deviation from the forecast development. For risks categorized as "medium," "high," and "very high" we address changes in our appraisal compared to the previous year.

The total short-term assessed risks of the ALTANA Group increased by 10 % in the reporting year compared to 2023, primarily due to risks related to potential negative economic developments. The acquisitions made in 2023 and 2024 were fully integrated into the risk management system, ensuring that all relevant risks were accounted for within the respective risk areas.

Economic and Industry Risks

The development of the general economic conditions worldwide has a decisive impact on our business performance.

The performances of the economies of the U.S., China, and Germany – industrial nations important for ALTANA – have a particularly strong influence on the direction and intensity of demand for our products.

A global economic crisis leading to an economic collapse would bring about significant sales decreases with corresponding influences on our earnings. Recessions limited to certain regions in sales markets important for us could also significantly impair our business performance. With the global orientation of our sales activities, we try to shape our dependence on regional or national markets in such a way that the effects of geographically confined economic crises on the Group are limited.

Thus, the U.S. and China, the most important countries for us, each currently account for no more than 20 % of total Group sales. The distribution of our business activities in the core regions of Europe, Asia, and the Americas also has a balanced structure.

Furthermore, we continually update our appraisal of the regional economic development in our internal reporting system to be able to react to foreseeable effects by controlling our procurement, production, and sales activities. We react to long-term shifts in the regional significance of sales markets by adjusting our sales, production, and organizational structures.

In addition to general economic risks, there are market-related sales risks concerning individual product groups or application areas. Particularly medium- to long-term trends that structurally lead to a decrease in demand in our target markets can mean that we will not achieve our growth and profitability targets. We try to counteract industry-related sales risks by broadly diversifying our offer. We supply many different industries, which in turn sell their end products in various markets. Therefore, our dependence on the underlying markets is limited. Based on the available information, no single consumer segment, such as the automotive sales market, the graphic arts industry or the construction sector, accounts for significantly more than 20 % of our sales.

The analysis of our industry-specific and application-related sales is a component of our annual planning process. In addition, we examine changes in future growth potential arising from demand trends and technological developments, and adjust our strategic orientation in the divisions if necessary.

The risk of a global economic crisis or regional economic downturns remains significant, with the probability of occurrence assessed as unchanged from the previous year. However, projected loss values have increased, partly due to a sharp rise in business volume resulting from acquisitions, leading to a very high increase in assessed risks. As a result, the risk assessment for both individual global and regional economic crises and the overall risk group has been adjusted from medium to high.

Sales Risks

Sales risks result primarily from changes in the market and customer structure and an associated increase in the intensity of competition, as well as from marketing risks for products or product groups due to specific demand trends or technological changes.

This can lead to decreasing sales revenues, which can be caused by declining sales volumes or falling prices. To the extent that it is not possible to adjust the cost structure in the short term, this can give rise to a drop in profitability.

We counter sales risks by continually optimizing our product and service portfolio, above all on the basis of our innovative ability. In the process, it is decisive that we cooperate closely with our customers at an early stage of development work to adapt to market needs. With our innovation strategy, we can counter increased competition in our markets.

A loss of, mergers of, or backward integration of customers can lead to major changes in the customer structure.

Due to our very diversified customer structure, however, these risks are limited. In addition, we cooperate closely with our core customers within the framework of our key account management.

In the category of sales risks related to market and technology, both the estimated potential loss and the probability of occurrence have decreased slightly compared to the previous year. However, the overall assessed risk remains classified as high. For the risk group in sales and distribution, the probability of occurrence has slightly declined, partly due to a reduced risk associated with the integration of the Von Roll Group. In contrast, the potential extent of damage has increased slightly due to changes in the customer structure and the integration of the Silberline Group. As a result, this sub-area continues to be classified as a medium risk.

Risks from Business Combinations, Participations, and Other Investments

Apart from operating growth, acquisitions of companies, business activities, and individual technologies play a key role in the implementation of the strategy for sustainable profitable growth at ALTANA. Depending on the size of the activities acquired, inadequate integration can place a burden on the Group's earnings situation and limit its financial headroom. In addition, a business performance that is worse than what was expected when the acquisition was made can lead to impairments of assets with a negative impact on earnings. Another significant acquisition took place in January 2024 with the purchase of the Silberline Group, following the acquisition of the Von Roll Group in September 2023.

To minimize the effects of the risks from business combinations, we examine our acquisition targets systematically and comprehensively and analyze them in detail in a multistage approval process.

In addition, the restructuring of business activities or the implementation of long-term efficiency measures may result in impairment losses on assets.

To implement its strategic goals, ALTANA is constantly expanding and renewing its development, production, and other facilities. The projects, some of which are very complex, are always subject to certain risks regarding adherence to the schedules, budgeted costs, and the realization of the expected goals. The projects regularly undergo extensive approval and monitoring routines. The total potential losses increased substantially compared to the previous year, partly due to newly launched projects in the BYK division. In contrast, the probability of occurrence has decreased significantly compared to the previous year. Risks from capital expenditures continue to be assigned to medium risks.

Procurement Risks

Among the main procurement risks are a restriction in the availability of individual raw materials and transport services as well as significant price increases for raw materials and logistics, which we cannot or can only partially pass on to the markets in the short term and which may thus have a negative influence on the Group's earnings situation.

We continually analyze the situation on the raw-material markets that are relevant for ALTANA. By doing so, we can identify price trends and structural shifts on the part of suppliers at an early stage and devise suitable measures. We take this knowledge into account when we arrange supply contracts. In addition, we bear in mind the volatility of raw-material prices in our customer relations. To be able to pass on price increases to the markets in the short term, we use the flexibility of price mechanisms and price lockup periods.

The probability of occurrence for procurement risks increased slightly compared to the previous year, while the potential extent of damage rose sharply. This was driven by the risk of rising raw material costs as well as quality defects in already procured raw materials. Despite these changes, the overall classification of procurement risks remains unchanged and continues to be categorized as high.

Financial Market Risks

Financial market risks primarily concern short-term and significant changes in exchange-rate relations and interest rates, as well as default risks and the covering of financial resource needs.

Due to exchange-rate fluctuations, the translation of foreign currency positions into the Group currency, the euro, can have a negative effect on the Group's sales and earnings performance (translation risks). Such negative effects can also result from business conducted in a foreign currency (transaction risks). Interest-rate changes influence financing costs. Defaults on trade accounts receivable or financial receivables can also have a negative effect on the Group's earnings situation and its financial resources. If there is a lack of availability of financial resources for the implementation of acquisitions or major investment projects, we might not reach our strategic targets.

We safeguard against material transaction risks by concluding forward foreign-exchange contracts in cases where we assume that the underlying business can be realized with a sufficient degree of certainty. More information on our evaluation and accounting procedures for hedges can be found in the complete Consolidated Financial Statements on page 67 ff. (point 27).

To minimize credit default risks, we systematically examine the credit rating and payment behavior of our counterparties. The latter include customers, the banks we do business with, and other business partners where payment default can have an influence on our financial situation.

We safeguard availability of financial resources through central control and monitoring of our Group-wide financial resources. Additionally, a financial framework is made available through the use of various financing instruments. It can be used to cover unplanned financial requirements that arise in the short to medium term, for example due to acquisitions or a crisis-related decline in operating activities.

The group of financial market risks is still assessed as a medium risk. The assessment of the main individual risk in this risk group – negative earnings effects from exchange-rate changes – remains classified as low. A review of other individual risks did not result in a change in the overall classification of this risk group. The continuing high inflows from operating activities and the existing general financial resources will continue to be sufficient to cover the expected outflows for capital expenditures, repayments, and dividends.

Innovation Risks

ALTANA's position as an innovation and technology leader is a major success factor for the company. It is important for a supplier of highly specialized chemical products to continually introduce new products on the market and to be perceived by our customers as a competent and innovative partner. If this was no longer the case in the future, risks could result for our sustainable growth, the attainment of our profitability targets, and ALTANA's positioning in the relevant markets.

With our innovation culture, which is put into practice at all levels of our organization, we highlight the importance of innovation and safeguard its status. Both at a decentralized and at Group level, we can continually evaluate and control our research and development activities based on financial and non-financial criteria. By investing above-average amounts in research and development, we can continually introduce products on the market that are tailored to customers' individual and current needs and thus positively influence our competitive position.

It is important to protect knowhow we develop with patents to convert our knowledge edge into economic success. This includes safeguarding technologies as well as methods and product properties we currently use so that other companies cannot patent them.

For the group of innovation risks, both potential losses and the probability of occurrence have increased significantly compared to the previous year. This rise is primarily attributed to higher risks associated with the stake in Landa Corporation Ltd. Overall, we classify the group of innovation risks as still belonging to the medium risk group.

Other Risks

Production risks concern technical disruptions or human failure in production that can be harmful to people or the environment. Our goal is to minimize the effects of machine failure on the value chain by operating production lines independently from one another. It is compulsory for our staff to receive training in the clearly defined process and quality standards in the areas in question. In addition, we conclude property damage as well as plant and equipment breakdown insurances. The production risks group showed a further slight decrease in the potential amount of damage, while the probability of occurrence saw a marginal increase. Despite these changes, this risk group remains categorized as a medium risk.

Information technologies form the basis of nearly all ALTANA's business and communications processes. Breakdowns or other disruptions of IT systems can lead to far-reaching impairments in all the Group's value-added stages, which can have significant effects on business performance (IT risks). In addition, potential risks arise from data loss or theft of business secrets. ALTANA attaches great importance to smooth availability of IT applications and services. To guarantee this, corresponding processes and organizational structures have been established. These are continuously adapted to the changing risk situation and new technological possibilities. In addition to its own internal organization and expertise, ALTANA relies on close cooperation with leading international IT service providers. The effectiveness of the security measures is regularly reviewed by means of internal and external audits. Emergency plans are in place in the event of significant disruptions or data loss. In the coming years, our focus will remain on security and protection measures, which we will continue to develop in line with the threat profile.

Delivery of faulty products can cause damage to people, property, or the environment and thus cause liability risks. This can have significant effects on the Group's asset situation. We minimize this risk by standardizing production processes to a large extent and by taking comprehensive quality control measures. In addition, we continually conduct analyses to assess the hazardous potential of our input materials and products, and we conclude insurances.

Changes in political and regulatory framework conditions can lead to restrictions on trade or foreign-exchange transactions. Due to political unrest, it can be more difficult or even impossible to access the Group's assets in the country or countries in question. On account of regulatory adjustments, it might no longer be possible to process or sell certain products or ingredients, or only with strong restrictions. We continually examine the political environment in the countries important for us and take current tendencies into account when evaluating business relationships. We only make direct investments in countries in which we assume the political environment is highly stable. We actively take part in legislative procedures and discussions important for us that focus on changes in the regulatory environment. As a result, we can anticipate possible new requirements early on.

Risks in the realm of regulatory and EH&S (Environment, Health & Safety) continue to be assessed as low. However, political risks remain in the high-risk category, with a slight increase in the probability of occurrence and a significant rise in the potential extent of damage compared to the previous year. The intensification of trade conflicts between the U.S., China, and the EU is identified as a key factor driving this increased risk potential.

Additionally, risks associated with natural disasters, pandemics, and armed conflicts have slightly increased in potential impact, placing them in the high-risk category for the reporting year. A moderate rise in the expected damage from armed conflicts has been noted, alongside a marginal increase in the probability of losses due to natural disasters linked to climate change.

