

// We take care



2024  
**Sustainability Report**

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In this report, tables and graphs are designated and numbered with the abbreviations **T** (for table) and **G** (for graph).

# Sustainability remains our future – and what drives us

Even in economically challenging times, we at the CHT Group do not stop fully committing ourselves to sustainability. On the contrary: We continue on our path undeterred – in accordance with our understanding of the three equally weighted dimensions of sustainability: People, Planet and Performance. In this way, we are not only securing our corporate success but also our future viability through ecologically, economically and socially sustainable actions and we remain true to our vision.

For us, sustainability cannot be taken for granted. It is a continuous process that requires special attention and adaptability in challenging times. We are doing everything in our power and are prepared to continuously adjust our sustainability activities – with energy, determination, and the goal of achieving the greatest impact where the leverage is greatest. With our many years of expertise, we are well prepared for this.

Sustainability has always been a top priority for our company. It was instilled in us by our company founder and continues to shape our approach to this day. Therefore, as one of the pioneers, we established climate neutrality as a firm goal for our actions at a very early stage. For over ten years, we have also been voluntarily

publishing sustainability reports and transparently documenting our progress. In this sustainability report, we have also voluntarily applied the stricter requirements of the new reporting obligations for the first time – before this becomes mandatory for us. In doing so, we have followed the principle of double materiality, which systematically considers both our impact on the environment and society as well as the financial opportunities and risks for our company. This analysis provides an even more solid foundation for effectively managing and further developing our sustainability strategy.

However, our commitment goes far beyond our own company. We not only consistently align our processes and products to be more sustainable, but also support our customers in achieving their own sustainability goals. Our chemical solutions are designed to make a tangible contribution to our customers' markets – whether through innovative, resource-saving products or customized applications that enable sustainable processes. Our goal is to enable our customers to label their products with a clear sustainability label – supported by our solutions.

We invest our resources specifically where they will have the greatest impact – for our customers, for society and for our environment. Because for our Management Board and all of us at the CHT Group, the following applies: Sustainability is and remains the future of our company. That's why we consistently place our customers and their requirements for sustainable solutions at the center of our actions. We invite you to learn more in this report about how we live and develop sustainability, and how we implement it in the markets together with our customers.

## The Management Board of the CHT Group



**Eva Baumann**  
CEO



**Dr. Christian Rink**  
CFO



**Dr. Lorenza Sartorelli**  
COO

# 01

## About this report



People along the value chain are important to us



We are reducing our ecological impact



We are enabling the transformation to sustainability

# 1. About this report

 ESRS 2 BP-1

This report is the 10th sustainability report of the CHT Group. All previous reports have been prepared using the GRI Standard and in accordance with the standards of the Kern Option of the Global Reporting Initiative (GRI) as well as taking into account the reporting requirements of the UN Global Compact as corresponding frameworks. The 2024 report is the first to report in accordance with the European Sustainability Reporting Standards (ESRS). This year, the sustainability report corresponds to the combined non-financial statement. The switch to the ESRS follows the European Commission’s decision to establish the ESRS as the new reporting standard. The reporting period is (unless otherwise stated) January 1, 2024, to December 31, 2024.

As an internationally active specialty chemicals company, we strive to communicate openly and transparently. For this reason, a report on activities and achievements in sustainable corporate management is important to us.

This integrated report documents the economic, ecological and social performance of the CHT Group in 2024. We demonstrate how we as a company create value for our stakeholders and how sustainability, as an integral part of our corporate purpose and strategy, contributes to the long-term success of the CHT Group.

This report represents the transition to the European reporting requirement of the ESRS. In order to ensure consistency in reporting and to ensure that reporting is still voluntary (CHT will not be required to report until 2027 due to the Omnibus Regulation), we have retained the basic structure in the presentation of the CHT Group’s sustainable transformation.

The management report and the sustainability report are still written and published separately, which is why the economic part of this sustainability report has been shortened. The results of our double materiality analysis define the focus and boundaries of our sustainability reporting at the aggregated level of the material topics [\[see Chapter 4: “General sustainability information”\]](#). This means that we report on the topics that are material for CHT in the chapters specified by the ESRS. For example, under the material topic of safety and health protection, we describe our occupational and plant safety as a holistic concept for the protection of people and the environment. In the ESRS, these aspects are addressed separately for the environment and people in the topic standards E2 and S1. We have therefore assigned our key issues to the ESRS topic standards and summarized them in an overview table [\[see Table T01: “Orientation: allocation of chapters in the sustainability report to the ESRS topic standards”\]](#) with chapter headings.

**Inclusive language**

In keeping with our understanding of diversity and inclusion, we largely use gender-neutral language in this report. However, in some places, we have decided to use the generic masculine for reasons of readability and comprehensibility. In these cases, the chosen wording applies without restriction to all genders.

**Basis for the preparation**

 ESRS 2 BP-1, ESRS 2 BP-2

The 2024 Sustainability Report presents our global sustainability commitment – based on the three dimensions of economy, ecology and society – for the year 2024. In 2024, the sustainability dimensions were further sharpened within CHT: The campaign “We now write sustainability with 3Ps” (People, Planet and Performance) was launched to place a stronger focus on the two other dimensions of sustainability in addition to ecology. The conscious decision to choose performance instead of profit as the third P is due to the fact that profit without governance would only very inadequately reflect the principles of sustainability management in the CHT Group. Reporting does not have to be carried out according to the Taxonomy Principles or the Supply Chain Due Diligence Act, as CHT is still exempt from both reporting requirements.

This sustainability report has been prepared at a consolidated level. The scope of consolidation is essentially identical to that used for the consolidated financial statements of the CHT Group. For the purposes of sustainability reporting, an assessment of the material impacts, risks and opportunities (IRO) was carried out for the entire CHT Group, with all group companies being considered and included in the determination of the IROs. The CHT Group does not hold any investments in associated companies, joint ventures or sites that are not financially controlled and therefore not consolidated.

The sustainability report covers the upstream and downstream value chain [see Chapter 2: "Our company"] of the CHT Group as follows:

- ▶ With regard to the assessment of significant IROs, the upstream and downstream value chain (the sustainability analysis of the business operations), stakeholder exchange, opportunity and risk management, the whistleblower system and the consideration of the business model were taken into account.
- ▶ The CHT Group's strategies, measures and goals relate to the value chain in the following areas: Corporate carbon footprint, business sustainability analysis, circular economy, product responsibility, compliance risk analysis, human rights and supply chain responsibility.
- ▶ Data on the upstream and downstream value chain are included in the following areas: corporate carbon and product carbon footprint, sustainable chemical solutions, product responsibility, whistleblower system and supplier management

The option to omit certain information relating to intellectual property, know-how or results of innovations was used in connection with operating expenditure to increase the share of sustainable chemical solutions.

We will report new ESRS key figures for 2024. For key figures already reported in the 2023 financial year, we provide previous year figures or defined reference years for comparison purposes if the existing methodology applies. In principle, we adhere to the definition of time horizons specified by the ESRS. When considering our goals and significant actions, we rely on our strategy cycles, which provide a five-year time horizon for goals and actions. Therefore, we deviate from the ESRS time horizon definitions at these points.

Indirect sources such as approximate values or industry data, as well as the assumptions and estimates in the Scope 3 calculation, are indicated at the relevant point.

The information in this report also serves as a progress report on the extent to which the CHT Group's sustainability management contributes to the company's long-term economic success. Furthermore, the contents of this report serve as a "Communication on Progress" in accordance with the UN Global Compact principles. Our company has been a member of the UN Global Compact since 2016, which is why we align our business activities with the principles of the UN Global Compact and the chemical industry's Responsible Care initiative.

**Data**

All data and calculation bases in this report are aligned with national and international sustainability reporting standards. All data and information was collected by the relevant departments using representative methods for the reporting period. Due to rounding, it is possible that individual values may not add up exactly to the totals shown and that percentages may not exactly result from the values shown.

We largely use the global Workday system to collect relevant data on personnel and social key figures. All additional data is collected via a structured process using the CHT Group's Neptune Sustainability Data Collection Tool.

The Neptune tool collects all ecological data from the 27 companies and their 26 production sites once a year.

Only the data on purchased goods and products, investments and sold products come from the SAP 4 HANA system. The cut-off date for all environmental and personnel indicators is December 31.

**Internal controls over sustainability reporting**

The preparation of the sustainability report is part of sustainability management and is implemented in existing mechanisms regarding the allocation of responsibilities and specific controls for accuracy and completeness.

In addition, there are numerous procedural instructions that regulate data collection, evaluation and verification.

In addition to data validation as part of sustainability reporting, our environmental data and its collection are subject to internal and external audits and regulatory monitoring.

T01

**Orientation: allocation of chapters in the sustainability report to the ESRS topic standards**

ESRS 2 SBM-3

| ESRS topic standard                          | Chapter with the following focus   | Chapter with further information  |
|--|--|---|
| ESRS 1 General requirements                  | <b>About this report</b>   |   |
| ESRS 2 General information                   | <b>General information</b>   | Our company<br>Business model<br>Economic report                          |
| E1 Climate change                            | <b>Environmental information</b><br>Climate protection<br>Energy   |   |
| E2 Environmental pollution                   | <b>Environmental information</b><br>Product Stewardship  |   |
| E3 Water and marine resources                | <b>Environmental information</b><br>Responsible use of water   | Social information<br>Safety and health protection                        |
| E4 Biodiversity and ecosystems               | <b>not material</b><br>Environmental information<br>Ecosystems and biodiversity  |   |
| E5 Use of resources and the circular economy | <b>Environmental information</b><br>Circular economy<br>Waste management   |   |
| S1 Own workforce                             | <b>Social information</b><br>Attractiveness as an employer and employee satisfaction<br>Actively promoting equal opportunities<br>Safety and health protection | Governance information<br>Responsible corporate governance / human rights |
| S2 Workforce in the value chain              | <b>Social information</b><br>Responsibility in the supply chain<br>Governance information<br>Responsible corporate governance / human rights                   | Governance information<br>Responsible corporate governance / human rights |
| S3 Affected communities                      | <b>not material</b>  |   |
| S4 Consumers and end users                   | <b>not material</b>  |   |
| G1 Corporate policy                          | <b>Governance information</b><br>Responsible corporate governance / human rights   | General information<br>Sustainability management<br>Governance            |
| Company-specific topics                      | <b>General information</b><br>Portfolio transformation<br><b>Governance information</b><br>Cybersecurity   |   |

# 02

## Our company



27

CHT companies  
worldwide



26

Production sites  
worldwide



84 %

of sales in 2024 are based  
on sustainable chemical  
solutions

## 2. Our company

### 2.1 The CHT Group

The CHT Group is a globally active group of companies whose focus is on the development, production and distribution of specialty chemicals as processing auxiliaries, function generators and additives for industrial applications. Our products improve the quality, functionality and performance of numerous industrial products.

The CHT Group stands for a sustainable future, which is why we combine economic success with the protection of the environment and people, as well as with our social responsibility. Around 2,500 employees contribute to the success of the CHT Group. We have grouped our businesses into the business fields Textile, General Industries, Construction & Assembly and Washing Solutions. We manage our business activities through our business fields, taking into account market-specific requirements and the competitive situation.

Strategic responsibility is borne by the business fields, which are industry- and product-oriented. Operational responsibility lies with the 27 CHT companies worldwide. In our financial reporting, we group these into three regions: EMEA, Americas and APAC.

Corporate functions support the Management Board in managing the company holistically. The management includes key tasks: strategy, communication, controlling, compliance, insurance, sustainability and global business services such as operational excellence, HR, IT and global procurement.

#### Stable ownership structures

All companies of the CHT Group belong to CHT Group GmbH, which is privately owned by two foundations: the Beitlich Family Foundation and the non-profit Reinhold Beitlich Foundation.

G01

#### The social structure of the CHT Group



#### EMEA

##### Europe

CHT Austria GmbH  
 CHT Belgium N.V.  
 CHT France S.A.R.L.  
 CHT Germany GmbH  
 CHT Italia S.r.l.  
 CHT Switzerland AG  
 CHT Turkey Kimya San. ve Tic. A.Ş.  
 CHT UK Bridgwater Ltd.  
 keim additec surfaces GmbH – Germany

##### Africa

CHT South Africa (Pty.) Ltd.  
 CHT Tunisia S.A.R.L.  
 CHT Zimbabwe (Pvt.) Ltd.

#### AMERICAS

##### Americas

CHT Brasil Quimica Ltda.  
 CHT Colombiana Ltda.  
 CHT de Mexico S.A. de C.V.  
 CHT Peruana S.A.  
 CHT Quimipel Chile Ltda.  
 CHT USA Inc.

#### APAC

##### Asia

CHT Bangladesh Pvt. Ltd  
 CHT China Company Ltd. – Hong Kong  
 CHT Distribution APAC Pte. Ltd. – Singapore  
 CHT Dongguan Company Ltd. – China  
 CHT Ho Chi Minh City Company Limited – Vietnam  
 CHT India Pvt. Ltd.  
 CHT Pakistan (Pvt.) Ltd.  
 CHT Shanghai Company Ltd. – China  
 CHT Tianjin Co. Ltd. – China

##### Australia

CHT Australia Pty. Ltd.

G02

**Business activities of the CHT Group 2024**

ESRS 2 SBM-1 40-42

BUSINESS FIELD

## Textile

Development and marketing of processing auxiliaries, function generators and textile dyes for the entire textile chain.