Risks in logistics are still considered to be low due to the increased reliability of logistics chains. Both the probability of occurrence and the potential damage of the risk group fell slightly compared to the previous year.

Legal violations (compliance risks) can give rise to liability risks or tarnish our reputation, which can have a significant effect on the Group's earnings and asset situation. We counter these risks within the framework of our Compliance Management System, inter alia by regularly informing and training our employees about relevant legal requirements. The potential losses and the probability of occurrence increased slightly compared to the previous year. The risk group is still classified as medium risk.

An important basis for long-term success are competent and committed employees. Should we no longer be able to recruit or retain suitable specialists or managers in the future, risks could arise for the successful implementation of our strategy (personnel risks). To counter these risks, ALTANA offers a sophisticated work environment and an attractive compensation system, which is supplemented by various pension plans and wealth creation schemes. Moreover, we regularly offer further education and training programs to budding junior staff members, as well as to specialized and managerial staff.

Compliant Group Accounting

Essential accounting-related risks arise particularly when extraordinary or non-routine issues are handled. These include the first-time consolidation of acquired businesses or parts of companies as well as the recording of the sale of Group assets. Accounting of financial instruments is also subject to risks due to the complex evaluation structure. Risks also arise from fraudulent acts.

At ALTANA, a separate department of the Group's holding company coordinates and monitors Group accounting. A core component of the control system are the guidelines, process descriptions, and deadlines that this department defines centrally for all companies, guaranteeing a standardized procedure for preparing the financial statements. For complex issues, the instruments needed for uniform accounting are retained centrally for all Group companies. For recording extraordinary processes and complex special issues, we regularly obtain external reports, advice, and statements.

The financial statements of the individual Group companies are prepared decentrally by the local accounting departments. Hence the individual companies are responsible for preparing the financial statements, in keeping with Group guidelines and country-specific statutory accounting requirements.

The work steps needed to prepare the financial statements are defined such that important process controls are integrated. These include guidelines pertaining to the separation of functions and allocation of responsibilities, to control mechanisms, and to IT system access regulations. The respective management explicitly confirms to the Group's management that the annual financial statements are correct and complete. In addition, important financial statements are audited by the company or Group auditors in charge.

The local financial statements are recorded and consolidated via standardized formats and processes in a central IT system. At the divisional and holding company levels numerous manual and IT-assisted control mechanisms are applied. They encompass an analysis and a plausibility examination of the registered data and the consolidated results by Group accounting as well as by the controlling department and other departments with expertise in this area. Required corrections of the information in the financial statements are generally made at the level of the individual company to ensure the data are uniform and reconcilable.

The company auditor and the Group auditor examine issues, processes, and control systems relevant for the generation of financial statements. The Group auditor reports on the audit directly to the Supervisory Board and the Audit Committee. In certain cases, audits are carried out by the central Internal Audit department.

After each process related to the preparation of the financial statements, optimization potential identified at the different levels is analyzed and adjustments of the processes are made.

Opportunities

The identification and evaluation of opportunities for our future business development is integrated into the different planning, analysis, and control processes.

Within the framework of strategic planning, we analyze demand trends as well as market and technology developments with regard to options for action that could enable ALTANA to create value. In addition, the divisions continually examine possibilities of developing new sales markets. During the financial-planning process, the effects of action options are evaluated and discussed so that we can optimally exploit future opportunities. Finally, possible opportunities for short-term business development, along with the attendant risks, are dealt with in detail at all levels of management.

Below, major opportunities are described that could lead to ALTANA's surpassing its short-, medium-, or long-term goals. The order corresponds to our assessment of the effects on our business performance.

Economic and Industry Development

Should the economic environment in the established industrial regions important for ALTANA, particularly in Asia, the Americas, and Europe, develop better than we anticipated, unexpected growth impetus could arise. As a result, demand for our products and services could develop more positively and exceed our forecast. The same applies to growth in the important emerging countries in Asia and South America. If the growth rates in these nations were higher than expected, we might be able to benefit from this due to our market positions.

In addition to regional factors, growth impetus can also result from individual branches of industry. Further potential could be opened up, in particular, if the automotive sector and the construction industry showed a positive development, or if there was an increase in the use of silver and gray colors in the consumer sector.

Innovation

We must continually streamline our product and service portfolio to be able to continue to pursue our strategy for profitable and sustainable growth in the long term. Should ALTANA manage to enhance its innovativeness more quickly than expected or to increase its share of new products for which there is a high demand beyond the target level, there would be even better prospects for growth. Furthermore, customers could demand innovative products manufactured and sold by us more quickly and to a greater extent than we had expected. The same applies if we entered new markets or opened up new application fields for our products.

Business Combinations and Portfolio Measures

Acquisitions play a key role in ALTANA's long-term value creation. In recent years, we have been able to continuously develop the Group strategically through acquisitions and intend to continue to do so in the coming years. The acquisition of the Silberline Group in January 2024 will enhance the regional presence in the effect pigments product area, particularly in North America and Asia.

In the future, we intend to continue to boost our growth by acquiring businesses and activities. This is an essential prerequisite for us to achieve our strategic growth targets. Should opportunities arise in the future that exceed our expectations, this can help us strengthen our market positions and open up new market segments. This can also have a positive impact on the achievement of our strategic goals.

Synergies

The ALTANA Group is largely decentralized. Still, in some areas of the value-creation chain and in certain management functions, central units support the divisions and play a coordinating role or provide shared platforms. To the extent that we manage to push forward the networks within the Group more strongly than expected, this may spawn further potential to improve efficiency.

The Management Board's Overall Statement on the Anticipated Development of the Group Including Its Overall View of the Risk and Opportunity Situation

For 2025, ALTANA anticipates moderate global economic growth at the previous year's level, alongside a continued easing of inflationary pressures. However, no significant improvement in the economic or geopolitical landscape is expected, and additional economic risks, including potential new trade conflicts, have emerged. In this challenging environment, ALTANA forecasts operating sales growth in the mid-single-digit percentage range, driven primarily by sustained positive demand for our products. While earnings profitability will be affected by ongoing integration costs from the acquisitions made in 2023 and 2024, it is expected to improve slightly, depending on demand developments and continued cost management efforts. However, profitability is not expected to reach the strategic target range of 18 % to 20 % in 2025. In addition, ALTANA anticipates a slight improvement in both the absolute and relative key performance indicators for the company's value compared to the previous year.

We recognize several risks that could negatively impact our business, including geopolitical tensions, potential new trade conflicts, and a downturn in the global economy or in key core regions, which could even lead to a recession. Additionally, there are significant risks to our short-term sales and earnings development, such as higher price volatility in raw-material markets, potential raw-material shortages, production-related risks, and impairments on intangible assets acquired through recent acquisitions.

Overall, we have not found any risks that could endanger the continued existence of the Group. The risks we face are set against opportunities that could enable us to achieve sales and earnings performance surpassing our forecasts.

Products

Our innovative products contribute to conserving resources and protecting the environment. At the same time, we help our clients manufacture with low emissions and energy-efficiently, and assist them in enhancing the safety of their products.

Sustainable Product Strategies

ALTANA offers companies around the world specialty chemical solutions that make products used in daily life better and more sustainable. We convince our customers with added value and give them a competitive advantage through our work. Some solutions improve the functions of end products and increase their shelf life. Others optimize our customers' value chains 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.

Due to their strong customer orientation, ALTANA's companies gear their innovation strategies systematically to a catalog of sustainability criteria at a very early stage of product development. This includes responsible handling of resources (for example, water, energy, and raw materials) as well as the goal of developing products whose effects on the environment are as low as possible without detracting from the product's function. This is reflected, for example, by the increasing number of coatings, additives, and pigment formulations that are conceived for water-based applications and do not need organic solvents. Another aim of ALTANA's product strategy is to replace critical components with less critical ones whenever possible. For products that need classifications due to national or international hazardous substance regulations, ALTANA's companies have special data sheets on hand that provide consumers with important information on safe storage and further processing. Moreover, certified lifecycle analyses are available for certain products. With an eye to an increasing circular economy and to further improve the ecological footprint of its products, ALTANA also evaluates the use of renewable raw materials or raw materials from recycling processes, while maintaining its high standards of quality and compliance with chemical regulations. Within the framework of the Operational Excellence programs, manufacturing processes are constantly being optimized in terms of energy efficiency as well as emissions and waste avoidance.

Products and Technologies for More Climate Protection

In the reporting period, all divisions made progress with products and technologies aimed at enhancing climate protection. In terms of increasing electromobility, BYK and ELANTAS were able to introduce additional products to the market. BYK further expanded its portfolio of wetting and dispersing agents for use in high-performance batteries. These products are designed to finely disperse and stabilize carbon-based solids, such as multi-walled carbon nanotubes (MWCNT), in liquids, which is essential to produce electrodes for high-performance batteries. Moreover, since the product is tailored for aqueous systems, it plays a key role in reducing the use of organic solvents.

ELANTAS is relying on a similar effect with newly developed products for aircraft cabin interiors. The epoxy-based fiber-reinforced semi-finished products are manufactured without the use of organic solvents, phenol, or organic anhydrides, and do not require thermal oxidation. In addition, they can be stored at moderate temperatures of 5°C. This means that around 80 percent of greenhouse gas emissions can be saved during production compared to conventional products. As a result, around 280 tons of CO_2 equivalents were avoided in the year under review.

ECKART has introduced a portfolio of printing inks that are free of mineral oils and utilize bio-based solvents. This innovation improves the recycling of printed products and cardboard packaging by reducing the mineral oil content in wastepaper, making it suitable for a broader range of applications. In addition, Scope 3 emissions were reduced by approximately 170 tons of CO_2 equivalents in the reporting year, which represents about ten percent of the product carbon footprint (PCF) of the printing inks.

ACTEGA's Bremen site successfully achieved ISCC PLUS certification in 2023. The ISCC PLUS certification is a sustainability standard for bio-based and recycled raw materials. The division now offers a portfolio of mass-balanced products that incorporate bio-based raw materials derived from vegetable oils, tall oil, and recycled plastics. These products can be used as drop-in solutions, meaning they can be integrated into existing production processes without significant modifications, providing a more sustainable alternative to petrochemical products. They have a 50 to 70 percent lower product carbon footprint than conventional materials.

The divisions also leverage process optimizations to increase energy efficiency and further reduce greenhouse gas emissions. For instance, BYK has implemented a refined grinding process for the production of certain wax additives, reducing manufacturing time by 25 percent. This leads to energy savings of nearly 40 MWh per year. Due to the optimization of reaction processes for various products, ELANTAS has been able to shorten manufacturing times by up to 25 percent without affecting the chemical structure or product quality.

Low-Emission Products and Technologies

All the divisions launched new products that help reduce various emissions. This not only reduces possible stresses at the workplaces, thus improving protection for the respective users, but also conserves resources and the environment. An important aspect here is the reduction or, if possible, avoidance of organic solvents.

ELANTAS is continuing the positive trend of recent years and consistently expanding its portfolio of products that do not require the use of BTX (benzene, toluene, and xylene). These three aromatic organic compounds were commonly used due to their excellent solvent properties, but their use is being reduced in many applications owing to their hazard potential. To address this issue, ELANTAS has developed a new two-component system, consisting of an aqueous epoxy resin emulsion. This system is used in the electrical industry for applications that demand very high resistance to moisture and chemicals. Thanks to its beneficial properties, it can replace conventional solvent-based systems. In the reporting year, this approach helped avoid the use of more than 20,000 liters of xylene.