**Product and application examples**

- ▶ Pretreatment systems; new VARIOBLEACH 4P
- ▶ BEZAKTIV GO reactive dyes
- ▶ COOL DYE system for dyeing recyclable PES fibers
- ▶ POLYAVIN PEN: High-performance polyethylene wax
- ▶ Pigmentura – a sustainable pigment process without binder
- ▶ Screen printing, continuous and inkjet printing processes

**Important sites**

Dußlingen, Istanbul, Montlingen, Shanghai, Mumbai, São Paulo, Lahore, Torreon, Medellin, Lima

BUSINESS FIELD

## General Industries

Development and marketing of innovative products and solutions, with a focus on specialty silicones for numerous industrial applications.

**Product and application examples**

- ▶ Consumer care products with the CHT BeauSIL ECD series
- ▶ Paper processing auxiliaries and Biolay barrier coatings based on renewable raw materials
- ▶ Silicone elastomers for high protection and durability in electronic applications and LEDs
- ▶ Silicones for leather finishing
- ▶ Silicones and waxes for the release agent industry

**Important sites**

Oyten, Geretsried, Cassopolis, Richmond, Bridgwater, Milan, Tianjin

BUSINESS FIELD

## Construction & Assembly

Manufacturer and supplier of additives and specialty chemicals for the paint and coatings industry as well as for the building materials industry.

**Product and application examples**

- ▶ Architectural paints: Rheology additives and hydrophobicity, e.g., VARIPHOB AC 5002 (powder-based)
- ▶ Coating applications: Replacing fluorine-based surfactants with silicones: SILCO CT 2150/CT 2165
- ▶ Wax additives for the printing ink industry
- ▶ Hydrophobization for concrete surfaces
- ▶ Coatings for textile concrete meshes

**Important sites**

Dußlingen, Oyten, Kirchberg, Cassopolis

BUSINESS FIELD

## Washing Solutions

Development and marketing of washing and care concepts for textile care as well as cleaning agents for PET recycling plants.

**Product and application examples**

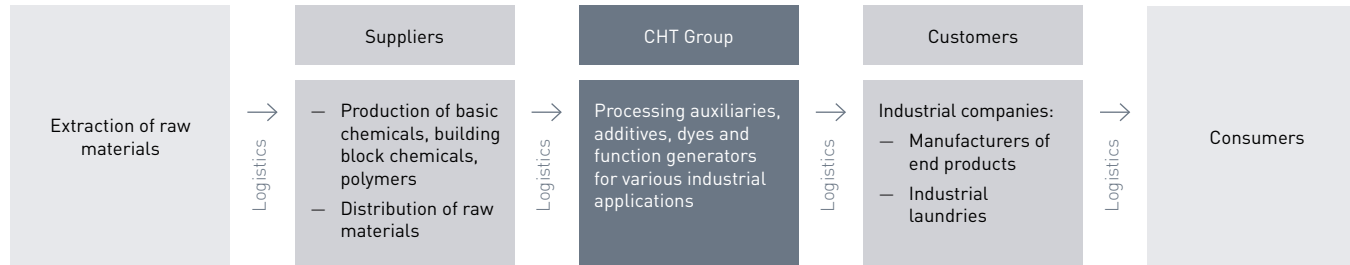
- ▶ SMART Technology washing systems for laundries
- ▶ SMART UV POWER washing process
- ▶ SMART Protection for gentle washing
- ▶ RKI-listed washing procedures
- ▶ Products for the finishing of bed feathers and other filling materials
- ▶ Product range for the PET recycling industry

**Important sites**

Dußlingen, Montlingen, São Paulo

G03

Value chain



Position in the value chain

The CHT Group is a global supplier of specialty chemicals for various industrial applications and thus occupies a central position in the value chain. Our suppliers are predominantly manufacturers of fossil-based chemicals, inorganic building block chemicals, polymers and producers of renewable raw materials.

We work with over 1,500 Tier 1 suppliers worldwide. They supply us with important chemical raw materials, chemicals, capital goods and consumables and provide a wide range of services. 80 % of the global purchasing volume is procured from 320 suppliers. In 2024, 62 % was sourced in Europe, 25 % in Asia and 13 % in the Americas.

The CHT Group supplies products and services to over 9,000 customers from various industries and in more than 120 countries around the world. Our customer portfolio ranges from major global customers to small and medium-sized enterprises. Our customers are predominantly industrial companies that further process our products.

The customers in the Washing Solutions business field are generally industrial laundries.

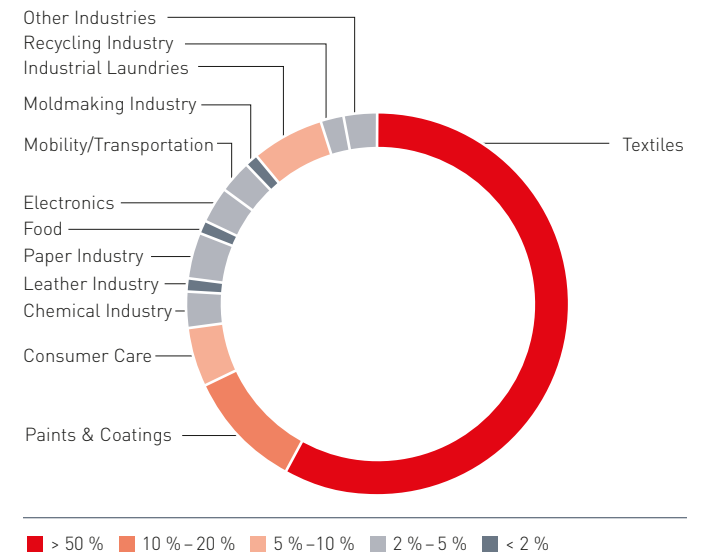
Business with the global textile industry will account for > 50 % of the business in 2024, underlining the CHT Group's position as a leading supplier of textile chemicals.

Due to the focus on a broad range of applications developed over the last 20 years, the business share of other end markets is continuously growing.

Through its global presence, the CHT Group operates in all customer industry segments with numerous global, regional and local competitors. In this case, the specificity of the chemical industry is that many competitors from one product area can simultaneously be customers in another product area.

G04

Customer Industries



**Global positioning and sites**

The CHT Group is represented in more than 30 countries with its own companies or branches and operates 26 production sites worldwide. Seven of these production sites specialize in the manufacture of silicone products. The largest production sites are Dußlingen, Kirchberg and Oyten in Germany, as well as Istanbul (Turkey), Lahore (Pakistan), Shanghai (China), Cajamar and Piracaia (both in Brazil).

Our research and development departments are organizationally integrated into the central department and are managed by the Global Head of R&D. To better align our research activities with the needs of our customers, we have consolidated innovation and technical customer service in competence centers at various sites.

The location of our corporate headquarters, CHT Group GmbH in Tübingen, is also the headquarters of CHT Germany GmbH and the competence center for the business fields of textiles, textile care, construction & assembly and general industries. The competence center for textile dyes (the product line belongs to the textile business field) is located at CHT Switzerland AG in Montlingen, Switzerland.

The polymers competence center is located in Istanbul, CHT Türkiye Kimya, and the paper chemicals competence center is shared between the corporate headquarters and CHT Brasil Quimica Ltda. in Piracaia, Brazil.

The competence center for wax chemistry is located at the German site of Keim-Additec Surface GmbH in Kirchberg.

The aim of the competence centers is to pool the technological and market-oriented strengths of our group of companies and to support global business development with new technologies and technical support. Furthermore, this structure enables us to continuously develop innovative products, applications or processes.

**Procurement**

The CHT Group's purchasing department is organized globally and includes direct purchasing (raw materials and merchandise) and indirect purchasing (logistics, packaging materials, and the procurement of goods and services). In procurement, our focus is on process efficiency, sustainability, compliance and the utilization of purchasing synergies.

Global requirements are purchased in bulk to take advantage of price advantages. The focus is on security of supply and thus the reduction of single sourcing by opening up new procurement markets. In addition, issues such as consolidation and diversification of the supplier base are at the forefront of purchasing tasks. Since 2024, the annual supplier risk analysis and sustainable supplier management have complemented the team's core tasks.

The year 2024 was characterized by generally good availability of raw materials, packaging materials and logistics services, with prices remaining largely stable.

In 2024, raw materials, merchandise, technical goods and services, energy and other operating resources worth EUR 408 million were imported from around 50 countries. The majority of the CHT Group's procurement expenditures were incurred in Europe (approximately 60 %), with another 25 % in Asia and 14 % in the Americas.

**Other factors influencing our business**

Due to our global presence, our business is influenced by various local, regional and global developments and conditions. These include, among others:

- ▶ Global economic and political framework
- ▶ Legal and political regulations
- ▶ International trade agreements
- ▶ Industry standards
- ▶ Ecological agreements (e.g. SBTi targets)
- ▶ Social aspects (e.g. the UN Human Rights Charter)

## 2.2 Strategy and Values

### Our strategic principles

Our corporate mission gives our customers, employees and business partners a clear idea of what they can expect from our company. Therefore, our mission is to make our contribution to sustainability through smart chemistry. We are a reliable partner and support the needs of our customers in the textile, construction & assembly and general industries. Customer-specific service, innovative strength, and outstanding product quality differentiate us in the market and ensure our profitable growth.

We are committed to providing safe workplaces worldwide. Based on tradition and values, we promote the talents of our employees. We leverage our full business potential to seamlessly organize our international teams.

- ▶ ONE WINNING TEAM – Achieving more through cultural transformation
- ▶ Our customers' first choice
- ▶ The leading authority for sustainable chemistry
- ▶ Great working environment
- ▶ Effective and value-based organization

### Our strategy

“The CHT Group, the preferred partner and leading authority for sustainable chemical solutions in our global markets”: It is our ambitious goal to offer our customers the best possible solution while contributing to a sustainable future.

As a foundation-owned company, we see sustainable business practices as our foundation – it reflects our culture and our identity as a global business.

We are even more aware of our social responsibility to do our part to preserve a world worth living in for future generations. Chemistry plays a key role in this process, as chemical products and solutions contribute to improving people’s quality of life and protecting the environment and climate. We do this by using raw materials more efficiently in our own operations, reducing energy consumption and waste, and continuing to develop products that lead to resource and energy savings in our customers’ processes.

To achieve this, we have set ourselves goals and are also undergoing a transformation process as CHT. We have set ourselves the goal of generating 80 % of our sales from sustainable products by 2025 and of achieving global greenhouse gas neutrality by 2045. We are facing the challenge of shaping this change in a socially just manner and closely involving our partners along the value chain. We have anchored sustainability priorities in our corporate strategy and linked them to the relevant SDGs (UN Sustainable Development Goals). CHT has selected 11 of the 17 SDGs that are highly relevant to business activities today and in the future [\[see Graph G05: “United Nations Development Goals relevant to CHT”\]](#).

### Our values

How we act is crucial for the successful implementation of our strategy. This is what our values stand for. They give us orientation and ensure consistent and reliable behavior, both internally and externally.

#### Respect

We are respectful to one another.

#### Responsibility

We are responsible for our actions.

#### Reliability

We stand to our agreements.

#### Credibility

We keep our word.

#### Commitment

We give our best.

#### Courage

We shape our future.

[Further information: www.cht.com/en/cht-group/mission-statement](http://www.cht.com/en/cht-group/mission-statement)

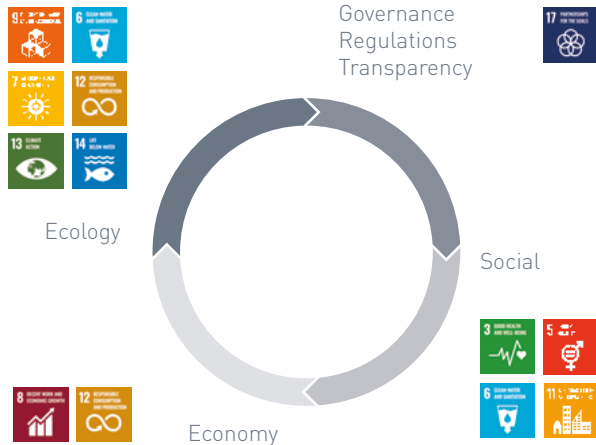
The current 2025 strategy aims to continue the profitable growth path and places even greater emphasis than before on customer business and sustainable value creation.

In developing the 2030 Strategy, in addition to setting the long-term political course, including that provided by the "European Green Deal", it is particularly important to identify the numerous opportunities for business development resulting from the transformation and to advance digitalization.

The success of these measures depends on the ideas and commitment of our employees, for whom we want to create a working environment in which they can work with motivation and contribute to the long-term success of CHT.

G05

United Nations development goals relevant to CHT



G06

CORPORATE GOALS of the 2025 Strategy with associated SDGs

FINANCIAL GOALS

Growth to +750 Mio. EUR sales with ROS of 8 % until 2025



Increasing sales in Asian markets by +64 Mio. EUR



Increasing sales with ECO Range products\* to 80 % of sales until 2025



NON FINANCIAL GOALS

Reduction of specific water & energy consumption by - 10 % until 2025



Implementation of energy management on all production sites



Reduction of global work related accidents



> 90 % of the relevant purchase volume will be handled with sustainable suppliers



Focus on Climate protection in all company areas



Investment in digital competence



Investment in supply chain management to secure the sustainable growth



CULTURAL GOALS

Gain a competitive advantage by cultural transformation towards "ONE winning team"



Achieve company goals at higher speed and with less effort by effective global collaboration



Deliver strong results by strong leaders: Re-thinking leadership



\* ECO Ranges = ECO TOP products + ECO Performer products

### Our work in associations and initiatives

Through our memberships in various industry associations, we aim to contribute to improving the protection of people and the environment. We are a member of the German Chemical Industry Association (VCI) and are committed to being a partner in the chemical industry's Responsible Care Initiative. In addition, we participate in the chemical sustainability initiative of the Chemical Industry Association e.V. (VCI) the Industrial Union of Mining, Chemical and Energy (IG BCE) and the Federal Employers' Association of the Chemical Industry (BAVC). In addition to our long-standing membership in TEGEWA and ETAD, we have also been active at the European level in CEFIC (European Chemical Industry Council) and Silicones Europe (Silicone Manufacturers' Association) since 2022.