In addition to avoiding solvents, ELANTAS is focusing on shifting to more environmentally friendly materials like ethyl carbonate. A notable example is a new polyurethane resin for wire coatings, which reduces the use of hazardous chemicals such as cresol and xylene. Furthermore, the enhanced product properties and higher solids content can positively affect the curing process in subsequent applications. As a result, over 100 tons of xylene, more than 140 tons of cresol, and over 360 tons of CO_2 equivalents in greenhouse gas emissions have already been saved. Similarly, a product from the unsaturated polyester resin group has achieved further savings of 30 tons of cresol and around six tons of styrene through a similar approach.

BYK is consistently expanding its portfolio of emission-free products for various applications. The range includes wetting and dispersing agents, surface additives, defoamers, and additives that positively influence flow properties. In the reporting year, a new type of surface additive was developed, particularly suitable for water-based systems in automotive interiors, due to its very low content of volatile organic compounds (VOCs).

Replacement of Critical Substances

In addition to reducing the quantities of volatile organic solvents, ALTANA again succeeded in replacing other critical substances in the year under review. These efforts are driven on the one hand by increasing chemical regulations and on the other by the trend towards more environmentally friendly systems. Our products also make an important contribution.

BYK is transitioning to a PFAS-free product portfolio and offering effective alternatives to its customers. The abbreviation "PFAS" refers to per- and polyfluorinated alkyl substances, many of which are persistent, meaning they remain in the environment for a very long time and are not broken down by natural processes. BYK plans to stop supplying additives containing PFAS by the end of 2025 and will offer PFAS-free solutions for almost all applications where PFAS-based additives are still used today. In the 2024 fiscal year, for example, new polymeric processing aids were introduced for the thermoplastics industry. These aids ensure good throughput and flawless finished parts in continuous processes without the need for PFAS. Additionally, BYK has introduced further solutions in the product categories of defoamers, surface additives, and wax additives, which also help customers avoid the use of PFAS.

ACTEGA has further expanded its range of PVC-free sealing materials and now offers a water-based PVC-free material that does not require critical foaming agents like azodicarbonamide. At the same time, it offers superior product properties compared to conventional sealing materials available on the market. Furthermore, it meets the stringent requirements for materials with direct food contact.

Similarly, ACTEGA is addressing the increasingly critical classification of acrylates, particularly those used in UV-curing systems. The division is supporting the transition to UV-curable systems with an improved toxicological profile and offers its customers a corresponding product portfolio. This approach helps reduce exposure risks across the value chain.

Regulatory requirements in the electronics sector and in power generation and distribution are also continually increasing. In response, ELANTAS has developed a new product for use in insulators, bushings, and transformers that is free of anhydrides. A similar approach is being taken with impregnating resins. ELANTAS is working to eliminate hazardous substances while maintaining high product quality, particularly with regard to achieving the correct flow properties. This ensures that the resins can properly wet and saturate the substrate. For this purpose, ELANTAS has developed a resin with a viscosity of less than 2,000 millipascal seconds (mPas). This makes the product particularly user-friendly, while also meeting the high mechanical and electrical property requirements and being free of hazardous substances.

ECKART offers pigments with its ROTOVARIO FPG 550 series that are produced without the use of mineral oils or aromatic or aliphatic solvents. These pigments are suitable for food packaging, feature excellent adhesion and brilliance, and reduce the need for binders in printing inks.

Contributions to Circular Economy

The topic of a circular economy is becoming increasingly important for the chemical industry. The transition from linear to circular value chains includes reuse as well as mechanical and chemical recycling. This also encompasses waste incineration processes in which the heat generated is used as a source of energy and, in the future, will include the reuse of the resulting CO_2 as a chemical raw material. Product design figures prominently in this process. The aim is to achieve both the desired product properties and simple recycling of the raw materials.

A central aspect of recycling management is using materials for as long as possible, and extending a product's shelf life plays a significant role in this. For instance, microbiological decomposition of many materials means that even unopened product containers can no longer be used and must be disposed of. To mitigate this, BYK has further optimized the preservative systems used in various associative thickeners.

When materials such as polyethylene terephthalate (PET) are recycled, products from the SCONA portfolio help adjust the properties of recycled PET to make it reusable. Additionally, the BYK product itself consists of around 95 percent alternative raw material in the form of recyclate.

With the CEPI 2.0 rating, the Confederation of European Paper Industries (CEPI) has established new standards for evaluating the recycling quality of paper and fiber-based packaging. To fully understand the influence of raw materials and application technologies, ACTEGA has set up a fully equipped recycling laboratory at a North American site. The laboratory conducts internal R&D studies on coating and printing products and helps customers understand and address their recycling challenges.

Building on this in-depth understanding of recycling requirements, ACTEGA has developed products for plastic applications, particularly in the production of packaging using the injection blow molding process. In this process, special labels are placed in a mold, and a plastic body is blown into the mold in a hot state. This creates a very strong bond between the label and the packaging. A new primer from ACTEGA facilitates the removal of labels from the plastic body during the washing stage of the recycling process, enabling the plastics to be separated into pure types and increasing the purity and reusability of the recyclates. ACTEGA also has a solution for recycling PET drinking bottles. By using a newly developed primer with approved inks and substrates, PET bottles can be recycled with heat-shrink tubing without further processing. This system has received "Preferred Design Recognition" from the APR (Association of Plastic Recyclers, USA).

In addition to improving the reusability of materials, the focus is on avoiding waste in all processes. For example, ACTEGA offers novel UV inks with special aluminum and bronze pigments that can replace metal foils. This makes it possible to achieve metallic-looking applications through printing processes, reducing waste.

When using bio-based raw materials as substitutes for fossil-based ones, ALTANA ensures that these come from sustainable and certified sources. This approach has enabled ELANTAS to develop a wide range of new products, including wire enamels, impregnating resins, casting materials, and adhesives, which contain bio-based solvents and functional monomers and oligomers.

Beyond these specific product developments and raw materials projects, ALTANA is also actively involved in national and international initiatives, such as the German Chemical Industry Association (VCI) and the European Chemical Industry Council (CEFIC).

Safety and Health

ALTANA acts according to the "safety first" principle and relies on an effective safety culture. Technical and organizational measures as well as our training programs contribute to enhancing work safety and anchoring the issue firmly in our employees' minds.

Occupational safety and occupational health protection have top priority at ALTANA.

In the reporting year, we continued to integrate new production sites through the acquisitions of the businesses of Imaginant Inc. at BYK, Von Roll Group at ELANTAS, and Silberline Group at ECKART. The safety-related key performance indicators and their definitions at ALTANA were implemented, and training was provided for the new sites. In addition, continuous reporting of the key indicators was established. A central focus was clarifying the maximum limits and effectively communicating the associated safety.

In this context, we observed an increase in organization-related accidents but a decrease in behavior-based accidents. These incidents are mostly non-chemistry-specific and, compared to the previous year, have led to increased downtime overall. In relation to WAI 1 – the number of reported accidents with lost time of one day or more per million working hours – ALTANA, at Group level and including the acquisitions described above, achieved a value of 2.8. When looking at the ALTANA Group and the individual divisions excluding these acquisitions, all of them were able to maintain or even improve their strong prior-year figures, and in particular, to remain below the target of a maximum of 2.3.

Some production sites are particularly notable for their exceptional occupational safety records:

ACTEGA Foshan, BYK, and ELANTAS in Tongling, ECKART Zhuhai, and ELANTAS Beck India in Pune have been accident-free for at least ten years. The ELANTAS sites in Zhuhai and Malaysia, BYK Gardner in Columbia, ACTEGA Metal Print in Lehrte, and ECKART Pigments in Pori have reported zero accidents for more than five years. Additionally, six more sites have been accident-free for at least three years.

Further facts and figures can be found in the Group Management Report on page 65 ff.

Maintaining Employees' Health

During the reporting period, hybrid working became more firmly established in the workplace. Alongside many advantages, such as improved work-life balance, there are also specific challenges associated with this model. For example, BYK introduced the digital "moving break" at its German sites to help prevent stress at workstations. This initiative earned the company the special digitalization award from the North Rhine-Westphalia branch of the German Chemical Industry Association (VCI) in the Responsible Care competition. The online program can be booked digitally via the Work Life Portal (WLP) app.

At the Indian sites in Ankleshwar and Pimpri, ELANTAS provides employees with preventive health checks to proactively promote their wellbeing. In addition, ALTANA offers employer-subsidized bicycle leasing at all sites in Germany, encouraging both health and the reduction of the carbon footprint from commuting to work.

At the BYK site in Wesel and the ECKART sites in Hartenstein and Wackersdorf, occupational health management is particularly active, with continuous offerings. Depending on the site and region, employees have access to a wide range of services, including healthy meals with fresh fruit and drinks, massages, online and on-site course programs, partnerships with fitness centers, health checkups, additional blood tests, flu vaccinations, a digital health week, participation in sporting events, and many other health-focused initiatives.

Ergonomics

Ergonomics make an important contribution to occupational health and safety. Appropriately designed workplaces and activities boost the productivity of the workforce and reduce absences due to illness.

At the ELANTAS site in Olean, the transition to a lower-maintenance pump type has reduced the workload for maintenance teams. Going forward, operating equipment will no longer require regular checks and replacements, further easing the workload for employees.

At the ECKART site in Hartenstein, internal manual transportation is being avoided by optimizing material flows and plant allocation. In the future, intermediate products will be pumped through pipes as a suspension and manufactured at other plants. This closed-loop system reduces the burden on employees and lowers exposure. Also, manual pallet trucks have been replaced with electric ones, streamlining the handling of pallets.

At some sites, filling processes for reactors and aggregates were redesigned to prioritize both greater automation and ergonomic considerations. In the year under review, ALTANA again invested in lifting aids, such as those implemented at the ELANTAS site in Quattordio, Italy. BYK installed a new transfer station for containers at the Wesel site, improving both environmental and health protection.

At the BYK site in Schkopau, several ladders were replaced with flexible stairs with platforms. This measure has a dual effect: It enhances safety while simultaneously reducing ergonomic strain when working at greater heights. Furthermore, the Wesel site now offers a new ergonomics consultation service, enabling individual burdens to be identified and avoided through professional advice.

Reducing Exposure and Avoiding Risks

As described in the “Products” chapter, ALTANA replaces critical substances with non-critical ones whenever possible. If this is not feasible, we do everything in our power to minimize the respective exposure risk.

An effective method is to use closed systems, which are understood as systems in which an unwanted exchange of substances with the environment is excluded, but an exchange of energy (for example heat) is possible between the system and the environment. In this case, as far as possible, all filling operations and reactions are designed to prevent exposure.

At BYK in Schkopau, “Big Bag” emptying systems have been introduced for unloading bulk materials, enabling the safe and dust-free emptying of packaging weighing up to one ton. Additionally, ELANTAS at its Zhuhai site in China has implemented an automated packaging system, and ECKART in Hartenstein has replaced certain raw materials with safer alternatives. However, when the use of hazardous substances cannot be avoided, BYK in Schkopau has installed a special transparent glove box, allowing chemicals to be handled safely with gloves. At ELANTAS’ Tongling site, a measuring instrument has been integrated directly into the reactor process, eliminating the need for sampling and preventing employee contact with chemicals.

At ACTEGA in Lehrte, work has commenced on a new dosing system for styrene acrylates. This system not only improves occupational health and safety and boosts efficiency but also significantly reduces the impact on the work environment.

Not all processes can be fully enclosed, particularly manual cleaning tasks. As a result, BYK has purchased new blower helmets for employees at the Schkopau site. Similarly, the ELANTAS site in Collecchio has installed an automatic cleaning system for the inside of mixers. The company also continuously reviews and improves its work guidelines, with updates made during the reporting year at all BYK sites.

Safety and Chemical Processes

In the year under review, safety assessments of facilities and processes were carried out at the sites using a risk-based approach to make operations safer and better. Safety assessments were also carried out regarding personal protective equipment and clothing so that employees are even better protected in the event of exposure. Preventive measures, such as regular leak tests for gases in pipelines, are conducted routinely.

To protect the environment, increase energy efficiency, and improve occupational safety, ELANTAS has insulated plant components at the Cerquilho site in Brazil to enhance protection against contact with hot surfaces. Additionally, a new exhaust gas scrubber with an integrated activated carbon filter has been installed at the Ankleshwar site.

Apart from preventing exposure to people and the environment, process safety takes center stage during filling operations. Special attention is given to adding solids, where a collaborative effort is made to carry out these operations in closed systems with an appropriate inert gas atmosphere. Additionally, if necessary, dust extraction and filtering measures are implemented. Individual companies have devised distinct safety concepts and invested in suitable equipment that considers the varied flow behavior and requirement profiles of different solids. These plant components, previously highlighted in the context of ergonomics and exposure, play a significant role in contributing to occupational safety. In this context, the new closed system for handling powders at ELANTAS in Zhuhai, China, should also be highlighted.

Another example is the adjustment of traffic regulations in the storage area and along transport routes within the plant premises at BYK in Shanghai, China, further enhancing safety.

To ensure readiness in emergency situations, fire extinguishing equipment and extinguishing agents must remain up to date and replaced as needed. For example, BYK in Kempen has replaced all foam extinguishers with PFAS (per- and polyfluorinated alkyl substances)-free extinguishers.

Regulated access for service providers and visitors is also key to minimizing risk. At its Foshan site, ACTEGA has bolstered its security measures by installing an automatic registration system for vehicles of visitors and logistics service providers.

Incidents in Detail

In the year under review, based on the guidance for reporting globally harmonized process safety key figures according to the International Council of Chemical Associations (ICCA) and the definition provided by the German Chemical Industry Association (VCI), 18 significant incidents occurred. Twelve of these involved the release of chemicals from containers and plant components. In ten cases, the release of chemicals into the environment was prevented because they were contained by the prescribed collection devices and subsequently disposed of properly. In two cases, there was a small release of chemicals that resulted in soil contamination; the contaminated soil was removed and disposed of properly. None of these incidents resulted in injuries to employees.

The most significant incident occurred at a production plant at ECKART in Wackersdorf during the year under review, where a dust explosion resulted in a subsequent fire. Fortunately, no one was injured. Emergency services arrived promptly after the alarm was raised and were able to bring the situation under control within the day. There was no health risk to the neighborhood at any point, and no environmental hazards arose from the fire or the extinguishing work.

Five additional fires were reported. The first, at the ECKART site in Louisville, USA, involved a product filter catching fire, causing significant damage. Another fire occurred at ECKART's site in Vétroz, Switzerland. The fires were quickly extinguished, with no injuries and no danger to the environment or the local population. There were also three small fires in the production area, which were extinguished by the company's own emergency services. The workforce was unharmed.

Environment

Environmentally friendly management is a key component of ALTANA's corporate strategy. Our goal is to continuously reduce energy consumption across all sites and areas while decreasing absolute greenhouse gas emissions. We also implement this objective in other environmentally relevant areas, such as waste and the consumption of drinking water.

Improvements in Environmental Performance

The ALTANA Group measures progress in environmental protection using specific key performance indicators. In addition to the absolute values, the figures are set in relation to the quantity of produced finished goods. ALTANA sets annual upper limits for energy consumption, water consumption, and waste quantities in relation to produced finished goods. The development of these indicators is published in the document "Facts and Figures on Sustainability 2024."

The ALTANA Group's energy consumption increased to 871,320 megawatt hours (MWh) in the 2024 fiscal year, up from 611,843 MWh in the previous year. This increase was driven by global economic growth, the resulting higher demand, and additional production volumes from the acquisitions of the Von Roll Group and Silberline Group. The volume of produced finished goods rose from 516,379 tons in 2023 to 581,427 tons in 2024. Primarily due to changes in the product mix following these acquisitions, the Group's specific energy consumption increased from 1.18 MWh per ton of produced finished goods in 2023 to 1.50 MWh in 2024. Including other greenhouse gases such as nitrous oxide (N_2O), total emissions amounted to 119,702 tons of CO_2 equivalents, with 117,822 tons classified under Scope 1. Compared to the previous year, greenhouse gas emissions increased by approximately 54 percent, outpacing the growth in finished goods production. As noted, this was largely due to shifts in the product portfolio following the acquisitions. In addition, biogenic greenhouse gas emissions accounted for 519 tons of CO_2 equivalents.

Since 2020, ALTANA has obtained electricity from renewable energy sources worldwide. This high standard has now also been implemented at the newly acquired sites for the reporting year. In addition, the ALTANA Group continues to prioritize energy efficiency and new technologies to reduce greenhouse gas emissions. Alongside efforts to lower emissions within its own value chain, ALTANA invests in certified climate protection projects. When selecting projects, the company ensures they meet internationally recognized standards such as the Verified Carbon Standard (VCS) and contribute to selected United Nations Sustainable Development Goals.

In the reporting year, ALTANA mitigated 103,300 tons of CO_2 equivalents. This amount corresponds to approximately 88 percent of the greenhouse gas emissions generated in Scope 1.

Analogous to the increase in the volume of produced finished goods described above, the volume of hazardous waste rose from 16,988 tons in the previous year to 21,696 tons in the reporting period. The key performance indicator in relation to the quantity of produced finished goods rose from 32.9 kg/t to 37.3 kg/t. The amount of non-hazardous waste also increased, from 8,660 tons to 13,158 tons. The indicator in relation to produced finished goods increased from 17.7 kg/t to 22.6 kg/t. The changes in the waste volume balance are mainly attributed to modifications in production processes due to acquisitions. Additionally, major incidents have contributed to an increase in waste volumes (details can be found in the document "Facts and Figures on Sustainability 2024").

Drinking water consumption increased from 1.18 million cubic meters in the previous year to 1.46 million cubic meters in the reporting year. The key performance indicator derived from this based on the quantity of produced finished goods rose to 2.51 m^3/t (previous year: 2.28 m^3/t). This increase is attributed both to acquisitions and to portfolio shifts at several locations towards more water-intensive processes.

A total of 617,506 tons of raw materials were required, including 403,425 tons of fossil raw materials, 23,484 tons of renewable raw materials, 125,274 tons of non-fossil and non-renewable raw materials, and 65,323 tons of water. Detailed information on ALTANA's resource and energy consumption – broken down by electricity, natural gas, and oil – as well as environmental indicators can be found at www.altana.com/figures_facts_sustainability_2024.

In 2024, 86 percent of the ALTANA Group's production sites met the ISO 14001 standard for environmental management. Newly established sites that are not yet certified have three years to obtain ISO 14001 certification, though they are already included in the total count of production sites. Additionally, eight sites hold ISO 50001 certification for energy management.

ALTANA on the Way to "Net Zero Emissions" in the Entire Value Chain

ALTANA has committed to operating virtually greenhouse gas-free worldwide by 2050 and achieving so-called net zero emissions. Specifically, the company aims to reduce emissions across the entire value chain (Scope 1, 2, and 3) by 90 percent by that time. Any remaining unavoidable emissions will be permanently removed from the atmosphere using recognized processes. By 2040, ALTANA already plans to reduce greenhouse gas emissions within its direct sphere of influence (Scope 1 and 2) by 90 percent.

Furthermore, starting in 2025, ALTANA intends to mitigate as many CO_2 equivalents as it generates in Scope 1, Scope 2, and selected categories of Scope 3. The analysis includes greenhouse gas emissions from the combustion of fossil fuels, primarily natural gas, as well as emissions resulting from chemical reactions in production processes (Scope 1). It also accounts for indirect greenhouse gas emissions from purchased energy, particularly electricity and steam (Scope 2).

These targets meet the strict decarbonization requirements of the Science Based Targets initiative (SBTi) and have already been validated and confirmed. ALTANA is thus committed to the climate goal of limiting global warming to 1.5 °C, as established at the UN Climate Change Conference in Paris in 2015 and reaffirmed in Glasgow in 2021. The reference point for reducing greenhouse gas emissions, known as the base year, has been set at 2021 in accordance with SBTi guidelines.

In the reporting year, Scope 1 and 2 emissions together amounted to 119,702 tons of CO_2 equivalents. Compared to the 2021 base year, these combined emissions were reduced by 26 percent. ALTANA exceeded its target by 13.7 percent relative to the reduction trajectory for 2024. This achievement had been largely driven by the global procurement of green electricity and measures to enhance energy efficiency and decarbonization.

For the first time, ALTANA is reporting Scope 3 emissions in accordance with the Greenhouse Gas Protocol for the years 2022 to 2024, with 2021 as the base year. As part of the validation process by SBTi, the emissions data for 2021 and 2023, along with the method of data collection, were confirmed. Compared to the 2021 base year, Scope 3 emissions were reduced by one percent. Relative to the reduction trajectory for 2024, ALTANA exceeded its target by eight percent. More information can be found in the document "Facts and Figures on Sustainability 2024."

Energy Efficiency Improved

During the year under review, ALTANA remained committed to its climate protection goals and continued to advance the energy transition, with all sites contributing to these efforts. To optimize energy consumption, operating processes were reviewed, and systems and machines were identified that could be temporarily shut down or run in a reduced mode without compromising operations or safety. To achieve this, interdisciplinary energy teams at various sites collaborate and share their insights across divisions. Cutting-edge energy monitoring and management systems support these teams in identifying and eliminating unnecessary energy consumption.

Energy efficiency in buildings was further improved in the year under review. By optimizing the operation of ventilation systems, replacing outdated systems with energy-efficient ones, improving building insulation (including windows and doors), and installing LED lighting systems at various sites, a total of more than 1,500 MWh per year can be saved. Additional improvements were made in heating and cooling systems. At the Olean site, ELANTAS continued to drive forward automating building technology to improve energy savings through control optimization. At ACTEGA in Adliswil, energy efforts focused on renovating the roof of the UV production building and gradually replacing windows. Simultaneously, work began on upgrading the heating, ventilation, air conditioning, refrigeration, and sanitary systems, as well as other technical building equipment. The first step involved installing heat measurement sensors in heating pipes to enable optimized heating system control based on data from the next heating period.

Optimized manufacturing processes also play a key role in improving energy efficiency. The measures implemented in 2024 cover a wide range of areas, including efficiency improvements, energy savings, waste heat utilization, reduced consumption of auxiliary materials such as nitrogen, and minimizing leaks in compressed air systems. Over the past year, more efficient mechanical and electrical units were installed, and plant utilization and downtimes were further optimized. These efforts were systematically developed and implemented using ALTANA Excellence methods. Collectively, these efficiency measures contribute to an annual energy reduction of more than 8,000 MWh. In the reporting year, ECKART established a district heating network at its Hartenstein site, enabling the waste heat from one operation to be transported to another, which will save 3,000 MWh of energy in the future. At the BYK site in Gonzales, facility upgrades will reduce fossil fuel gas consumption in drying processes. The division also invested in a new reverse osmosis system for steam boiler feed water, modernized pump technology, and optimized steam control systems. These combined efforts are expected to save up to 1,800 tons of CO_2 equivalents. At ELANTAS' new production site in Zhuhai, China, process times have been shortened through scaling and modernization, significantly reducing energy consumption. Additionally, the site operates entirely on green electricity. In total, more than 25 individual measures were successfully implemented in this area.