[Further information: www.cht.com/en/cht-group/service-areas/product-safety](https://www.cht.com/en/cht-group/service-areas/product-safety)

In December 2021, the CHT Group committed to SBTi (Science-Based Targets initiative) to comply with the goals of the Paris Climate Agreement. In March 2024, SBTi approved and published the short- and long-term climate reduction targets.

[Further information: www.cht.com/en/sustainability/climate-protection-sbti](https://www.cht.com/en/sustainability/climate-protection-sbti)

The CHT Group is a member (status: signatory member) of the UN Global Compact, the world's largest and most important initiative for responsible corporate governance. We are committed to basing our business activities and strategy on ten universally recognized principles from the areas of human rights, labor standards, environmental protection and anti-corruption.

[Further information: www.cht.com/en/sustainability/global-compact](https://www.cht.com/en/sustainability/global-compact)

# 03

## Economic report



EUR 619  
million total sales 2024



51 %  
of sales in EMEA



58 %  
of sales in the Textiles  
business field

### 3. Economic report

**Economic framework conditions**

The global economic environment in 2024 was characterized by uncertainty. In particular, ongoing geopolitical tensions, particularly in Eastern Europe and the Middle East, as well as high interest rates to combat inflation, dampened both investment and consumption. Global gross domestic product growth in 2024 was 2.7 % and was driven more by services than by industrial production. While China achieved its official GDP growth target of 5 % and the US also continued to record dynamic GDP growth of 2.8 % with stronger private consumption, Germany fell short of expectations. In particular, the decline in capital investment contributed to the renewed stagnation of the German economy.

Starting from a low level in 2023, the global chemical industry was able to grow faster than total industrial production. With strong regional differences, global chemical production grew by 3.9 %. The world's largest chemical market in China grew by 6.8 % overall, while the chemical industry in the USA stagnated for the second consecutive time due to low industrial demand. In the EU, chemical production initially increased in the first half of 2024, starting from a very low level in the previous year. Due to weak European demand, production declined significantly over the rest of the year, so that chemical production recorded growth of 1.6 % for the full year of 2024. The development in Germany was comparable; due to the double-digit percentage decline in 2023, the growth rate for 2024 was slightly higher at 3.1 %.

**Business performance of the CHT Group**

With sales growth of 3 % in the 2024 financial year, the CHT Group followed the trend in the chemical industry. At the end of 2024, Group sales amounted to EUR 619 million, up EUR 18 million or 3 % from the previous year, thus falling short of the 2024 sales plan, which envisaged higher sales growth.

The increase in sales compared to the previous year is mainly due to increased volumes. The main reason for the lower growth was the lower prices caused by competition. In addition, exchange rate changes due to the CHT Group's high degree of internationalization had a negative impact on sales, particularly the devaluation of the Brazilian real and the Mexican peso. EBIT increased by a total of EUR 11 million, or 149 %, to EUR 19 million compared to the previous year - due, among other things, to the increase in sales and a higher contribution margin. Due to the difficult economic developments, the financial year was weaker than forecast for the global economy, the chemical industry and the CHT Group. Nevertheless, the CHT Group was able to maintain its stability in a challenging economic environment and achieve satisfactory business development overall.

**Sales by region**

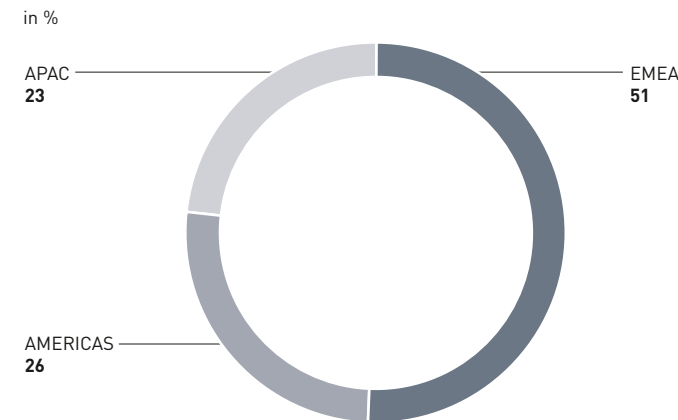
Turnover in the largest sales region, EUROPE & AFRICA (51 % of total sales), stagnated at the previous year's level at EUR 313 million. While the CENTRAL EUROPE region, with the highest sales, recorded a decline of EUR 7 million or 5 %, the SOUTHERN EUROPE / NORTH AFRICA region grew by a total of EUR 4 million or 6 %, particularly in Egypt, Italy, Portugal, France and Spain. In addition, the TURKEY & MIDDLE EAST region recorded an increase of EUR 5 million, or 9 %, resulting from hyperinflationary accounting.

After a slump in sales in the previous year, the AMERICA region grew by EUR 1 million, or 1 %, in 2024, reaching EUR 162 million in sales. This growth is mainly due to positive developments in the SOUTH AMERICA region in Peru, Chile and Colombia, while NORTH AMERICA stagnated and CENTRAL AMERICA recorded a decline of 4 %.

The ASIA & AUSTRALIA region recorded the strongest growth in 2024. With an increase of EUR 18 million or 14 % compared to the previous year, this region is primarily responsible for the growth of the CHT Group. Growth in Asia totaling EUR 20 million offsets a decline in Australia of EUR 2 million.

Positive volume effects were recorded in all regions, whereas price effects dampened sales.

G07  
**Sales by region 2024**



**Sales by business field**

The textiles business field, which has the highest sales volume, generated sales of EUR 356 million in the current financial year. This corresponds to growth of EUR 13 million or 4 %. The main reason for this increase is the area of auxiliaries, while dyes recorded a decline.

The general industries business field suffered another decline in the 2024 financial year. With sales of EUR 142 million, it was 2 % below the previous year. The material reason for this was weak demand in the silicone elastomers sector.

After a difficult previous year, the construction & assembly business field closed the 2024 financial year with sales growth. At EUR 67 million, sales are EUR 3 million or 5 % higher than the previous year.

The washing solutions business field was able to increase sales again in 2024. With an increase of EUR 4 million or 9 %, sales reached EUR 52 million and recorded the highest percentage increase compared to the previous year.

Other sales revenue remained constant at the previous year's level of EUR 1 million.

**Financial performance**

At EUR 19 million, EBIT was EUR 11 million higher than the previous year. The EBIT margin rose to 3 % compared to 1 % in the previous year. The target set out in Strategy 2025 was not achieved in 2024.

**Investments**

Investments and acquisitions, along with innovations, make a decisive contribution to helping us achieve our growth targets.

The CHT Group's total investment volume in fixed assets and intangible assets amounted to EUR 35 million in the reporting year. These essentially involve various expansion and replacement investments to expand production capacities, particularly at the production site in the USA.

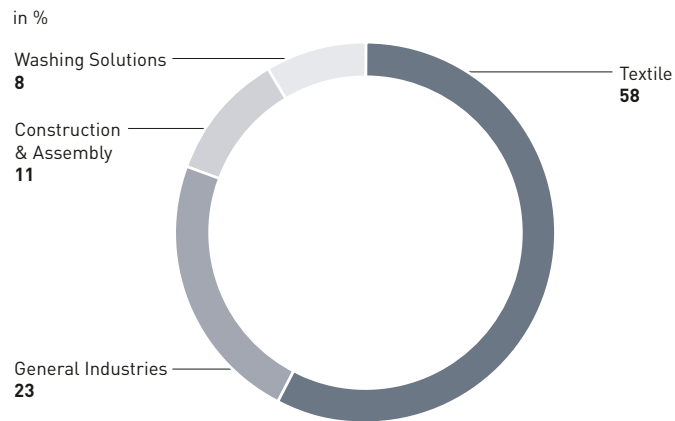
**Investing in innovation**

In order to permanently meet the growing demands of the market, innovations in chemistry are necessary.

In 2024, we stimulated the development of new products in our business fields, such as processing auxiliaries, additives and function generators, which are intended to contribute to sustainable development for our customers. Above all, we intend to avoid the use of environmentally harmful chemicals, in line with our corporate vision and our sustainability goals. Innovation costs amounted to EUR 16 million in the financial year.

G08

**Sales by business field 2024**



# 04

## General sustainability information



95 %

of all employees receive more than the living wage



2024

EcoVadis Gold level



100 %

of suppliers have signed the Code of Conduct

# 4. General sustainability information

## 4.1 Sustainability at CHT

### Taking responsibility

ESRS S2 SBM-1

Long-term success must create value: for the environment, society and the economy. That is why sustainability has been a fundamental part of our corporate strategy for years. We consistently integrate sustainability aspects into our business as well as into our evaluation and management systems. With products and solutions for our customers, we create added value for the environment and also for society. We are addressing future sustainability trends and deriving appropriate measures for ourselves. We see sustainability as essential to ensuring our long-term success.

### Setting guidelines for sustainable action

We see sustainability as the foundation of our company; it corresponds to our culture and our self-image as a global business. Sustainability aspects have long been a part of the CHT Group, a tradition-conscious group of companies owned by a foundation.

The legacy of the company founder and benefactor already included job security, family-friendly working hours models and corporate social responsibility (CSR).

We believe that the current challenges and crises can only be overcome worldwide through the implementation of sustainable action and economic practices.

Our goal is to secure our economic success and our future viability through ecologically and socially responsible actions.

For this reason, we pursue a holistic sustainability approach that encompasses the entire value chain – from our suppliers through our own activities to our customers – based on our 3P approach: People, Planet and Performance.

Our sustainable corporate strategy makes a material contribution to this, with ambitious goals and measures that help us combine our transformation with profitable business expansion.

### The strategy includes the following elements:

- ▶ Focus on the marketing of sustainable chemical solutions – classification and restructuring of the portfolio
- ▶ Climate protection – in accordance with the SBTi initiative, we have committed to reducing our absolute greenhouse gas emissions by 42 % (Scope 1 + 2) and 25 % (Scope 3) by 2030 and to becoming greenhouse gas neutral by 2045
- ▶ We aim to source 90 % of our products from suppliers who meet our sustainability standards by 2025
- ▶ Our environmental indicators require resource-efficient and safe production
- ▶ We want diverse and motivated employees in the long term and we stand for paying fair, living wages

**Stakeholder engagement**  
**Our stakeholder involvement**

ESRS S 2 SBM-2

We believe that companies can only be successful if they act responsibly and are open to change and improvement. Not least for this reason, it is important to see how we are perceived by those around us and to hear what the people around us say.

Our commitment to sustainability is characterized by a trusting and open dialogue with our stakeholders. These include the owners of our company and our employees, but also external stakeholders such as our customers, suppliers, associations, universities, research institutions and NGOs. By engaging with them, we can identify new trends and requirements early on and incorporate them into our developments and business decisions. This makes it easier for us to identify potential risks early on and prepare accordingly. When defining our stakeholders, we differentiate according to their type of impact, sphere of influence and characteristics.

Our stakeholder dialogue is an ongoing process, conducted partly centrally but also decentrally across all CHT companies and business fields, covering a broad spectrum of topics and communication channels.

All levels of the company participate in these stakeholder dialogues. The insights gained from this process are shared within the company and incorporated into relevant processes, such as the sustainability analysis of our business and the materiality analysis.

G09

**Stakeholders and their influence on the CHT Group**



\* We have integrated nature as a silent partner in science  
 \*\* NGOs: Non-governmental organizations  
 \*\*\* Labels / standards: e.g. bluesign®, GOTS

T02

**Stakeholder involvement 2024 – Stakeholder needs and expectations of CHT**

| Stakeholder group | Key topics   | Examples of commitment  |
|-------------------|--|---|
| Employees         | <ul style="list-style-type: none"> <li>▶ Safe workplace</li> <li>▶ Attractive and fair employer</li> <li>▶ Development opportunities</li> <li>▶ Co-determination</li> <li>▶ Diversity and equal opportunities</li> <li>▶ Protection of health</li> <li>▶ Responsible corporate management</li> </ul> | <ul style="list-style-type: none"> <li>▶ Works and staff meetings</li> <li>▶ Global implementation of the ONE VOICE employee survey</li> <li>▶ Regular Q&amp;A sessions with the Management Board</li> <li>▶ Global mandatory occupational safety training program</li> <li>▶ Employee involvement in the risk assessment of psychological stress</li> <li>▶ Internal social media community</li> </ul> |
| Customers         | <ul style="list-style-type: none"> <li>▶ Innovative and sustainable solutions</li> <li>▶ Combating climate change</li> <li>▶ Responsibility in the supply chain / human rights</li> <li>▶ Circular economy</li> <li>▶ Good value for money</li> <li>▶ Product Stewardship</li> </ul>                 | <ul style="list-style-type: none"> <li>▶ Customer discussions about product carbon footprint, circular economy</li> <li>▶ Answering sustainability questions</li> <li>▶ Information about sustainable supplier management</li> <li>▶ Sustainability presentations at customer symposiums</li> <li>▶ Certification of products with recognized sustainability labels</li> </ul>                          |
| Owners            | <ul style="list-style-type: none"> <li>▶ Responsible and sustainable management</li> <li>▶ Combating climate change</li> <li>▶ Profitable business expansion with sustainable portfolio transformation</li> <li>▶ Risk minimization (supply chain and cybersecurity)</li> </ul>                      | <ul style="list-style-type: none"> <li>▶ Regular meetings and monitoring of developments within the framework of important topics</li> <li>▶ Participation in annual internal management conference</li> </ul>  |
| Suppliers         | <ul style="list-style-type: none"> <li>▶ Fair and reliable business relationships</li> <li>▶ Responsibility in the supply chain / human rights</li> <li>▶ Combating climate change</li> <li>▶ Transformation of the chemical industry</li> </ul>   | <ul style="list-style-type: none"> <li>▶ Sustainability roundtable meetings with strategic suppliers on sustainability topics such as product carbon footprint, portfolio transformation through mass balance and ensuring human rights in the supply chain</li> </ul>  |
| Lenders           | <ul style="list-style-type: none"> <li>▶ Responsible and sustainable management</li> <li>▶ Combating climate change</li> <li>▶ Sustainable portfolio transformation</li> <li>▶ Investments in green energy</li> </ul>  | <ul style="list-style-type: none"> <li>▶ Linking credit conditions to sustainability performance</li> </ul>   |

G10

**How do we enter into exchanges with our immediate stakeholders?**

|                          | Face-to-face conversations* | Town hall meetings, works meetings | Site visits | Whistleblower system | Surveys | Sustainability reporting | CHT website, social media | Symposiums, conferences |
|--------------------------|-----------------------------|------------------------------------|-------------|----------------------|---------|--------------------------|---------------------------|-------------------------|
| Customers                | ✓                           |                                    | ✓           | ✓                    | ✓       | ✓                        | ✓                         | ✓                       |
| Owners                   | ✓                           | ✓                                  | ✓           | ✓                    |         | ✓                        | ✓                         |                         |
| Suppliers                | ✓                           |                                    | ✓           | ✓                    | ✓       | ✓                        | ✓                         | ✓                       |
| Employees                | ✓                           | ✓                                  | ✓           | ✓                    | ✓       | ✓                        | ✓                         |                         |
| Neighbors, public        | ✓                           |                                    | ✓           | ✓                    |         | ✓                        | ✓                         | ✓                       |
| Authorities, legislators | ✓                           |                                    | ✓           | ✓                    |         | ✓                        | ✓                         |                         |
| Associations             | ✓                           |                                    | ✓           | ✓                    |         | ✓                        | ✓                         | ✓                       |
| Lenders                  | ✓                           |                                    | ✓           | ✓                    |         | ✓                        | ✓                         | ✓                       |

\* Virtual or face-to-face meetings

**Our material sustainability topics**

Material environmental, social and governance (ESG) issues along our value chain are the focus of our sustainability activities and form the main reporting areas.

At the beginning of 2024, we updated our 2020 materiality analysis. When identifying and prioritizing topics, we followed the principle of double materiality in the first place. This approach has been required by regulation since 2024.

**Materiality analysis process**

📌 **ESRS 2 IRO-1**

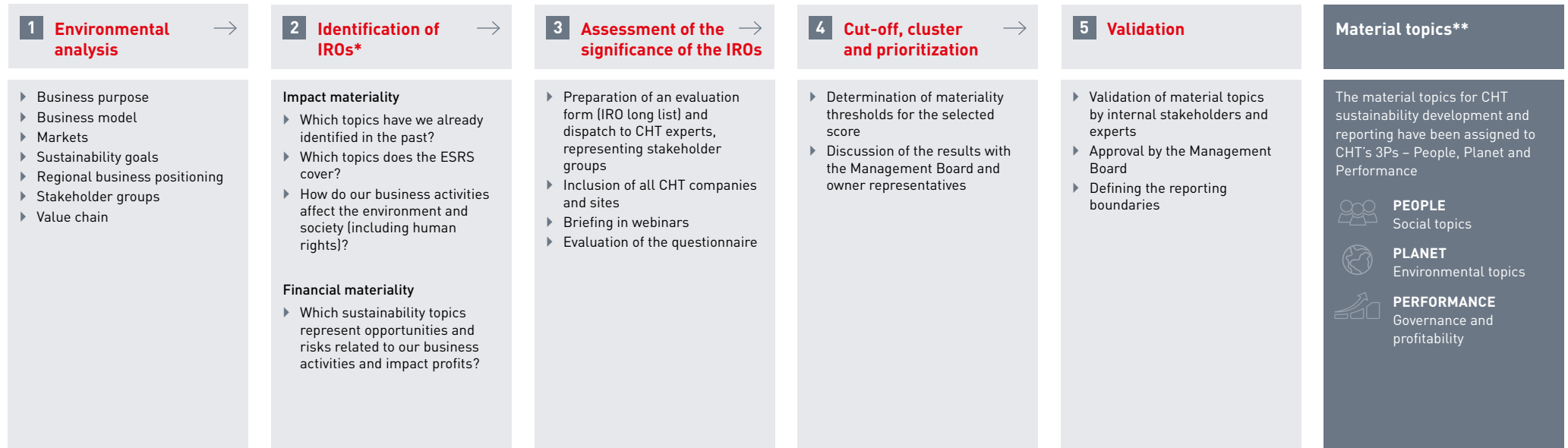
For identification, we examined the topics from the ESRS standard and included all business fields and CHT companies. This enabled us to identify issues on which we have potentially positive or negative impacts (inside-out perspective) through our business activities along the value chain, and which could have a positive or negative impact on our company's success (outside-in perspective).

**1 Analysis of business activities / description of the environment**

First, we analyzed the business environment of the CHT Group and its position within the value chain. This step should help us review existing material sustainability topics and identify potential positive and negative IROs. The CHT Group's business model, global operations, corporate strategy with integrated sustainability goals, and the influence of our stakeholders were taken into account.

G11

**Our double materiality analysis comprised five process steps:**



\* IROs (outside-in and inside-out perspectives)  
\*\* see Table T04: "IROs and material topics of the CHT Group"

**2 Identification of the IROs**

To identify the IROs, we used numerous internal and external data sources:

- ▶ Information from the context analysis such as business activities, entire value chain and already established risk management and due diligence processes
- ▶ In-house and subject-related expert knowledge in occupational safety, environmental management, product development and energy management
- ▶ Collection of industry-standard IROs from the Chemie<sup>3</sup> Practical Guide to Sustainability Reporting as well as secondary data such as GRI Standards and UN Global Compact

In identifying IROs, we focused on business fields where impacts, risks and opportunities are considered likely due to the nature of the activities, business relationships, geographic location, or other factors.

**3 Assessment of the significance of the IROs**

Based on the resulting list, we created an assessment sheet to determine impact materiality and financial materiality. We sent the evaluation form to experts and teams worldwide who took on a stakeholder position and a regional perspective: Evaluations were carried out by the works council on behalf of the employees. The owners of our company were also among the experts. The group functions Global Sustainability Management, Finance & Controlling, Compliance, Human Resources, R&D, Purchasing, IT, Integrated Management Systems, Operations, Global Chemical Safety, and Marketing and Communications were also involved.

The IROs were assessed using different criteria and scales. The impact materiality assessment was based on the criteria of magnitude, extent, irreversibility and likelihood of occurrence specified by the ESRS. The assessment of financial materiality was based on the expected financial impact, the time horizon and the expected probability of occurrence.

**4 Cut-off, clustering and prioritization**

The evaluation of the assessment forms led to four rankings of the IROs: Impact materiality, financial materiality, each separated into positive and negative impacts. For impact materiality, the threshold is essentially determined by the severity and the probability of occurrence. In the financial materiality assessment, the product of financial expenditure and probability of occurrence was used.

As a result of this process step, we obtained the total scope of the significant IROs in both categories (impact and financial materiality). By clustering the IROs, we then obtained the material topics.







The IROs were grouped into topic blocks after further company-specific discussion [see Table T03: "Material topics of the CHT Group"].

**5 Validation of the materiality**

The results of our materiality analysis, including the underlying process and methodology, were coordinated internally with the Management Board and Supervisory Board of the Beitlich Family Foundation and discussed externally with sustainability experts and financial experts. The feedback we received has fundamentally confirmed our approach and led to a sharpening or further consolidation of topics which were defined as material. The final approval was given by the CEO in May 2024.

T03

**Material topics of the CHT Group**

| Dimension   | Goal   | Material topics   | Reference to SDGs   |
|---|--|---|---|
| <b>PEOPLE</b><br>      | People along the value chain are important to us | <ul style="list-style-type: none"> <li>▶ Occupational safety and health protection</li> <li>▶ Human and labor rights</li> <li>▶ Product responsibility</li> <li>▶ Basic and continuing vocational training</li> <li>▶ Diversity, inclusion and equality in the workplace</li> </ul> |   |
| <b>PLANET</b><br>      | Reduction of ecological impacts                  | <ul style="list-style-type: none"> <li>▶ Sustainable chemical solutions – sustainable transformation of the portfolio</li> <li>▶ Climate protection</li> <li>▶ Waste &amp; circular economy</li> <li>▶ Energy</li> <li>▶ Water and wastewater</li> </ul>                            |  |
| <b>PERFORMANCE</b><br> | Enabling the transformation to sustainability    | <ul style="list-style-type: none"> <li>▶ Business ethics &amp; compliance</li> <li>▶ Financial independence</li> <li>▶ Long-term profitability</li> <li>▶ Responsibility in the supply chain</li> </ul>   |  |

**Review of the materiality analysis**

ESRS 2 IRO-1

These material sustainability topics play an important role in our long-term management processes and reports. Therefore, the process of a materiality analysis is closely linked to the strategy cycle and is renewed every five years. In between, we review the results of our double materiality analysis annually and update them if necessary. In the case of extraordinary events such as acquisitions, divestitures, and changes in the business model, we examine the impacts and adjust our materiality analysis.

Due to our participation in the Chemie<sup>3</sup> Practical Guide to Sustainability Reporting working group and the peer discussions conducted within this framework, the results of the double materiality analysis from 2024 were revised again during the course of the year, the topic "Sustainable chemical solutions - sustainable transformation of the portfolio" was augmented, and the summary of the topics "Occupational Safety" and "Plant Safety" was combined into "Occupational Safety and Health Protection".

The materiality analysis prepared in 2024 was reviewed with the following steps to ensure compliance with the ESRS requirements: A gap analysis was conducted in early 2024 to ensure that our IROs included all the topics specified in the ESRS.

The IROs were then examined with regard to their inside-out and outside-in mode of action. The time horizons of the IROs were considered and their impact along the value chain was re-examined. All IROs that had fallen out of materiality due to the defined threshold of < 2.5 were reviewed again to determine whether we can maintain this level of materiality based on our current perspective and relevance for sustainability. In addition, after discussions with external consultants, we made a distinction between whether negative impacts were potentially real or had already occurred. In addition, we mapped our IROs to our internal ESG logic of People, Planet and Performance.

The IROs aggregated into material topics, which resulted from this process, define the structure and content of our 2024 Sustainability Report. They are assigned to the chapters General information, Environmental information, Social information and Governance information specified by ESRS.

[Table T04: "IROs and material topics of the CHT Group"](#) shows the IROs assigned to the respective material topics of CHT.