Conversion to Renewable Energy Sources

The replacement of fossil fuels with renewable energy sources is a key pillar of ALTANA's decarbonization strategy. The initial roadmap for the energy transition has been further refined by individual sites, with the goal of gradually phasing out fossil fuels even as production volumes continue to grow. To achieve this objective, energy consumption levels at each site are being assessed, and targeted projects are driving the transition forward. Energy teams have been established for the newly acquired companies, Silberline and Von Roll, and roadmap development has begun based on previous experience. In 2024, efforts focused on developing alternative heating concepts for buildings at BYK's sites in Kempen and Wesel, as well as for ECKART in Hartenstein. Geothermal energy, combined with process waste heat and heat pumps, was examined in detail, with particular attention given to process heat generation. In this context, the company evaluated the feasibility of replacing combustion processes with electric alternatives such as heat pumps or operating them with renewable fuels like sustainably produced biogas and wood chips. ALTANA also gains additional insights and best practices by participating in expert panels. For example, in collaboration with the ECKART division at the Hartenstein site, ALTANA has decided to once again take part in the decarbonization network of the Forschungsstelle für Energiewirtschaft e. V. (FfE), which is supported by the Bavarian state government.

Environmental performance indicators ALTANA

	2021	2022	2023	**2024 [1]**	**2024 [2]**
CO_2 equivalents specific (Scope 1 + Scope 2)[3] (t/t)	0.17	0.16	0.15	0.16	0.21
Energy consumption (MWh/t)	1.21	1.20	1.18	1.19	1.50
Drinking water (m^3/t)	2.22	2.36	2.28	2.42	2.51
Hazardous waste (kg/t)	35.34	35.14	32.90	35.30	37.32
Hazardous waste for disposal (kg/t)	5.43	4.87	3.76	3.36	5.14
Non-hazardous waste (kg/t)	15.68	17.68	16.77	18.09	22.63
Non-hazardous waste for disposal (kg/t)	7.85	7.90	6.19	7.10	9.96

The key performance indicators are calculated from the absolute values in relation to the quantity of produced finished goods.
[1] Excluding acquisitions
[2] Including acquisitions
[3] Scope 1: direct emissions; Scope 2: indirect emissions

During the reporting period, ALTANA both saved energy and actively transitioned to alternative energy sources, particularly green electricity. In decision-making processes, investments are evaluated for environmentally friendly alternatives in line with internal guidelines. ALTANA also updated its investment guidelines during the year under review, incorporating more sustainability aspects. Investments in sustainability are clearly labeled, and an internal CO_2 price is included in profitability analyses as an additional scenario.

ELANTAS has switched to electrically powered forklift trucks and company vehicles at its Pimpri, Ascoli, and St. Louis sites. An important prerequisite for the electrification of transportation is the establishment of the necessary charging infrastructure. BYK has expanded these facilities at its Wesel and Shanghai sites by 32 and 20 stations, respectively.

ALTANA places particular emphasis on the generation of process heat, especially in the context of production expansions. For instance, ELANTAS in Zhuhai and BYK at the Kempen site commissioned their first plants to generate process heat electrically during the reporting year. These electric heaters will be expanded further in stages. Such options are being analyzed and evaluated at various ALTANA sites. Switching to these technologies presents a planning challenge, as a significant expansion of the electrical infrastructure must be considered. Alternative technologies are also being used for heating water. At the ELANTAS site in Ascoli, a heat pump will be used to heat service water in the future, replacing the existing natural gas heating system.

Direct Procurement and Own Generation of Green Electricity Further Expanded

To reduce indirect greenhouse gas emissions from energy procurement, particularly electricity, ALTANA directly purchases green electricity from local suppliers. In cases where sites cannot currently obtain green electricity directly from their local electricity provider, ALTANA purchases certificates of origin for electricity from renewable sources, in line with recognized quality standards. These include, for example, the Guarantee of Origin (GoO), a certificate confirming the origin of energy from renewable sources in Europe, as well as the International Renewable Energy Certificate (IREC) for China, and GREEN-E for the USA. In 2024, the total volume amounted to 321,599 MWh.

In parallel, ALTANA is exploring other possibilities, such as direct procurement from sustainable energy sources.

During the year under review, the Group purchased green electricity from wind, hydropower, and solar plants. As a result, more than 50 percent of the electricity needs at ALTANA sites worldwide are covered by local sources. Additionally, 13 sites already generate their own energy from renewable sources. ELANTAS operates photovoltaic (PV) systems in Ascoli, Collecchio, Breitenbach, Schenectady, Maracanaú, and Pune, with a total output of more than 2,600 MWh per year. ACTEGA generates over 800 MWh per year at its sites in Vigo and Bremen. ECKART has a total output of more than 650 MWh per year at its Hartenstein and Tamaqua sites. BYK generates more than 600 MWh a year at its sites in Deventer, Denekamp, and Shanghai. Furthermore, the ALTANA Group installed additional PV systems at various locations in the reporting year, which will be commissioned in 2025. The divisions are also exploring further PV installation options. Particularly noteworthy is the first larger ground-mounted PV system at ECKART's Hartenstein site, which is currently in the planning and implementation stage. The site also generates electricity from a hydropower generator. In addition, the BYK site in Denekamp uses biogas to generate energy, saving around 2,640 MWh of fossil natural gas per year. Overall, ALTANA uses most of the energy generated from its PV systems for its own operations, feeding only a small portion into the grid.

Indirect Emissions from the Value Chain (Scope 3) Further Reduced

For ALTANA, Category 1 of Scope 3 emissions represents the largest share of total greenhouse gas emissions. This category includes emissions from purchased goods and services. As part of the company's Keep Changing Agenda for the future, one key focus area is the transformation of the raw materials portfolio towards more sustainable materials. Apart from regulatory and general sustainability considerations, the primary emphasis is on reducing greenhouse gas emissions. This is referred to in this context as the "product carbon footprint" (PCF), which measures the carbon footprint of raw materials resulting from their production. Through close collaboration with suppliers, the divisions evaluate alternative raw materials, such as those derived from renewable sources or recycling processes in alignment with a circular economy approach. For further details, refer to the "Products" chapter.

When transporting raw materials and finished goods, it is essential to use fossil fuels as efficiently as possible or even alter transportation routes. To minimize unnecessary Scope 3 emissions, ACTEGA has shortened transportation routes by relocating products and consolidating regional production, thereby reducing greenhouse gas emissions in the relevant Scope 3 categories. For more information, visit www.altana.com/facts_figures_sustainability_2024.

Responsible Usage of the Resource Water

Water plays an important role in many of the ALTANA Group's production processes, and so the specialty chemicals group is making various efforts to use this resource sparingly. Water is utilized in the chemical industry as a raw material, as a cleaning agent, and as a coolant. ALTANA aims to keep its water consumption as low as possible and to use the resource as a cooling medium in closed cycles.

In the reporting year, ALTANA made significant strides in reducing water consumption at several sites. But drought and high air temperatures led to a considerable increase in the demand for cooling water at some locations. As a result, some sites are exploring the increased use of closed cooling circuits. The ACTEGA and ELANTAS divisions have nearly met their targets. Conversely, BYK used more drinking water than planned due to a growing trend toward water-based products. One initiative to counteract this is the installation of new water softening systems, which help save valuable drinking water. At the Hartenstein site, ECKART reduced drinking water consumption by approximately 11,000 m³ annually. BYK also achieved significant water savings at its Wesel site through the installation of a new water softening system. In addition, BYK's production site in Gonzales, USA, enhanced its plant cooling system, improving efficiency and reducing freshwater consumption by around 30,000 m³ per year thanks to the installation of control technology.

Optimization of Waste Management

Chemical processes generate waste and wastewater, which mainly applies to production sites. ALTANA aims to avoid or reduce wastewater and waste and thus minimize the negative effects on people and the environment, among other things by using suitable raw materials and cleaning agents.

ALTANA's divisions are implementing various optimization and recycling measures at numerous sites to reduce waste. But despite the positive trends in previous years, waste volumes have increased, particularly due to demolition and remodeling activities in the ECKART division. Waste volumes in the ELANTAS division also rose due to changes in the product mix, preventing the continuation of the positive trend from previous years. To boost the recycling rate, ELANTAS has begun constructing a new recycling area in Collecchio, which is slated for completion in February 2025. Other measures across the four divisions include reducing production losses and reusing small bundles and liquid containers. Despite these efforts, the positive measures were unable to offset the increase in waste caused by special effects in the 2024 fiscal year.

Emissions Further Reduced – Biodiversity Promoted

In addition to greenhouse gases, other emissions can also have a negative impact on the environment and people. In this context, particular mention should be made of volatile organic compounds (VOCs). ALTANA aims to continue keeping these emissions as low as possible in the future. To achieve this goal, various technical options are already available at many locations. In general, various sites within the divisions have modified plants to conduct filling and mixing processes in closed systems. For example, BYK installed a new filling system with integrated extraction at the Wesel site, which helps prevent VOC emissions and provides better protection for employees. When purchasing bio-based raw materials or alternative energy sources, ALTANA ensures they meet sustainability standards in accordance with international regulations. This approach not only supports sustainable practices but also promotes biodiversity.

People

For the Human Resources department at ALTANA, the Keep Changing Agenda for the future is key to shaping the direction of the topic areas and action fields. A particular focus is placed on increasing employer attractiveness and promoting a corporate culture that offers employees global development opportunities and supports an open feedback culture. In the 2024 reporting year, programs and initiatives that had already been piloted were rolled out in other countries and regions. At the same time, we strengthened the exchange with colleagues worldwide to gain a better understanding of what makes ALTANA attractive to them.

The loyalty and satisfaction of our employees are a high priority for ALTANA to ensure the company's long-term success.

Focusing the Keep Changing Agenda on the "People" Area

In the year under review, the focus in human resources was on strengthening employer appeal as well as promoting a culture of continuous learning and performance within the company. Building on this, various initiatives were designed and piloted in recent years. The focus in the reporting year was on implementing and internationalizing these initiatives.

During the pilot phases, the concepts developed were validated in consultation with the countries and regions where ALTANA operates to ensure the development programs are tailored to the needs of our colleagues.

"Create a Thriving Organization for Development and Performance" Action Field

ALTANA fosters a corporate climate in which employees can fully realize their potential. In addition to targeted programs for careers along a specialist career path and initiatives for talents with the potential to take on more advanced management roles, ALTANA is focused on further strengthening diversity, equality, and inclusion. To this end, a program for experienced employees was piloted in 2024. More details on the implementation of the Wise Peers Program can be found in the Group Management Report on page 65.