T04

**IROs and material topics of the CHT Group**

| Company-specific impacts:<br>positive or negative impacts of the company on the environment or people  | Mode of action | Impact materiality > threshold value | Opportunity | Risk | Financial materiality > threshold value | S | M | L         | Actual / Potential | Focus on value chain                       | Material topic                        |
|--|----------------|--------------------------------------|-------------|------|---|---|---|-----------|--------------------|--|---------------------------------------|
| Further development of the portfolio with sustainable chemical products and solutions  | positive       |                                      | x           |      |   | x | x | x         | actual             | CHT, D                                     | <b>Sustainable chemical solutions</b> |
| Development of low-carbon, sustainable products  | positive       | x                                    | x           |      | x                                       | x | x | actual    | CHT, D             |  |                                       |
| Development of new business opportunities through sustainable chemical solutions and products  | positive       |                                      | x           |      |   | x | x | actual    | CHT, D             |  |                                       |
| CHT sales decline due to changing consumer behavior  | negative       |                                      |             | x    |   | x | x | potential | CHT                |  |                                       |
| Improved sustainability performance of customers through the use of CHT products   | positive       |                                      | x           |      |   | x | x | actual    | D                  |  |                                       |
| Stronger customer loyalty through sustainable chemical solutions and products  | positive       |                                      | x           |      |   | x | x | potential | CHT                |  |                                       |
| Production processes at the sites (Scope 1): GHG emissions arise from the direct combustion of energy sources  | negative       | x                                    |             | x    | x                                       | x | x | potential | CHT                | <b>Climate protection &amp; energy</b>     |                                       |
| GHG emissions arise from the direct combustion of fuels in company vehicles  | negative       | x                                    |             | x    | x                                       | x | x | potential | CHT                |  |                                       |
| Purchase of fossil-generated electricity, heat and steam (Scope 2)   | negative       | x                                    |             | x    | x                                       | x | x | potential | U, CHT             |  |                                       |
| Indirect GHG emissions along the value chain (Scope 3): In particular through the procurement of raw materials, the transport and distribution of raw materials and sold products, the company's own waste generation, operational mobility and the processing of sold products. | negative       | x                                    |             | x    | x                                       | x | x | potential | U, CHT, D          |  |                                       |
| Energy savings through digitalization and process optimization   | negative       | x                                    |             | x    | x                                       | x | x | potential | CHT                |  |                                       |
| Insufficient supply of green electricity or costs too high regionally  | negative       | x                                    |             | x    | x                                       | x | x | actual    | U, CHT             |  |                                       |
| Risk of water pollution by chemicals or industrial wastewater due to improper wastewater treatment   | negative       | x                                    |             | x    | x                                       | x | x | potential | CHT                | <b>Water &amp; wastewater</b>              |                                       |
| Increased water consumption in water-stressed areas  | negative       | x                                    |             | x    | x                                       | x | x | potential | CHT                |  |                                       |
| Risk of production downtime due to water shortages at CHT sites  | negative       | x                                    |             | x    | x                                       | x | x | potential | CHT                |  |                                       |
| Release of chemicals (hazardous substances) into the environment   | negative       |                                      |             | x    | x                                       | x | x | potential | CHT                | <b>Occupational safety and health care</b> |                                       |
| Damage to CHT production facilities due to inadequate safety precautions (internal)  | negative       |                                      |             | x    | x                                       | x | x | potential | CHT                |  |                                       |
| Damage to CHT production facilities due to external influences   | negative       |                                      |             | x    | x                                       | x | x | potential | CHT                |  |                                       |
| Increase in serious accidents among CHT Group employees  | negative       |                                      |             | x    | x                                       | x | x | potential | CHT                |  |                                       |
| High sickness-related absence rates among CHT employees  | negative       | x                                    |             | x    |   | x | x | potential | CHT                |  |                                       |
| Increase in stress and mental illness among CHT employees  | negative       | x                                    |             | x    |   | x | x | potential | CHT                |  |                                       |
| Harmful effects on the environment and/or human health caused by hazardous chemicals such as SVHC or CMR substances  | negative       |                                      |             | x    | x                                       | x | x | potential | CHT, D             | <b>Product responsibility</b>              |                                       |
| Replacement of hazardous substances in CHT products - implementation of R&D criteria / rules   | positive       | x                                    | x           |      | x                                       | x | x | potential | CHT                |  |                                       |
| Securing the portfolio by replacing hazardous substances in the supply chain   | positive       |                                      | x           |      | x                                       | x | x | potential | U, CHT             |  |                                       |
| Sustainable chemical solutions (product portfolio) as a replacement for hazardous substances (downstream)  | positive       | x                                    | x           |      | x                                       | x | x | potential | CHT, D             |  |                                       |
| Potential loss of biodiversity due to land use change  | negative       |                                      |             | x    |   |   | x | potential | CHT                | <b>Biodiversity</b>                        |                                       |
| Risk of loss of biodiversity and soil degradation due to increased industrial production of bio-based raw materials (e.g. palm oil)  | negative       |                                      |             | x    |   |   | x | potential | U, CHT             |  |                                       |

T04

**IROs and material topics of the CHT Group**

| Company-specific impacts:<br>positive or negative impacts of the company on the environment or people            | Mode of action | Impact materiality > threshold value | Opportunity | Risk | Financial materiality > threshold value | S | M | L | Actual / Potential | Focus on value chain | Material topic  |
|--|----------------|--------------------------------------|-------------|------|---|---|---|---|--------------------|----------------------|---|
| Increasing the circular economy through product development and innovative sustainable chemical solutions        | positive       | x                                    | x           |      | x                                       | x | x | x | potential          | CHT, D               | <b>Waste &amp; circularity</b>                        |
| Potential pollution from microplastics waste from packaging material that decomposes into microplastics          | negative       |                                      |             | x    | x                                       |   | x | x | potential          | CHT                  |   |
| Better use of resources in CHT through circular economy  | positive       | x                                    | x           |      | x                                       | x | x | x | potential          | CHT                  |   |
| Risk of environmental pollution from waste disposal via landfill or improper waste treatment measures            | negative       | x                                    |             | x    | x                                       | x | x | x | potential          | CHT                  |   |
| Unavailability of renewable or recycled raw materials for production by CHT                                      | negative       | x                                    |             | x    | x                                       | x | x | x | potential          | CHT                  |   |
| Increased cases of discrimination within the CHT group   | negative       | x                                    |             | x    |   | x | x |   | potential          | CHT                  | <b>Human &amp; labor Rights, diversity, education</b> |
| Potential inequality between men and women within the corporate hierarchy and in pay                             | negative       | x                                    |             | x    |   | x | x |   | potential          | CHT                  |   |
| Promoting basic training and continuing vocational education within CHT as an investment in the future           | positive       | x                                    | x           |      |   | x | x | x | actual             | CHT                  |   |
| Improved recruitment and employee retention through diversity and equal opportunities                            | positive       |                                      | x           |      |   |   |   | x | potential          | CHT                  |   |
| Successful recruitment and retention of skilled workers in the CHT Group   | negative       |                                      |             | x    | x                                       | x | x | x | actual             | CHT                  |   |
| Unfilled positions due to a shortage of skilled workers  | negative       | x                                    |             | x    | x                                       |   | x | x | potential          | CHT                  |   |
| Low productivity within the CHT Group due to a lack of employee satisfaction                                     | negative       | x                                    |             | x    | x                                       | x | x |   | potential          | CHT                  |   |
| High turnover rate among newly hired employees   | negative       | x                                    |             | x    | x                                       | x | x |   | potential          | CHT                  |   |
| Human rights violations by the CHT Group   | negative       |                                      |             | x    |   | x | x |   | potential          | CHT                  | <b>Business ethics &amp; compliance</b>               |
| Compliance violations by the CHT Group (bribery, corruption, cartel formation, money laundering, tax violations) | negative       | x                                    |             | x    | x                                       | x | x | x | potential          | CHT                  |   |
| Loss of customer data due to cyberattacks  | negative       | x                                    |             | x    | x                                       | x | x | x | potential          | CHT, D               |   |
| Loss of intellectual property of the CHT Group   | negative       | x                                    |             | x    | x                                       | x | x | x | potential          | CHT                  | <b>Sustainable supply chain</b>                       |
| Environmental violations by CHT suppliers  | negative       | x                                    |             | x    | x                                       | x | x | x | potential          | U                    |   |
| Human rights violations by suppliers (especially child and/or forced labor)                                      | negative       | x                                    |             | x    | x                                       | x | x | x | potential          | U                    |   |
| Lack of transparency in the CHT Group's supply chain   | negative       | x                                    |             | x    |   | x | x | x | potential          | U, CHT               |   |
| Compliance violations by CHT suppliers (bribery, corruption, cartel formation, money laundering, tax violations) | negative       | x                                    |             | x    |   | x | x | x | potential          | U                    | <b>Economic performance</b>                           |
| Financial independence of the CHT Group to ensure the sustainable orientation of the company and jobs            | positive       | x                                    | x           |      | x                                       | x | x | x | actual             | CHT                  |   |
| Investments in sustainability and sustainable technologies support the transformation of the CHT Group           | positive       | x                                    | x           |      | x                                       | x | x | x | actual             | CHT                  |   |

S = short-term; M = medium-term; L = long-term

**Opportunity and risk management**

As a globally active company, the CHT Group is exposed to influences along the entire value chain. This may result in both opportunities and risks for the CHT Group. The management of sustainability risks will be incorporated into the CHT Group's new risk management system to be established in 2025.

Currently, CHT's risk management processes primarily address the economic risks that may arise in connection with its business activities, such as raw material procurement, business decline, bad debts, and business risks arising from crisis situations or regions. The risks of digital security and cybersecurity are increasingly being taken into account.

In 2024, sustainability aspects were included as an additional criterion for the risk assessment of investments > EUR 100,000 in tangible assets. Projects with a value of > EUR 100,000 must be reviewed and approved by the Management Board.

The criteria to be examined are business relevance, country, customer relevance, CHT resources and competencies, profitability and sustainability. Criteria have been defined for sustainability to support the transformation of the CHT Group. In addition, the sustainability assessment considers and evaluates the risks arising from changes in regulation, politics, technology and site-specific environmental risks.

**ESRS 2, ESRS E1-2, ESRS E1-7**

In 2024, a global assessment of physical risks related to climate change was conducted and evaluated for the first time within the CHT Group. Based on the physical climate risks identified by the IPCC and the World Bank, a total of five climate risks were assessed.

**ESRS E1.IRO-2, ESRS E1.SBM**

In addition, the opportunities and risks of all material sustainability topics for the CHT Group were assessed as part of the double materiality analysis.

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**Result of the physical risk analysis for the CHT Group**

| Organization (production sites only) | Location            | Estimated probability of occurrence of physical climate risks |            |                         |            |  |
|--------------------------------------|---------------------|---|------------|-------------------------|------------|--|
|                                      |                     | Floodings   | Droughts   | Severe heat / heatwaves | Wildfires  | Extreme winds / storms / cyclones etc. |
| CHT Germany GmbH                     | Oyten               | 0   | 0          | 0                       | 0          | 1                                      |
| CHT Germany GmbH                     | Tübingen            | 2   | 0          | 1                       | 0          | 1                                      |
| CHT Germany GmbH                     | Geretsried          | 0   | 0          | 1                       | 2          | 2                                      |
| CHT Germany GmbH                     | Dußlingen           | 1   | 0          | 1                       | 0          | 1                                      |
| Keim-Additec-Surface GmbH            | Kirchberg           | 0   | 1          | 1                       | 0          | 1                                      |
| <b>Average DE</b>                    |                     | <b>0.6</b>  | <b>0.2</b> | <b>0.8</b>              | <b>0.4</b> | <b>1.2</b>                             |
| CHT Italia S.r.l.                    | Sesto Ulteriano     | 0   | 0          | 5                       | 0          | 5                                      |
| CHT Turkey Kimya San. ve Tic. A.S.   | Esenyurt / Istanbul | 0   | 3          | 2                       | 0          | 2                                      |
| CHT UK Bridgwater Ltd.               | Bridgwater          | 1   | 0          | 1                       | 0          | 1                                      |
| CHT Switzerland AG                   | Montlingen          | 1   | 0          | 0                       | 0          | 1                                      |
| <b>Average EU</b>                    |                     | <b>0.6</b>  | <b>0.4</b> | <b>1.3</b>              | <b>0.2</b> | <b>1.7</b>                             |
| CHT USA Inc.                         | Cassopolis          | 0   | 0          | 0                       | 0          | 1                                      |
| CHT USA Inc.                         | Richmond            | 0   | 1          | 1                       | 0          | 2                                      |
| CHT Brasil Quimica Ltda.             | Cajamar             | 5   | 2          | 3                       | 4          | 3                                      |
| CHT Brasil Quimica Ltda.             | Piracaia            | 0   | 2          | 3                       | 4          | 3                                      |
| CHT Colombiana Ltda.                 | Sabaneta-Antioquia  | 4   | 1          | 3                       | 2          | 4                                      |
| CHT de Mexico S.A. de C.V.           | Villanueva          | 1   | 0          | 0                       | 1          | 2                                      |
| CHT de Mexico S.A. de C.V.           | Torreón             | 0   | 2          | 2                       | 0          | 1                                      |
| CHT Peruana S.A.                     | San Antonio         | 0   | 2          | 0                       | 0          | 0                                      |
| <b>Average America</b>               |                     | <b>1.3</b>  | <b>1.3</b> | <b>1.5</b>              | <b>1.4</b> | <b>2.0</b>                             |
| CHT Australia Pty. Ltd.              | Dandenong           | 0   | 0          | 1                       | 0          | 1                                      |
| <b>Australia</b>                     |                     | <b>0</b>  | <b>0</b>   | <b>1</b>                | <b>0</b>   | <b>1</b>                               |
| CHT South Africa (Pty.) Ltd.         | Westmead            | 1   | 1          | 2                       | 2          | 1                                      |
| CHT Tunisia S.A.R.L.                 | Bou Argoub          | 2   | 0          | 3                       | 0          | 1                                      |
| <b>Average Africa</b>                |                     | <b>1.5</b>  | <b>0.5</b> | <b>2.5</b>              | <b>1</b>   | <b>1</b>                               |
| CHT Tianjin Co. Ltd.                 | Tianjin             | 0   | 0          | 1                       | 0          | 0                                      |
| CHT Shanghai Company Ltd.            | Fengxian, Shanghai  | 0   | 0          | 2                       | 0          | 3                                      |
| CHT Dongguan Company Ltd.            | Dongguan, Guangdong | 0   | 0          | 2                       | 0          | 3                                      |
| CHT India Pvt. Ltd.                  | Navi Mumbai, Raigad | 2   | 1          | 2                       | 0          | 2                                      |
| CHT Pakistan (Pvt) Ltd.              | Lahore              | 0   | 1          | 3                       | 1          | 2                                      |
| CHT Bangladesh Pvt. Ltd.             | Narayanganj         | 1   | 1          | 0                       | 0          | 2                                      |
| <b>Average Africa</b>                |                     | <b>0.5</b>  | <b>0.5</b> | <b>1.7</b>              | <b>0.2</b> | <b>2</b>                               |
| <b>Average All</b>                   |                     | <b>0.8</b>  | <b>0.7</b> | <b>1.5</b>              | <b>0.6</b> | <b>1.8</b>                             |

Flood = a rising and overflowing of a body of water, especially onto normally dry land; Drought = a prolonged (long-lasting) dry period in the natural climate cycle; Intense heat / heatwave = an unusually long period of unusually hot days in a row; Wildfires = any unplanned or uncontrolled fires that affect natural, cultural, industrial and residential landscapes; Extreme wind / storm / cyclone = an extreme weather condition with very strong winds, heavy rain (or snow) and often thunder and lightning

**Probability rating scale**  
 0 = < 20 % probability      3 = 60 – 79 % probability  
 1 = 20 – 39 % probability    4 = 80 – 99 % probability  
 2 = 40 – 59 % probability    5 = 100 % already existing

**Goals and key measures**

ESRS 2 SBM

As part of our 2025 Strategy, we have defined the following sustainability goals for the CHT Group, the management and measures for which are described in the individual chapters.

Significant investments are necessary to achieve our goals in the field of sustainable chemical solutions and to reduce our greenhouse gas emissions by 2045. Investments totaling EUR 3.2 million were made for this purpose in 2024. In line with ESG, we have defined two action plans, with measures covered by both and contributing to their achievement. This applies in particular to environmental goals. Measures related to process changes and “sustainable chemical solutions” can also involve saving energy or water, as well as changing the raw material base, which also represents a measure to reduce our Scope 3 emissions.

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**CHT sustainability goals**

| Aspect                        | Target for 2024  | Status by the end of 2024   |
|-------------------------------|--|---|
| Sustainable product portfolio | <ul style="list-style-type: none"> <li>▶ Reaching a sales target of 75 % with ECO Range products</li> <li>▶ Reduction of phase out products: - 30 % bulk products</li> </ul>   | <ul style="list-style-type: none"> <li>▶ 84 % (vs. 75 % target) of CHT Group global sales have been achieved with ECO classified products</li> <li>▶ - 30 % of bulk products and phase out products have been deleted</li> </ul>  |
| Climate protection            | <ul style="list-style-type: none"> <li>▶ Determination of the current corporate carbon footprint of the CHT Group</li> <li>▶ Approval of short term and net-zero target by SBTi</li> <li>▶ Collect primary data from suppliers</li> <li>▶ Selection of a PCF calculation tool and implementation of the prototype</li> </ul>   | <ul style="list-style-type: none"> <li>▶ CCF CHT Group 2023: 574.000 t CO<sub>2</sub>(e)</li> <li>▶ Climate reduction targets of 42 % until 2030 and net-zero climate reduction plan was approved by SBTi in March 2024</li> <li>▶ &gt; 150 supplier PCF and other primary data</li> <li>▶ Selection of AllocNow automated LCA calculation tool</li> </ul>  |
| Internal processes            | <ul style="list-style-type: none"> <li>▶ Reducing specific energy consumption, water consumption and waste generation by 10 % until 2025</li> <li>▶ Roll-out of ISO 50001 certification to CHT Mexico and CHT Colombia</li> <li>▶ Reduction of work accidents within CHT Group until 2025 (by 10 % vs. 2021) by using the LTIFR method</li> </ul>  | <ul style="list-style-type: none"> <li>▶ Specific energy consumption: 351 kWh/t (+/- 0 vs. 2019)</li> <li>▶ Specific water consumption: 1,112 l/t (- 14 % vs. 2019)</li> <li>▶ Specific waste generation: 43 kg/t (- 10 % vs. 2019)</li> <li>▶ ISO 50001 Energy-management certification achieved in the UK</li> <li>▶ LTIFR: 8.7 (vs. 10.2 in 2021)</li> </ul>   |
| Supplier management           | <ul style="list-style-type: none"> <li>▶ Roll-out supplier risk assessment and sustainable supplier management concept in the “CHT world”</li> <li>▶ Direct purchasing: Expansion of sustainability round table meetings: &gt; 10 suppliers</li> <li>▶ Analyzing our packaging and goods flows, including determining requirements at our CHT companies</li> <li>▶ Development of sustainability criteria for an internal supplier classification</li> </ul> | <ul style="list-style-type: none"> <li>▶ 1,976 suppliers of direct and indirect purchasing have been assessed</li> <li>▶ 63 % with medium and high risk have been gone through an additional sustainability questionnaire – and 45 % have been qualified as low risk suppliers</li> <li>▶ Sustainability round tables have been conducted with 20 raw material suppliers, logistic companies and supplier of packaging material</li> <li>▶ Number of packaging was analysed and concept to change increase recycling rate was determined</li> <li>▶ First draft of a supplier sustainability scorecard was defined</li> </ul> |
| Circular economy              | <ul style="list-style-type: none"> <li>▶ Increasing the number of bio-based raw materials</li> <li>▶ Increasing re-use rate of packaging within CHT Group</li> <li>▶ Maintaining number of C2C certified textile chemicals</li> </ul>  | <ul style="list-style-type: none"> <li>▶ Successful product launch of Polyavin bPEN</li> <li>▶ Increasing share of bio-based content in several products of all BFs</li> <li>▶ 2024 internal reuse-rate of packaging increased by 10 %</li> <li>▶ Successful C2C recertification of expired certificates</li> </ul>   |
| EcoVadis certification        | <ul style="list-style-type: none"> <li>▶ Reach a score of at least 75 (gold level)</li> </ul>  | <ul style="list-style-type: none"> <li>▶ Score of 75 (gold level)</li> </ul>  |
| Social sustainability         | <ul style="list-style-type: none"> <li>▶ CHT is committed to pay living wage to all employees until 2030</li> <li>▶ Therefore, in 2024, a global status quo analysis needs to be done with focus on all direct employees of CHT Group</li> </ul>   | <ul style="list-style-type: none"> <li>▶ Based on 1. half of 2024 the global HR teams conducted a global “living wage” survey (based on the Anker Methodology) that was checked with the “wage indicator results”. - 95 % of all CHT employees payments above living wage</li> </ul>  |

**Sustainability management and governance**

ESRS 2 GOV-1

We are continuously working to expand our positive influence on key sustainability topics and reduce the negative impacts of our business activities. Global sustainability management, together with decentralized specialist managers, is responsible for integrating sustainability into core business activities and decision-making processes. This unit also covers the global management of climate-related issues.

The systematic assessment of sustainability criteria, including the impacts of climate change, is an integral part of acquisition and investment decisions regarding tangible and capital assets. We assess not only economic dimensions but also potential impacts on areas such as the environment, human rights or the local environment.

We reduce risks that may arise from issues such as safety and environmental protection, health protection, product responsibility, compliance, and labor and social standards by setting uniform global standards. These often go beyond local legal requirements. We monitor compliance through internal monitoring systems such as our compliance surveys, which we conduct in the form of compliance audits or self-assessments within the CHT Group. Since January 2024, our whistleblower tool SpeakUp® has been available worldwide, both internally and externally. Our globally applicable Code of Conduct, which all employees, managers and Management Board are committed to adhering to, defines a binding framework.

Global Sustainability Management reported to the CEO in 2024. Due to an internal organizational change and the merger of the Global Sustainability Management and Global Chemical Safety divisions into the new global Sustainability and Regulatory Affairs division, the reporting line has been changed. The new responsibility has been with the COO since April 2025.

For the CHT Group, as a globally active specialty chemicals company owned by a foundation, good and long-term corporate governance is essential.

The corporate management of the CHT Group is divided into the Management Board, which is responsible for the CHT Group worldwide and operates under the name CHT Group GmbH. The Beitlich Family Foundation acts as a Supervisory Board within the CHT Group and monitors and advises the Management Board.

**Beitlich Family Foundation – the Supervisory Board**

The Beitlich Family Foundation appoints the members of the Management Board and determines their remuneration – just as a supervisory board of a stock corporation determines the annual financial statements – and decides, together with the members of the non-profit Reinhold Beitlich Foundation, on the appropriation of the balance sheet profit.

For decisions of fundamental importance that are clearly defined, the Management Board requires the approval of the members of the Beitlich Family Foundation. The Board consists of 5 members, one of whom serves as Chair of the Beitlich Family Foundation. The proportion of women here is 40 %.

Sustainability is one of the most important topics for the CHT Group’s Supervisory Board: At least twice a year, a status quo report on sustainability management and target achievement is prepared during the quarterly meetings of the Supervisory Board with the Management Board.

Important topics here include the sustainable transformation of the portfolio, climate protection and sustainable supplier management.

**Management Board**

ESRS S1-9, ESRS 2 GOV-1

The Management Board of the CHT Group is responsible for the company and manages it globally in the company’s interest and taking into account the interests of the owners, employees and other stakeholders associated with CHT. The CEO was also appointed spokesperson for the Management Board by the Supervisory Board. The Management Board consists of three members, 60 % of whom are women.

The Management Board informs the Supervisory Board regularly, promptly and comprehensively about all matters concerning the company. In this context, all key sustainability topics are taken into account. The Supervisory Board is thus regularly and comprehensively informed about sustainability aspects.

The Management Board regularly addresses sustainability topics in its meetings. Overall responsibility for sustainability lies with the Management Board; the responsible member of the Management Board is the COO who, together with the CSO, continuously addresses sustainability topics.

### Sustainability in the governance structure and in committees

Responsibilities and authorities as well as the implementation of committees for sustainability management must be re-regulated and established after the transition year 2024 (appointment of an Interim Management Board from November 2023 until April 2024 and the successive replacement of the Management Board positions from April 2024 until April 2025).

The Interim Management Board has assigned responsibility for sustainability in 2024 as follows:

The decisions and controls regarding sustainability topics were discussed and prepared by the Management Board and the CSO responsible for sustainability management, with the involvement of those responsible for the respective topics. The decisions were made by the Management Board. The measures were implemented, after approval by the Management Board, by the operational units or global sustainability management in close coordination with relevant cross-company functions. CHT is involved in national competence networks for sustainability, and the findings and relevant content are incorporated into the CHT Group's sustainability management.

We participate in the Chemie<sup>3</sup> Initiative ([see Chapter 1: "About this report"](#)) of the chemical industry and are members of the UN Global Compact.

As part of our membership in the UN Global Compact, we actively advocate respecting and promoting human and workers' rights within our sphere of influence. We also focus on human and environmental protection and the fight against corruption. We make a voluntary contribution to achieving the 17 goals of the United Nations' Sustainable Development Goals (SDGs). To this end, we have identified the 11 SDGs relevant to the CHT Group ([see Chapter 1: "About this report"](#)) and also assigned them to the goals of our corporate strategy.

### Due diligence obligations for sustainability

 ESRS 2, GOV-2

Sustainability is a central component of the CHT Group's corporate strategy. All key sustainability topics identified are incorporated into the strategic direction of the Group.

The due diligence and risk management requirements, which are consistent with the sustainable corporate strategy, are firmly embedded in the business processes. This is done through policies such as the Declaration of Human Rights, the CHT Code of Conduct and the Supplier Code of Conduct, among others.

## 4.2 Sustainable chemical solutions

ESRS 2 SBM-1, ESRS 2 SBM-3

The CHT Group aims to support its customers' business with value-added and sustainable solutions. This approach has been shaping our sustainable transformation for more than ten years and has been based on the CHT Group's customer- and service-centric business model from the very beginning.

Sustainable chemical solutions are about supporting the sustainable transformation of our business, which goes hand in hand with the transformation of our portfolio.

Products and process solutions that contribute to sustainable development are an integral part of our product range. Our stated goal is to continuously increase the proportion of sustainable products in our overall product range and in our sales. In our 2025 strategy, we have set ourselves the goal of achieving a sales share of > 80 % for these products. For us, this portfolio transformation means supporting our future viability and opening up new, high-growth business opportunities.

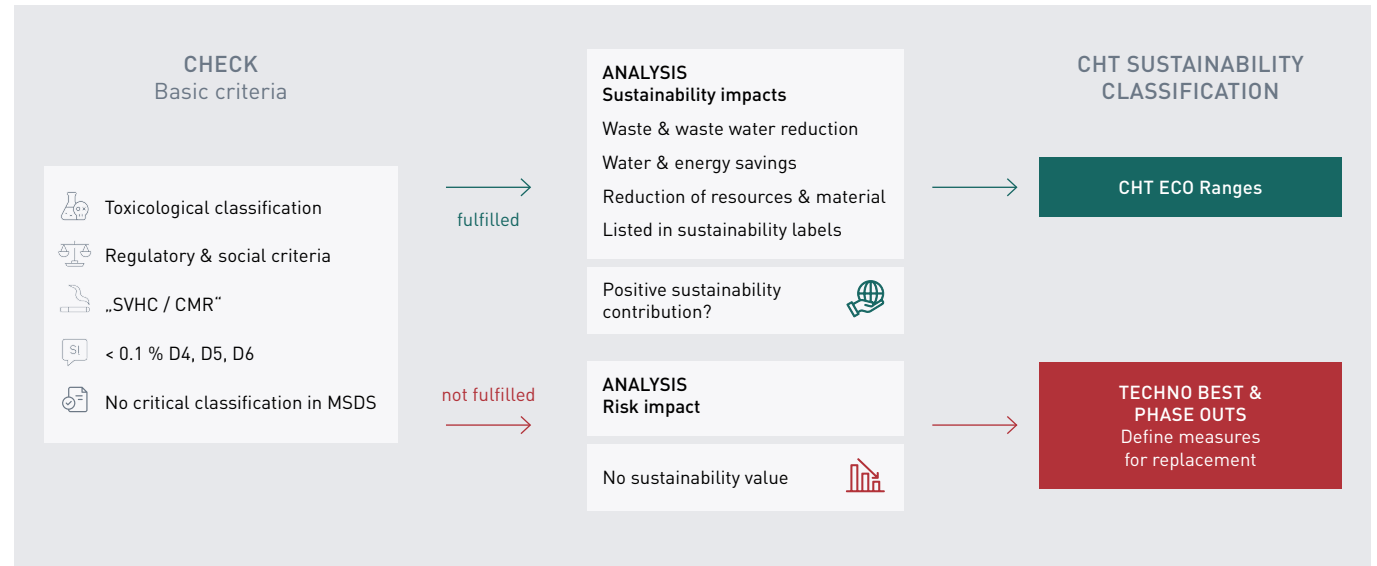
In addition, we have been strengthening our customers' sustainability performance with these products and process solutions for years.