"ALTANA Connect" Global Teen Exchange Program
Another initiative stemming from the new concept on diversity, equality, and inclusion is the "ALTANA Connect" program. Launched in 2024, this global teen exchange program connects the children of our employees worldwide, offering them the opportunity to gain international experience. Through the exchange of ideas and cultures, ALTANA not only promotes the personal development of the participants but also fosters global cooperation within the company. As part of the program, children aged 14 to 17 are given the opportunity to spend part of their vacation with an ALTANA family abroad. The exchange is conducted on a private basis and is financially supported by ALTANA. This program is another key element in strengthening a diverse and inclusive corporate culture that drives innovation and growth.

Introduction of an International Personnel Recruitment System
For several years, we have also been aligning our HR processes with the future and the changing world of work. This has been achieved through the implementation of a comprehensive and digital HR management system – SAP SuccessFactors.

Following the global rollout of other SAP SuccessFactors components in recent years, the recruiting module will be implemented worldwide in the coming years. The cloud-based solution enables recruitment processes to be digitally supported, from job approval to publication and hiring. In the reporting year, the focus was on designing the global process and making the corresponding system adjustments.

"Strengthening Employer Attractiveness" Action Field

The ALTANA Group regularly reviews the relevance of its fringe benefits, opportunities for further development in the workplace, and career advancement prospects. To maintain its competitive position in the labor market, an employer positioning project was initiated in 2024, and the strategic content was carefully analyzed.

Employer Positioning of the ALTANA Group
The aim of the employer positioning project is to develop an authentic image of ALTANA as an employer and communi-

cate this both internally to the workforce and externally on the job market.

With support from a specialized agency, focus group discussions and interviews were conducted, the results of which were complemented by a global internal survey. In total, more than 1,200 employees participated in the project in various ways. To reflect ALTANA's international nature, the focus groups were held in German, English, and Mandarin. The online survey was available in nine languages.

The results of the analysis show that ALTANA is perceived as a responsible employer that attracts, develops, and retains employees across different generations and regions. The combination of different survey and analysis methods ensured that strategic initiatives and the management's perspective were incorporated, alongside employees' views. The evaluation of ALTANA as an employer was based on 14 factors, which allowed for the identification of those elements most suitable for communication in the context of employer positioning. The characteristics that particularly distinguish ALTANA as an employer include interesting work content, future job security, and comprehensive health and safety measures.

The employer positioning project will serve as the foundation for ALTANA's image as an employer and strengthen the company's employer brand. The next step will be to review the creative implementation of our employer brand.

Integration of Von Roll in SAP SuccessFactors

The integration of Von Roll was also a high priority for ALTANA's HR department in the reporting year. An important milestone in this integration is the connection to global HR processes. To achieve this, four national companies (Switzerland, USA, Brazil, and China) were initially added to SAP SuccessFactors in the second half of the reporting year. In the future, these companies will use SAP SuccessFactors for processes such as entry and exit procedures, and the creation of IT accounts will be automated. This also lays the foundation for employees to participate in global HR processes, which are planned for rollout in 2025/26.

Social Commitment

As a good corporate citizen, ALTANA supports and promotes social projects with a focus on education, science, and research. We place particular emphasis on initiatives in the vicinity of our sites around the world to strengthen our local environment and foster good neighborly relations. In the reporting year, our focus was primarily on helping children affected by crises or difficult life situations.

Social Commitment

The natural sciences, mathematics, informatics, and technology are among the drivers of economic development and social progress around the world. Important solutions are also being developed in these disciplines with a view to the environment and climate change. In this context, ALTANA wants to help introduce young people to these disciplines at an early stage and kindle their enthusiasm for them. In addition, we are involved in a number of selected social projects. In cooperation with experienced partners from the education sector, we support concrete projects, often in the immediate proximity of our sites. To maximize lasting impact, the company usually promotes these projects over a period of several years.

"All Children Have Potential"

ALTANA has been supporting the "All Children Have Potential" project at the largest community primary school (GGS Innenstadt) in Wesel for eleven years now. The project was initiated by the city of Wesel and implemented by Akademie Klausenhof in close collaboration with GGS Innenstadt. Its main aim is to support disadvantaged children of primary school age and to achieve equal opportunities for children with a migration background and from socially deprived families. ALTANA finances the personnel and material costs of the social education specialist at Akademie Klausenhof. The social education worker arranges personal mentors for the children, qualifies them, and coordinates their activities. A total of 81 children have been supported since the project commenced in 2014, with 47 mentors volunteering so far. They support and pose challenges to the girls and boys in their personal development based on their individual abilities. Contact with the parents is just as important as the exchange between volunteers, school, family support, and the youth welfare office to find pragmatic solutions together that help the children master their everyday lives and provide them with the best possible support. Although many mentors help with homework, the focus is on extracurricular activities. The children are encouraged to show initiative and make suggestions for joint activities. In the reporting year, for example, the kids took part in a circus project, visited the public library, and completed communication and de-escalation training. At the end of the year, ALTANA and BYK organized a wish tree campaign at the Wesel site for the fourth year in a row. The children made colorful Christmas trees and wrote their heartfelt wishes on them, which they hung on the large Christmas tree in the entrance hall of ALTANA's headquarters. The employees were very committed to fulfilling the children's wishes.

"Youth Startups" Competition

In the reporting year, ALTANA once again supported the "Jugend gründet" (Youth Startups) competition sponsored by the German Federal Ministry of Education, offering a special prize for chemistry for the tenth time in a row. In the 2024 national finals, the BRINAX team, comprised of four students from Meißen, was awarded the prize. Their business idea: BRINAX aims to become the first 100 percent sustainable washing agent for car exteriors. To achieve this objective, the high school students focus on energy-efficient manufacturing processes, recycled bottles, and organic ingredients, including a self-developed preservative made from hop extract. The award included a trip to Wallingford on the East Coast of the United States, where the winners visited one of the ALTANA Group's largest research and production sites at BYK USA in the summer of 2024. They also took part in an engaging social program, which included a visit to New York City.

Further Education for Teachers

Enthusiasm for STEM subjects starts with enthusiastic teachers. That's why ALTANA has been supporting a nationwide training course called "Schule MIT Wissenschaft" organized by the MIT Club of Germany since 2016, which is specifically aimed at science teachers. The objective is to get more young people interested in these economically important specializations and to recruit them as future skilled workers. Under the motto "Inspiring enthusiasts", the three-day national conference, which took place as a hybrid event in Saarbrücken in 2024, serves to promote an exchange of experiences among teachers from Germany and abroad and to communicate the latest scientific findings, including through lectures by Nobel Prize winners. The range of regional conferences was also expanded.

Children's Research Foundation

Since 2011, BYK in Wesel has been involved with the "Stiftung Kinder forschen" (Children's Research Foundation), an educational initiative aimed at daycare centers, after-school care centers, and elementary schools. In this project, BYK school ambassadors help inspire and encourage an interest in science and experimentation among first and second graders at the Konrad Duden Community Primary School (GGS) in Wesel, as well as kindergarten children at the DRK Kita Abenteuerland daycare center. Through playful learning and hands-on experiments, the children have the opportunity to develop curious, creative, and independent solutions in small teams. This year, impressive results were achieved in areas such as sound insulation and the construction of particularly high and stable structures. The project culminates in a large presentation event where the young researchers proudly showcase their results to their parents and other guests. The enthusiasm and eagerness of the young scientists are always a special highlight.

Social Commitment and Other Donations

At the end of the reporting year, ALTANA donated 25,000 euros to the organization Plan International. This independent, international aid organization advocates for children's rights and gender equality in over 80 countries. Its projects promote access to education and healthcare, protection from violence, and the economic empowerment of families.

Our divisions also demonstrate a strong social commitment in the communities surrounding their respective sites. ACTEGA North America supported families affected by Hurricane Helene in North Carolina through various relief efforts and continued its participation in the "Angel Tree" program, which supports children in need. In Spain, ACTEGA Artística again donated to several national aid organizations, particularly local partners such as the food bank in Vigo and Bicos de Papel, an organization that supports families of children suffering from cancer. The Igaxes project was also supported, providing a point of contact for teenagers and young adults in foster care. Additionally, more than 30 employees of ACTEGA do Brasil founded the ABR Volunteer Group on their own initiative, supporting those affected by flooding in southern Brazil and other local social projects with great dedication. ACTEGA Rhenania participated again in a local children's book festival in Germany during the year under review, aiming to inspire children to read. The company also took part in the TuWaS! Rhineland school project, which promotes research-based learning in science subjects. Together with schools in Bremen, ACTEGA DS helped spark interest in STEM subjects, including through the MINT4girls' initiative.

In 2024, the ELANTAS division collaborated with partner organizations on a wide range of social projects. For example, ELANTAS Tongling in China supported families in rural areas by providing rice, on the initiative of the local trade union. In Brazil, ELANTAS provided essential goods to victims of the devastating flood disaster in the south of the country. In St. Louis, USA, ELANTAS supports the United Way organization, an international network of over 1,800 local nonprofit organizations working for the common good. ELANTAS Beck traditionally supports many partner organizations focused on education in India. For example, various programs specifically encourage girls from rural areas to pursue higher education. With the help of ELANTAS, the Lokmanya Medical Foundation in India supports the medical training of 70 students over a five-year period, preparing them for work in hospitals. In Pune, ELANTAS partnered with the organization Surajya Sarvangin Vikas Prakalp, which supports around 600 students through its school and extracurricular activities, offering guidance and emphasizing the importance of education. In Switzerland, the Von Roll Group, acquired by ELANTAS, has participated in the Business Week program organized by the Basel Chamber of Commerce for many years. During the program, students, accompanied by two business experts, manage a simulated company through a fiscal year over the course of a week. In Italy, ELANTAS made a donation to the Association Noi per Loro ODV Parma in Collecchio, which aims to improve the quality of life for seriously ill children and their families. Additionally, all ELANTAS sites in Italy source fruit and vegetables from local farms that employ people with disabilities.

In the United States, the BYK division supported organizations in Wallingford, Earth City, Gonzales, and Louisville that distribute clothing, meals, books, and toys to families in need. In Gonzales, donations were also made to the Gonzales Regional Children's Advocacy Center, which cares for children suffering from the effects of abuse. Support was also given to the Legacy Youth Ranch and its programs for foster and adoptive families. A joint project across all BYK sites in the U.S. involved continued support for the Alex's Lemonade Stand Foundation for Childhood Cancer (ALSF) initiative to fight childhood cancer. In the UK, BYK Chester assisted cancer patients undergoing chemotherapy and radiotherapy by providing meals and transport to treatment centers, through the organization Sparrow's Nest. A team from BYK Widnes participated in a sponsored walk along the Dales Way, raising over £ 4,000 for the H.E.A.R.T.S. theater project, which supports children and young adults with disabilities. In the reporting year, BYK Instruments Germany made a donation to the fire department in Geretsried, and a team of four BYK colleagues from Germany walked 132 kilometers in three days along the coast of Wales to benefit DKMS, an organization primarily focused on registering stem cell donors. A total of 2,800 euros was donated to DKMS. BYK Wesel continued this initiative by organizing a typing campaign where employees in Wesel could register with DKMS.