The central instrument for the strategic management and further development of our portfolio is the sustainability analysis of our businesses and markets and the observation of regulatory trends and developments worldwide.

A particular strength of CHT lies in the long-term, generally close and cooperative collaboration with its customers. Our customers are mostly industrial companies that further process our products or require our products to carry out their industrial manufacturing processes.

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### CHT internal portfolio classification process



Our products and solutions provide significant added value and/or save resources during processes, and also ensure the necessary performance of the end products.

We are generally deeply integrated into our customers' value chains and thus achieve involvement in our customers' development projects. Through broad stakeholder exchange, we generally identify relevant developments in the market environment at an early stage. The stakeholders also continually ensure that we are involved in research and development projects of various market participants.

Sustainability is also comprehensively integrated into the management of our innovation portfolio. To ensure the successful sustainable portfolio transformation, the internal R&D process, which is digitally managed via the CREO tool, has been provided with sustainability criteria and a decision-making process.

CREO increases operational agility and efficiency through a unified approach across global research and development departments. Sustainability criteria are mandatory for the evaluation of research and development projects and are implemented in the CREO process.

#### Goals

- ▶ Increase the sales target with ECO Range products to > 80 % by 2025
- ▶ Reduction of phase out products to < 10 % by 2025

**Measures**

**Sustainability analysis of businesses / markets**

Essentially, the sustainability analysis of our businesses and customer markets is based on two pillars: direct customer discussions and observation of the development / requirements of the end customer markets served by our customers, which sustainability ambitions are promoted there, and which ecological and social issues are communicated or promised to end customers. In addition, regulatory developments in chemical safety along the value chain are a very good guideline to which we try to respond very early on in the development.

We actively involve the business fields in this process, as well as those responsible for regulation and research and development. Market developments, changes in MRSLs and the observation of disruptive factors in the markets or customer groups are compiled and evaluated for short-term or long-term strategic recommendations for action.

**Classification of the product range**

For portfolio management, a uniform classification based on the sustainability performance of CHT products was implemented throughout the entire CHT Group.

Uniform criteria for defining sustainable chemical solutions (Eco Ranges) were defined and grouped, and a two-stage qualification process was implemented worldwide.

Based on uniform criteria, the target is reviewed and controlled annually by means of sales of the ECO Range or phase out products worldwide. The focus of activities will be on the global Core Ranges ECO Top, supplemented by locally developed or adapted ECO Performer Ranges. The same sustainability criteria apply to both ranges. TECHNO BEST includes the range of products that do not meet the CHT Group's strict sustainability criteria, but are "state of the art" and are currently irreplaceable in terms of technology or performance. For TECHNO BEST products, the challenges under which the products can become sustainable have been identified and some development projects have already been initiated.

Global sales of our ECO Range products reached 84 % in 2024. This means that the 2025 target was exceeded by 5 %. The PHASE OUT range accounted for 1.6 % of sales in 2024; PHASE OUT products are expected to be virtually eliminated during the remainder of 2025.

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**Progress and key figures 2024**

**Share of sustainable chemical solutions of total sales 2020 – 2025 (CHT Group)**

| Classification of ranges in % | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|-------------------------------|------|------|------|------|------|------|
| ECO                           | 62   | 65   | 77   | 82   | 84   | > 80 |
| PHASE OUT                     | 11.8 | 5.9  | 5.5  | 4.8  | 1.6  | < 10 |

# 05

## Environmental information



-20 %

reduction in absolute  
greenhouse gas emissions  
Scope 1 + 2 vs. 2021



-14 %

specific water  
use vs. 2019



-10 %

specific waste  
generation vs. 2019

## 5. Environmental information

We see the protection of the environment in general and the transition to a sustainable and climate-neutral society as the greatest challenge of the coming decades. It is part of our corporate responsibility to preserve natural resources for future generations.

- ▶ Implementation of measures under our climate reduction plan and our SBTi targets
- ▶ Further expansion of the purchase of electricity generated from renewable sources
- ▶ Reducing our water use and waste generation through synergies with climate measures

- ▶ An environmental management system, certified according to ISO 14001, exists at all production sites of the CHT Group with the exception of the site in Bangladesh, which was commissioned in 2023.
- ▶ Our goal is to certify energy management according to ISO 50001 and occupational safety according to ISO 45001 at all production sites by 2025
- ▶ In 2021, the companies defined goals and measures until 2025 to ensure the internal environmental target for 2025 (reducing water use, waste generation and energy consumption by 10 % each)
- ▶ We continually update our guidelines and requirements. For this purpose, we also exchange information with authorities, associations and organizations
- ▶ We handle raw materials, equipment and products responsibly and align our actions with the Responsible Care Initiative
- ▶ Employees are regularly trained in environmental issues
- ▶ Our state-of-the-art facilities are operated by responsible, well-trained personnel
- ▶ Regular maintenance and inspections guarantee the safe operation of our systems in accordance with our sustainability strategy
- ▶ We regularly review our performance and progress in audits that were carried out in 2023 at all CHT sites in all companies
- ▶ Possible risks and vulnerabilities as well as their potential impact on the environment are analyzed – from research and development through production to sales organizations

### 5.1 Basis for environmental policy

As a specialty chemicals company, we are aware of the impact our production activities have on the environment, including along the upstream and downstream value chains.

We consistently take responsibility for our actions and are continually minimizing the environmental impacts associated with our products and services. We take care to conserve resources and take a variety of measures to achieve our goals.

Our actions are based on a comprehensive, integrated management system for the environment, safety, health and quality. This applies to the entire CHT Group and is based on legal frameworks as well as internal guidelines and procedural instructions.

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| Policy papers on environment, safety, health and quality |   |
|--|---|
| Climate protection                                       | Carbon footprint, climate policy (prepared in 2025) |
| Environment  | Environmental policy, energy policy                 |
| Compliance   | Compliance policy, Code of Conduct                  |
| Quality  | Quality policy                                      |
| Safety & health  | Safety and health policy                            |

#### Environmental data (sustainability reporting)

The process for the annual collection and processing of environmental data for sustainability reporting is subject to internal reviews. Data entry is decentralized and can be evaluated by location, company or region. The reported data is based on a combination of direct measurements, supplier consumption calculations and calculations based on validated assumptions. The assumptions are based on data from the previous period or production volume. All data must be supported by a document uploaded to the system. We have been using the Neptune tool developed at CHT since 2025.

The annual training sessions underpin our quality standards and have led to improved data quality over the years.

Processing and evaluation are carried out centrally by the Global Sustainability Management Team.

## 5.2 Climate protection

### Strategy and management

Climate change is causing an increasing number of extreme weather events which cause significant damage and pose risks to people, the environment and industrial companies worldwide. This is a challenge that CHT must face worldwide. We are also committed to climate protection and are committed to the Paris Climate Agreement to limit global warming to 1.5 °C. For this reason, we committed to SBTi in 2021 and set ourselves short- and long-term climate targets as well as a net zero target by 2045.

The transformation is an important future task for humanity and at the same time a major challenge for a company like CHT.

As part of our commitment to climate protection, we have identified nine strategic levers:

- ▶ We are increasingly meeting our electricity needs without fossil fuels
- ▶ We will reduce our specific energy consumption by 10 % by 2025 and at the same time increase the energy and process efficiency of our internal processes
- ▶ We are increasingly replacing fossil resources with bio-based or recycled raw materials
- ▶ We develop products and processes that consume less energy in customer applications
- ▶ As part of our climate protection activities, we intend to operate our plants even more efficiently and make our processes even more resource-efficient. Of particular importance in this context are certified energy management systems according to DIN EN ISO 50001, which we strategically intend to introduce at all relevant production sites by 2025. They help us identify and implement further opportunities for improving energy efficiency. This not only reduces greenhouse gas emissions and saves valuable energy resources, but also increases our competitiveness

- ▶ Global Sustainability Management develops the climate targets of the CHT Group and is responsible for the strategic levers for achieving these targets

During the reporting year, we worked on further developing our climate transition plan which, however, deviates from the full transition plan according to the ESRS. Our transition plan aims to reduce our emissions by 2030 in line with our 2024 targets validated by SBTi. We plan to reduce the remaining greenhouse gas emissions between 2030 and 2045.

Since the scenarios used for reduction planning are theoretical framework conditions, the actual development of the external framework conditions must be continuously evaluated and the focus of the transformation adjusted if necessary. Our analyses in 2024 reinforce our commitment to work specifically over the next five years to replace fossil fuels and raw materials in our portfolio with more sustainable alternatives.

🔗 ESRS E1, ESRS E1-2, ESRS E1-7

### Our global climate protection goals

- ▶ - 42 % reduction in our greenhouse gas emissions in Scope 1 + 2 (2021 – 2030)
- ▶ - 25 % of absolute greenhouse gas emissions in Scope 3 (SBTi compliant; 2021 – 2030)
- ▶ Net zero greenhouse gas emissions by 2045 (Scope 1, 2 and 3)

In 2021, the CHT Group committed to the Science Based Targets Initiative (SBTi). SBTi is a joint initiative of Carbon Disclosure Products (CDP), United Nations Global Compact, World Resources Institute (WRI) and World Wide Fund for Nature (WWF). The initiative defines and promotes best practices in science-based goal setting and evaluates companies' goals on an independent basis. SBTi has now become a global standard for climate reduction measures.

When choosing the base year, we chose the most recent year with complete greenhouse gas accounting, 2021. At the beginning of 2024, SBTi validated the emission reduction targets submitted by CHT. SBTi confirmed that the ambition level of the Scope 1 and Scope 2 targets is suitable to contribute to limiting global warming to 1.5 °C.

Our Group-wide Scope 1 + 2 target envisages an absolute reduction in energy-related emissions of 42 % by 2030 compared to 2021. Over the same period, we intend to reduce absolute Scope 3 emissions in the relevant upstream and downstream categories by 25 %.

🔗 ESRS E1-4

Our emission reduction targets cover our entire Scope 1 + 2 emissions (100 %) and 95 % of our Scope 3 emissions. Our climate targets are part of our climate reduction plan and contribute to achieving the Paris Climate Agreement. We aim to be climate neutral by 2045. Our SBTi goals and our roadmap to 2030 have been approved by the Management Board and the Supervisory Board (Beitlich Family Foundation).

🔗 ESRS E1-1, ESRS E1-4, ESRS E1-7

### Measures

🔗 ESRS E1-3

Measures to implement our climate transition plan: Scope 1 + 2 emissions by 2030

🔗 ESRS E1-1, ESRS E1-4

To achieve our Scope 1 + 2 target, validated by SBTi, we plan to implement various measures, such as switching to renewable electricity (green electricity) wherever possible. In addition, it is important to examine where investing in one's own photovoltaic systems can support the goal of switching to renewable electricity. We see a material factor in the implementation of the goal of energy savings and more efficient energy use. Within the scope of the Scope 1 targets, the focus is on energy efficiency measures and the transitional use of biomass as heating energy, alongside the clear goal of a gradual electrification of production heat and steam.

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**CHT measures for GHG savings along the value chain**

| Upstream →  | CHT companies →  | Downstream →   |
|---|--|--|
| <ul style="list-style-type: none"> <li>▶ We are increasingly replacing fossil resources with bio-based raw materials</li> <li>▶ Projects with strategic partners – exchange of primary data</li> <li>▶ We replace fossil resources with recycled raw materials where possible</li> <li>▶ Reduction of transport emissions in relation to all purchased goods and commodities</li> </ul> | <ul style="list-style-type: none"> <li>▶ We will reduce our specific energy consumption by 10 % by 2025</li> <li>▶ Increasing the energy and process efficiency of our internal operations</li> <li>▶ Electrification of heat generation</li> <li>▶ We are increasingly meeting our electricity needs without fossil fuels</li> <li>▶ Investment in our own photovoltaic power generation systems</li> <li>▶ Electrification of the vehicle fleet</li> </ul> | <ul style="list-style-type: none"> <li>▶ Sustainable chemical solutions – versions with a low CO<sub>2</sub> footprint</li> <li>▶ CO<sub>2</sub> savings in customer processes through CHT products</li> <li>▶ Products to support the circularity of end products</li> <li>▶ Increasing the circularity of packaging materials – increasing the proportion of recycled packaging materials</li> <li>▶ Reduction in transport emissions during product deliveries</li> </ul> |

Scope 1 reduction measures at the sites also include energy-efficient production planning, so that boilers need to be switched on only on a few days rather than every day. The investment measures include heat recovery systems.

In 2022, the investment required to achieve the SBTi target in the further development of production processes and infrastructure to reduce greenhouse gas emissions by 2030 for all global sites was determined to be EUR 14 million.

**Carbon pricing**

ESRS E1-8

Investment projects that support the achievement of our CO<sub>2</sub> reduction target and thus our climate transition plan are part of the annual financial planning and investment allocation process, including approval by the Management Board. In order to support the implementation of climate reduction measures in the future, it is planned to apply an internal CO<sub>2</sub> price and integrate it into the economic calculations. This plan is to be implemented in 2025. The aim is to be able to reflect CO<sub>2</sub>-intensive developments in investments through such a planning premise

**Measures to implement our climate transition plan: Scope 3 emissions by 2030**

ESRS E1-1, ESRS E1-4

Reducing Scope 3 emissions poses particular challenges for the entire value chain. The reason for this is that the emissions in question are not within one's immediate, personal decision-making sphere and are also influenced by a multitude of factors. Correct calculation alone, but even more so reducing emissions, requires intensive collaboration between all partners along the value chain. The focus of our strategic reduction levers and measures is on reducing emissions from purchased raw materials and merchandise, using alternative raw material sources, and reducing emissions caused by packaging and logistics.