Consolidated Financial Statements (condensed version)

ALTANA Group Consolidated Income Statement

	Notes	2023	2024
in € thousand			
Net sales	4	**2,741,515**	**3,168,838**
Cost of sales	5	(1,858,146)	(2,089,450)
Gross profit		**883,369**	**1,079,388**
Selling and distribution expenses		(339,637)	(398,199)
Research and development expenses		(196,549)	(213,230)
General administration expenses		(141,940)	(176,896)
Other operating income	6	23,106	58,449
Other operating expenses	7	(12,005)	(60,673)
Operating income (EBIT)		**216,344**	**288,838**
Financial income	8	21,957	36,601
Financial expenses	9	(29,074)	(53,735)
Financial result		**(7,117)**	**(17,134)**
Result from at equity accounted investments	15	(42,972)	(32,361)
Income before income taxes (EBT)		**166,255**	**239,343**
Income taxes	10	(56,066)	(74,969)
Net income (EAT)		**110,188**	**164,374**
thereof attributable to non-controlling interests		3,723	3,046
thereof attributable to the shareholder of ALTANA AG		106,465	161,329

ALTANA Group Consolidated Statement of Financial Position

Assets	Notes	Dec. 31, 2023	**Dec. 31, 2024**
in € thousand			
Intangible assets	12	1,033,760	1,025,897
Property, plant and equipment	13	1,147,024	1,219,890
Long-term investments	14	86,752	35,365
Investments in at equity accounted companies	15	39,007	5,442
Income tax refunds		26	149
Deferred tax assets	10	29,558	36,593
Other non-current assets	20	17,368	19,464
Total non-current assets		**2,353,495**	**2,342,801**
Inventories	16	561,831	626,463
Trade accounts receivable	17	505,804	548,501
Income tax refunds		13,417	11,055
Other current assets	20	143,250	169,621
Marketable securities	18	56,272	42,567
Short-term financial assets	19	15,071	84,164
Cash and cash equivalents		491,335	558,212
Assets and disposal groups held for sale	3		76,850
Total current assets		**1,786,980**	**2,117,433**
Total assets		**4,140,475**	**4,460,234**

Liabilities, provisions and shareholders' equity	Notes	Dec. 31, 2023	**Dec. 31, 2024**
in € thousand			
Share capital[1]		136,098	136,098
Additional paid-in capital		148,608	146,387
Retained earnings		2,428,677	2,551,555
Accumulated other comprehensive income		112,671	170,965
Equity attributable to the shareholder of ALTANA AG		**2,826,054**	**3,005,005**
Non-controlling interests		25,138	24,435
Shareholders' equity	21	**2,851,192**	**3,029,440**
Non-current debt	23	433,005	420,534
Employee benefit obligations	24	199,778	202,222
Other non-current provisions	25	33,927	43,133
Deferred tax liabilities	10	87,782	72,375
Other non-current liabilities	26	40,213	46,184
Total non-current liabilities		**794,705**	**784,447**
Current debt	23	19,439	28,917
Trade accounts payable		214,552	257,624
Accrued income taxes		46,789	75,379
Other current provisions	25	119,559	168,870
Other current liabilities	26	94,239	98,353
Liabilities directly associated with assets and disposal groups classified as held for sale	3		17,204
Total current liabilities		**494,578**	**646,347**
Total liabilities, provisions and shareholders' equity		**4,140,475**	**4,460,234**

[1] Share capital consists of 136,097,896 no-par value registered shares.

ALTANA Group Consolidated Statement of Cash Flows

	Notes	2023	2024
in € thousand			
Net income (EAT)		**110,188**	**164,374**
Amortization and depreciation of intangible assets and property, plant and equipment	12, 13	167,121	179,544
Impairment of intangible assets and property, plant and equipment	12, 13	1,613	21,368
Impairment of financial asset		99	
Change in fair value of financial assets and securities	8, 9	(3,145)	(7,131)
Net result from the disposal of intangible assets and property, plant and equipment	6, 7	616	(511)
Net result from the disposal of long-term investments and marketable securities	8, 9	(816)	(4,268)
Result from at equity accounted investments	15	42,972	32,361
Change in inventories	16	97,084	(35,586)
Change in trade accounts receivable	17	19,999	(36,677)
Change in income taxes	10	(2,189)	12,361
Change in provisions	24, 25	7,709	62,967
Change in trade accounts payable		(26,559)	32,667
Change in other assets and other liabilities	20, 26	(3,094)	18,764
Other		1,237	(1,235)
Cash flow from operating activities		**412,835**	**438,997**
Capital expenditure on intangible assets and property, plant and equipment	12, 13	(148,281)	(179,539)
Proceeds from the disposal of intangible assets and property, plant and equipment	12, 13	3,311	1,768
Acquisitions, net of cash acquired	3	(223,432)	(45,574)
Purchase of long-term investments and investments in at equity companies	14, 15	(4,702)	(4,119)
Proceeds from the disposal of long-term investments and investments in at equity investments	14	1,931	1,031
Payments on long-term loans		(22,641)	(11,932)
Proceeds from the sale of long-term loans			50,123
Purchase of marketable securities	18	(21,904)	(27,956)
Proceeds from the disposal of marketable securities	8, 9	8,528	46,866
Payments for short-term financial assets		(20,946)	(150,953)
Proceeds of short-term financial assets		13,022	77,063
Cash flow from investing activities		**(415,114)**	**(243,222)**

	Notes	2023	**2024**
in € thousand			
Dividends paid		(150,110)	(40,110)
Payments for the acquisition of non-controlling interests		(31,351)	(4,763)
Repayment of long-term debt	23		(31,468)
Proceeds from issuance of long-term debt	23	240,000	
Payments on short-term debt	23	(18,918)	(18,872)
Proceeds from short-term debt	23	348	60
Change in finance position of affiliated companies			(37)
Cash flow from financing activities		**39,969**	**(95,191)**
Effect of exchange rate changes		(4,446)	2,957
Change in cash and cash equivalents in relation to assets and disposal groups held for sale			(36,664)
Change in cash and cash equivalents		**33,244**	**66,877**
Cash and cash equivalents as of January 1	2	458,091	491,335
Cash and cash equivalents as of December 31	2	**491,335**	**558,212**
Additional information on cash flows included in the cash flows from operating activities			
Income taxes paid		(82,759)	(86,597)
Interest paid		(6,469)	(18,121)
Income taxes received		24,192	31,896
Interest received		9,774	11,313
Dividends received		1,720	1,643

Reference to the Consolidated Financial Statements

The consolidated financial statements to the Corporate Report 2024 are provided online at www.altana.com/consolidated_financial_statements_2024.

Consolidated Financial Statements

Management Board Responsibility Statement

The Consolidated Financial Statements have been prepared by the Management Board of ALTANA AG, which is responsible for the completeness and accuracy of the information contained therein.

The Consolidated Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as endorsed by the EU and in accordance with the requirements of German commercial law pursuant to section 315e of the German Commercial Code (HGB).

The information contained in the Consolidated Financial Statements and the Group Management Report is based on the information reported, in accordance with consistent guidelines in force throughout the Group by the companies included in the Consolidated Financial Statements. The integrity of the reporting process is safeguarded by effective internal control systems established at these companies under the direction of the Management Board. This assures a true and fair view of the performance and results of the Group and enables the Management Board to recognize potential investment risks and negative developments at an early stage and take appropriate countermeasures.

By resolution of the Annual General Meeting, the Chairman of the Audit Committee of the Supervisory Board appointed PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft as independent auditors of the Consolidated Financial Statements. The auditors issued an unqualified Auditors' Report on the complete Consolidated Financial Statements and the Group Management Report. The Consolidated Financial Statements, the Group Management Report and the Auditors' Report have been made available to the Supervisory Board for detailed discussion. The Report of the Supervisory Board is contained on pages 14 – 18 of the Corporate Report 2024.

To the best of our knowledge and in accordance with the applicable reporting principles, the Consolidated Financial Statements give a true and fair view of the net assets, financial position, and results of operations of the Group and the Group Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Wesel, Germany, February 28, 2025

ALTANA AG
The Management Board

Martin Babilas Dr. Tammo Boinowitz Stefan Genten

Multi-Year Overview

Key figures at a glance

	2015	2016	2017	2018
in € million				
Sales	2,059.3	2,075.3	2,247.0	2,307.4
Earnings before interest, taxes, depreciation and amortization (EBITDA)	390.9	453.0	470.0	430.6
EBITDA margin	*19.0%*	*21.8%*	*20.9%*	*18.7%*
Operating income (EBIT)	251.3	328.7	335.9	295.8
EBIT margin	*12.2%*	*15.8%*	*14.9%*	*12.8%*
Earnings before taxes (EBT)	227.8	299.8	306.0	264.1
EBT margin	*11.1%*	*14.4%*	*13.6%*	*11.4%*
Net income (EAT)	158.0	210.1	234.6	187.0
EAT margin	*7.7%*	*10.1%*	*10.4%*	*8.1%*
Research and development expenses	128.1	129.3	142.5	154.1
Capital expenditure on intangible assets, property, plant and equipment	85.6	122.1	188.0	187.0
Cash flow from operating activities	346.1	376.7	302.3	296.2
Return on Capital Employed (ROCE) [1]	*10.1%*	*11.6%*	*11.3%*	*9.4%*
ALTANA Value Added (AVA) [1]	49.2	83.3	84.0	37.6
Total assets (Dec. 31)	2,964.5	3,053.9	3,147.7	3,221.9
Shareholders' equity (Dec. 31)	1,935.6	2,082.2	2,214.2	2,344.6
Net debt (-)/Net financial assets (+) [2] (Dec. 31)	(114.2)	25.7	(78.0)	(95.6)
Headcount (Dec. 31)	6,096	5,967	6,186	6,428

[1] Adjustment of the calculation from 2022
[2] This corresponds to the balance of cash and cash equivalents, short-term financial assets, marketable securities, loans issued, financial liabilities, and pension provisions.

Sales by division

	2015	2016	2017	2018
in € million				
BYK	870.0	909.1	1,030.4	1,065.6
ECKART	349.7	361.9	385.3	382.6
ELANTAS	463.2	452.1	488.7	506.6
ACTEGA	376.4	352.2	342.6	352.6

Sales by region

	2015	2016	2017	2018
in € million				
Europe	795.6	798.6	852.3	875.0
thereof Germany	*269.8*	*263.2*	*275.7*	*273.4*
Americas	607.1	587.2	623.6	624.4
thereof U.S.	*416.1*	*398.8*	*436.3*	*434.8*
Asia	618.9	652.3	733.5	769.4
thereof China	*315.6*	*336.0*	*399.0*	*421.2*
Other regions	37.7	37.2	37.6	38.6

2019	2020	2021	2022	2023	2024
2,248.9	2,178.2	2,666.5	3,021.0	2,741.5	3,168.8
415.8	426.0	481.7	452.2	385.1	489.8
18.5%	*19.6%*	*18.1%*	*15.0%*	*14.0%*	*15.5%*
262.5	185.7	322.8	287.5	216.3	288.8
11.7%	*8.5%*	*12.1%*	*9.5%*	*7.9%*	*9.1%*
231.3	142.7	275.0	305.5	166.3	239.3
10.3%	*6.6%*	*10.3%*	*10.1%*	*6.1%*	*7.6%*
169.0	75.1	195.2	232.4	110.2	164.4
7.5%	*3.5%*	*7.3%*	*7.7%*	*4.0%*	*5.2%*
165.6	163.4	179.7	192.9	196.5	213.2
157.2	105.2	149.3	103.5	138.3	179.5
386.3	373.6	244.4	201.6	412.8	439.0
8.8%	*8.4%*	*9.6%*	*8.5%*	*6.4%*	*8.4%*
21.6	26.5	66.2	26.3	(30.4)	25.0
3,343.3	3,263.1	3,636.0	3,961.5	4,140.5	4,460.2
2,479.4	2,398.9	2,675.4	2,951.6	2,851.2	3,029.4
(57.7)	34.2	67.7	144.7	(51.8)	36.2
6,476	6,529	6,731	6,957	7,939	8,382

2019	2020	2021	2022	2023	2024
1,040.6	1,008.7	1,227.2	1,370.7	1,208.3	1,336.6
356.2	315.2	382.8	396.8	351.1	433.6
494.5	463.3	593.6	698.2	685.6	878.2
357.7	391.0	462.9	555.3	496.5	519.2

2019	2020	2021	2022	2023	2024
858.0	842.5	1,029.3	1,080.7	1,037.1	1,172.4
259.1	*244.5*	*295.3*	*318.4*	*292.0*	*336.5*
620.6	585.9	681.6	895.3	792.4	885.6
427.6	*396.6*	*445.5*	*594.8*	*521.3*	*579.2*
731.8	711.8	905.5	988.9	863.4	1,053.8
388.5	*385.2*	*515.0*	*540.2*	*461.8*	*554.7*
38.6	37.9	50.1	56.1	48.6	57.0

Global Compact: Communication on Progress (COP)

By participating in the UN initiative Global Compact, we commit to respecting human rights, creating socially compatible working conditions, promoting environmental protection, and fighting corruption.

Principle	Page	Measure taken
Human Rights		
Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights	7–11, 69–73 FFS[1], pp. 16, 69–72	Human Rights Declaration, Sustainable Development Goals (SDG 8), ALTANA's Guiding Principles and leadership guidelines, Compliance Management System, promotion of women in leadership positions, sustainability assessments
Principle 2 Make sure that they are not complicit in human rights abuses	9, 69–73 FFS[1], pp. 57–65, 69–72	Human Rights Declaration, Code of Conduct, sustainability assessments, supplier agreements
Labor		
Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	69–73 FFS[1], pp. 69–73	Compliance Management System, corporate guideline HR
Principle 4 The elimination of all forms of forced and compulsory labor	69–73 FFS[1], pp. 69–73	Compliance Management System
Principle 5 The abolition of child labor	9, 69–73, 106–108 FFS[1], pp. 57–65, 70–71	Sustainability assessments, Compliance Management System, support of education initiatives
Principle 6 The elimination of discrimination in respect of employment and occupation	7–11, 69–73, 103–104 FFS[1], pp. 69–73	Sustainable Development Goals (SDG 5), Compliance Management System, training, sustainability assessments and surveys
Environment		
Principle 7 Businesses should support a precautionary approach to environmental challenges	1–4, 8–11, 19–23, 28–31, 65–69, 87–90, 96–101 FFS[1], pp. 1–15, 21–30, 32–34, 41–57, 73–77	Positive validation of ALTANA's climate strategy by SBTi, Sustainable Development Goals (SDG 13), sustainable product development, Keep Changing Agenda for the future, energy and environmental management systems, environmental key performance indicators system with targets
Principle 8 Undertake initiatives to promote greater environmental responsibility	1–4, 8–11, 19–23, 28–31, 87–90, 96–101 FFS[1], pp. 1–15, 21–30, 32–33, 41–57, 64, 73–77	Promotion of energy transformation at production sites, Sustainable Development Goals (SDG 13), Keep Changing Agenda for the future, sustainable product development, circular economy, joining "Together for Sustainability" (Tfs), investments
Principle 9 Encourage the development and diffusion of environmentally friendly technologies	9–11, 22–23, 38–39, 87–90, 96–101 FFS[1], pp. 32–33, 37–40, 73–77	Sustainable Development Goals (SDG 9), product and technology innovations, renewed participation in the decarbonization network, alternatives to critical materials
Anti-Corruption		
Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery	9, 71–72 FFS[1], pp. 69–73	Anti-corruption Group guideline, Code of Conduct, Compliance Management System, training and audits

[1] Document "Facts and Figures on Sustainability 2024"

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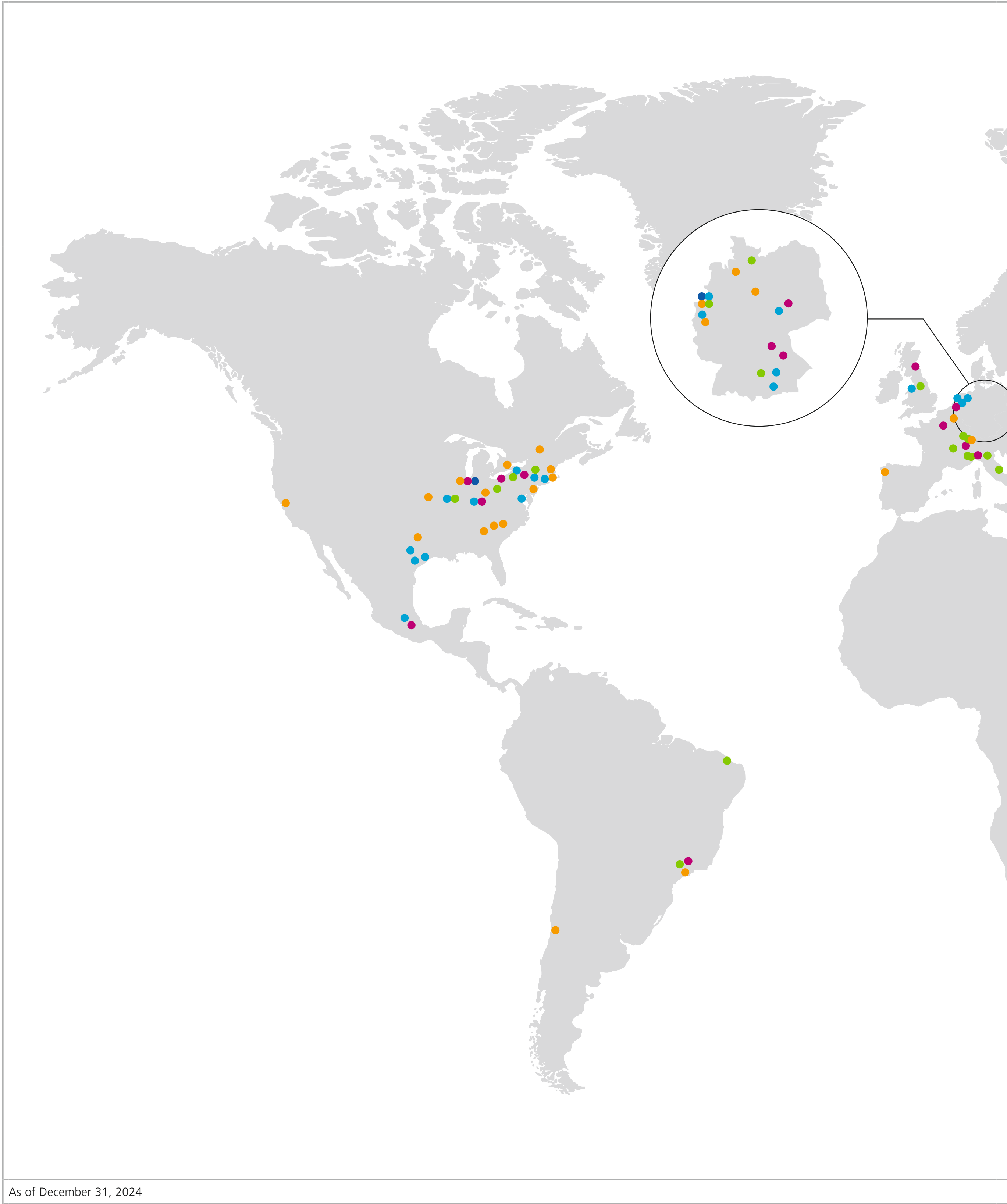
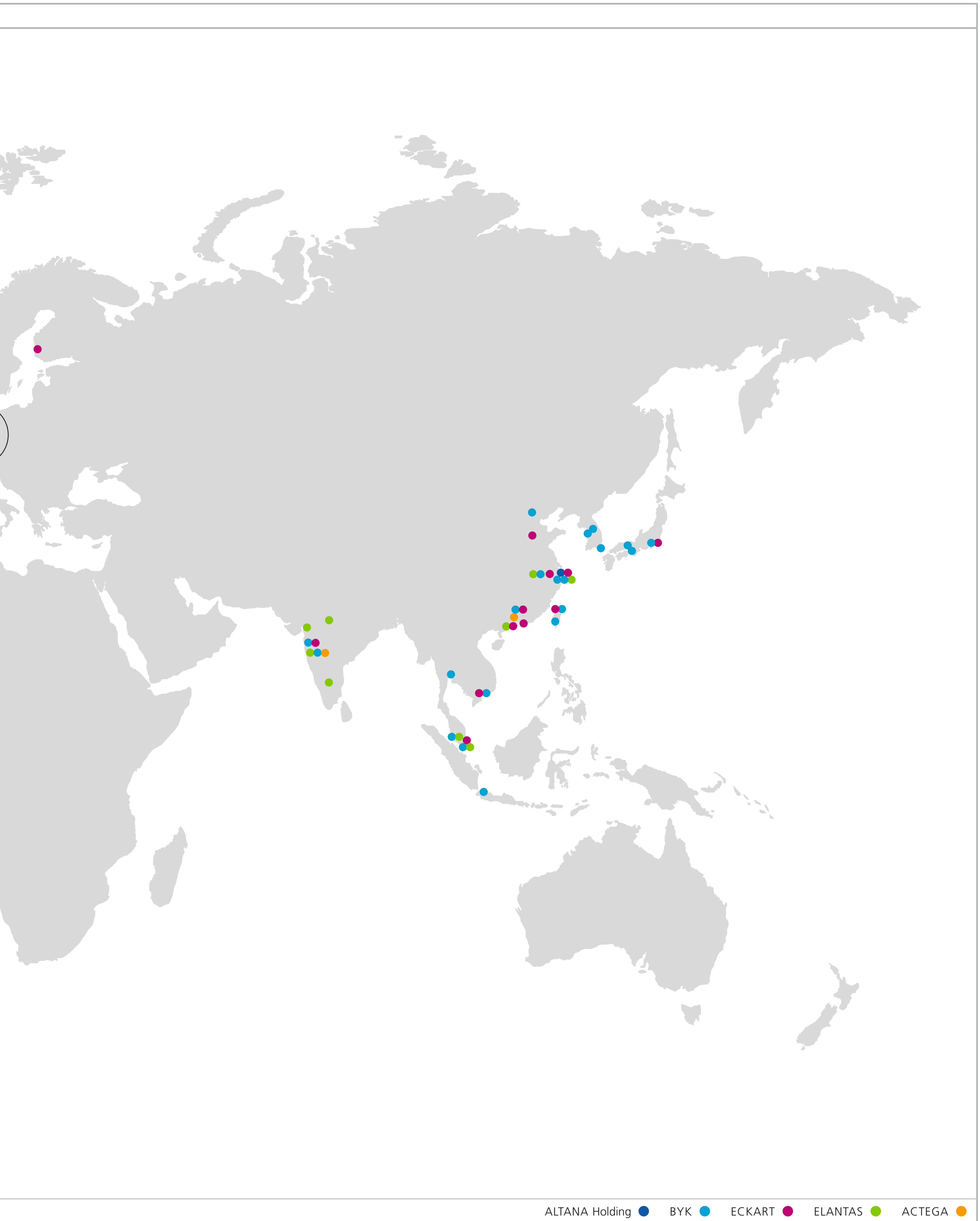


As of December 31, 2024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