To achieve our Scope 3 target, we are working together with research and development, purchasing and our suppliers to reduce raw material emissions. The prerequisite for this is knowing the supplier-specific emission factors of the purchased raw materials. For this reason, so-called Sustainability Roundtable Meetings have been established with strategically important suppliers. These meetings take place once a year to evaluate the suppliers' progress with regard to the calculations of Product Carbon Footprints (PCF, specific emission factors).

Only specific supplier emission factors (PCFs) calculated according to the TfS (Together for Sustainability) guideline and provided with appropriate documentation are accepted.

For specific raw materials, some of which are sourced from Asia, training and support for calculating the product carbon footprint were also offered and carried out.

For all raw materials for which we do not have supplier-specific values, we use secondary data from ecoinvent for the evaluation. Based on the emissions determined using primary and secondary data, we evaluate the reduction potentials that are crucial for the CHT Group, which we then discuss with the suppliers in roundtable meetings. In this context, we also discuss, among other things, their most important levers for reducing emissions. These can be renewable energies, improved processes or alternative raw materials, such as mass balance approaches.

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In addition, pilot discussions are taking place with suppliers in logistics and packaging purchasing in Germany in order to incorporate the measures already implemented or planned by our suppliers into our forecasts and calculations.

By reducing our own emissions and those upstream in the value chain, we contribute to achieving our customers' climate protection goals. To increase transparency, we have started calculating the carbon footprints of our products manufactured at our German production sites.

**Measures to implement our climate transition plan: Emissions 2030 – 2045**

ESRS E1-7

In the period from 2030 until 2045, the remaining Scope 1 + 2 emissions will be reduced through the further rollout of the energy efficiency measures already described, but above all through the technology change to fossil-free heat generation.

For Scope 3 emissions, the transfer to bio-based, recycled or CO<sub>2</sub>-based raw material sources will have to be successful, whereby we will need to screen the availability of these raw material sources by 2030 and discuss the expected feasibility with our suppliers. Based on this screening and the discussions, our R&D departments will have to deal with new products, but probably also with modified or new manufacturing processes.

From 2030 onwards, we expect the technical maturity of new technologies and the availability of alternative raw materials to be significantly more likely than is currently the case. In addition, rising prices for CO<sub>2</sub> emissions from 2030 onwards will act as a further driver for the transformation. Many measures to achieve net zero by 2045 are known, but today they cannot be implemented economically, nor can it be precisely planned which measure will make a greater contribution.

As of 2024, we do not foresee any greenhouse gas emissions related to the CHT portfolio that cannot be technically reduced by 2045. However, no forecast can currently be made as to whether the technologies and measures for reduction can be implemented economically.

ESRS E1-1, ESRS E1-1RO

**Development in 2024**

In the 2024 reporting year, the global implementation of measures within the framework of the identified strategic levers to reduce our climate impacts continued. Both production sites in Brazil, Cajamar and Piracaja, switched to fully green electricity in August 2024. This step will follow from 2025 with a PPA agreement at the Chinese site in Shanghai. There, the roof areas of CHT Shanghai were leased to a photovoltaic power provider, from whom the site will receive green electricity starting in 2025 after the system is installed.

To reduce Scope 1 emissions, the German sites in Dußlingen and Geretsried began purchasing biogenic local heat and liquefied petroleum gas from renewable sources. Both are to be seen as transitional technologies since, in the transformation of thermal energy, the future technology for the CHT Group, in addition to electrification, lies in hydrogen technology, provided that it is economically available.

Measures to make more efficient use of production heat were also implemented at the Chinese sites at the beginning of 2024. Production planning with boiler use is now only carried out in campaigns, so that steam generation does not have to be started up every day.

In the new silicone production plant in Cassopolis, USA, the heat supply has been electrified from the outset. As a result, it is now intended to convert the plant at least partially to green electricity.

To reduce our Scope 3 emissions in the upstream value chain, various projects were advanced in 2024. Especially in the area of surfactant raw materials, those raw materials based on RSPO palm oil or other biogenic sources were increasingly tested and purchased, although bio-based technologies are currently unable to establish themselves due to the economic situation and the very tense competitive situation in the textile industry, especially in Asia.

In order to improve the data situation regarding Scope 3 emissions, our main focus is currently on obtaining real supplier emission factors (primary data).

**Carbon footprint 2024**

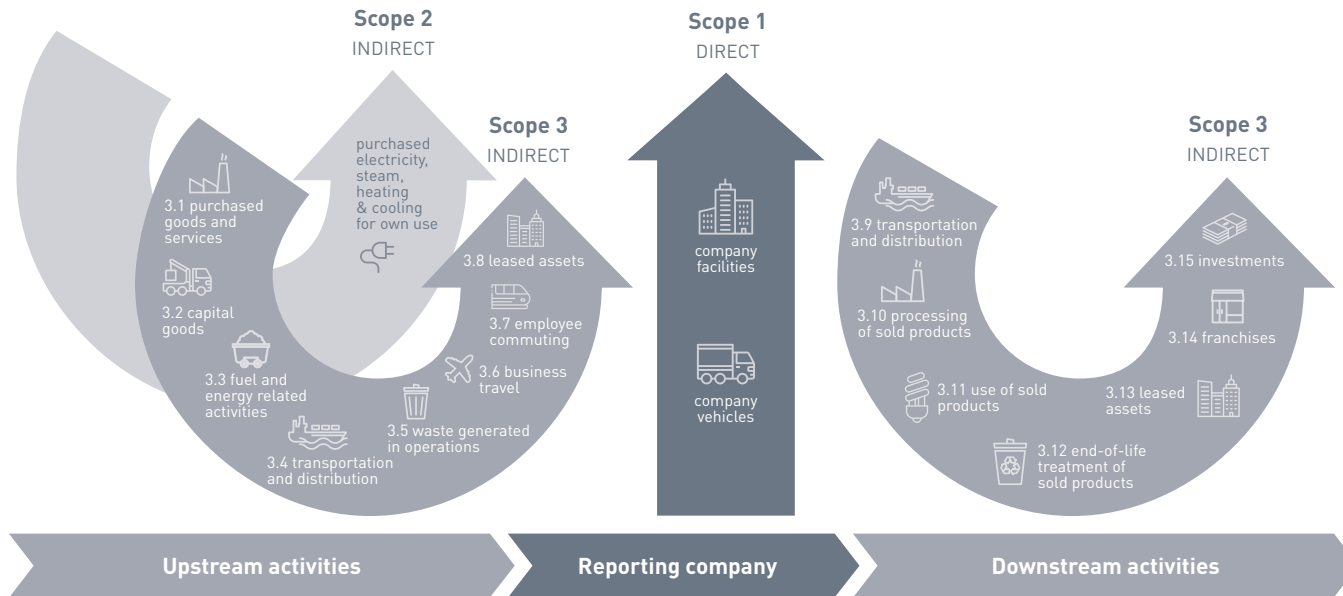
Since 2021, we have been reporting on a comprehensive carbon footprint (greenhouse gas footprint), from raw material extraction through production to product disposal. The key figure here is the corporate carbon footprint, CO<sub>2</sub>(e).

We are reporting on the CHT Group's carbon footprint for Scope 1 – 3. Scope 3 reporting includes only those Scope 3 categories that were selected as relevant for CHT in the Scope 3 materiality analysis which was conducted. The CHT Group's 2024 carbon footprint comprises all 27 companies (+ 3 vs. 2021) including all production facilities and offices.

Methodologically, the carbon footprint is based on the Greenhouse Gas Protocol Standard of the World Resources Institute (WRI), the World Business Council for Sustainable Development (WBCSD) and their sector-specific standard for the chemical industry published in 2013.

G14

**Greenhouse Gas Standard Protocol**



**Greenhouse gas emissions along the CHT value**

The accounting distinguishes between three emission areas, the so-called scopes:

- ▶ Scope 1 covers direct CO<sub>2</sub> emissions. They come from direct energy and process emissions at CHT sites. These include, for example, our own production facilities and plants for steam and heat generation
- ▶ Scope 2 refers to the indirect CO<sub>2</sub> emissions that arise from our suppliers' production of energy that we purchase at our sites
- ▶ Scope 3 includes all other CO<sub>2</sub> emissions that occur upstream or downstream along the value chain (see materiality analysis with categories selected for CHT)

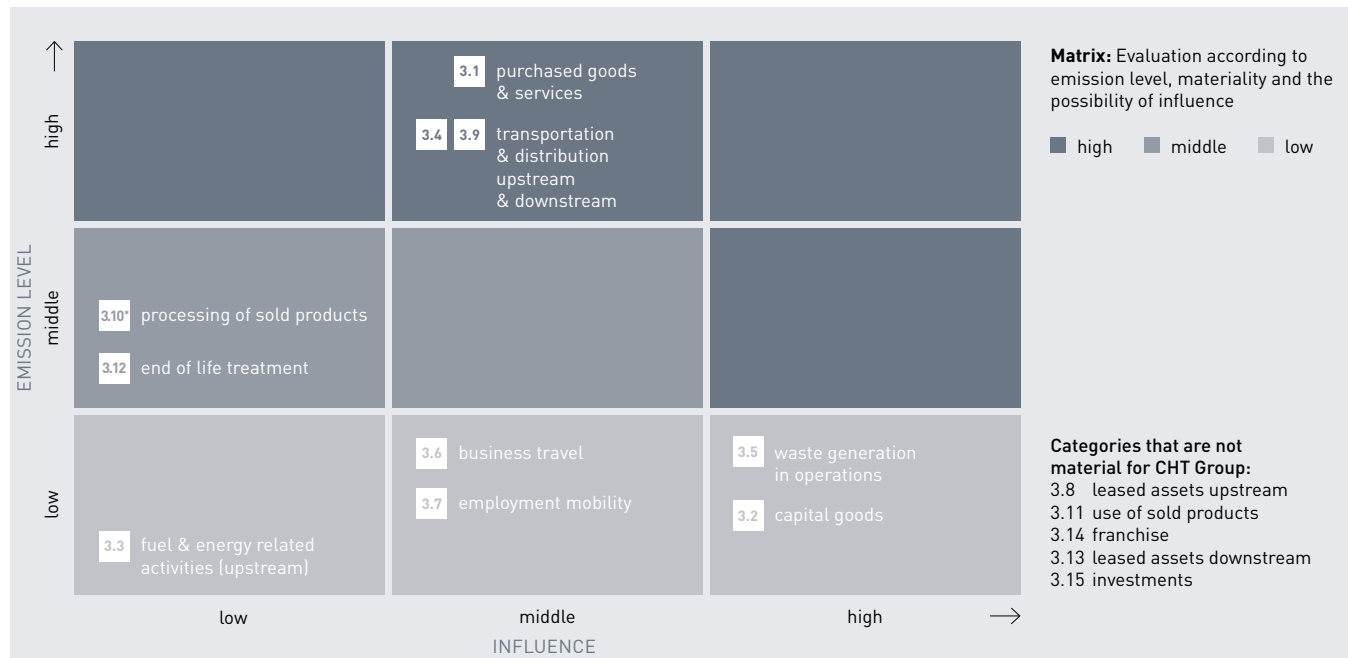
**Scope 3: Materiality analysis**

All Scope 3 categories were evaluated according to their relevance (emission level) and influenceability with regard to the activities of the CHT Group. We identified categories 3.2, 3.3, 3.5, 3.6 and 3.7 as having low emissions but with greater or lesser influenceability and therefore classified them as material. We have identified categories 3.1, 3.4 and 3.9 with high emissions as material and have given them the highest priority. In the carbon footprint assessment, we will include the indirect downstream category 3.12, which we have identified as having a medium emission level but low influenceability. According to the WBCSD Scope 3 Chemical Sector Guidance, category 3.10 "Further processing of sold products" is not accounted for; however, we have accounted

for the emissions and recorded them as emissions to be reduced in accordance with the SBTi guideline. The category 3.11 "Use of sold products" is not relevant for CHT and is not accounted for. We report on Scope 3.3 to show emissions from upstream value chains (Scope 1 + 2), even though the category has been classified as having low materiality. We have identified the remaining Scope 3 categories (3.8, 3.11, 3.13, 3.14, 3.15) as immaterial.

G15

Scope 3 materiality analysis



\* SBTi does not accept the WBCSD Scope 3 Chemical Sector Guideline for the category, but SBTi does not yet have its own Chemical Sector Guideline. CHT has therefore decided to calculate 3.10 for the SBTi and to account for it as part of the Corporate Carbon Footprint.  
 © ESRS E1-6, ESRS E1-7

1. Identification of the most relevant Scope 3 emission categories based on a defined catalog of criteria
2. Assessment of materiality in relation to emissions values and the possibility of influencing

Greenhouse gas emissions in the CHT Group (GHG Protocol Scope 1 + 2)

In accordance with the GHG Protocol Corporate Accounting Standard, we report on Scope 1 and Scope 2 emissions separately. For Scope 2 emissions, we calculate both the location-based approach and the market-based approach. Data is collected for all group companies consolidated in CHT's financial reporting.

In 2024, according to the Greenhouse Gas Protocol, taking into account Scope 1 and Scope 2 (market-based approach), our greenhouse gas emissions amounted to 15,363 tonnes of CO<sub>2</sub> equivalents (e) (2022: 13,769 tonnes). The 11 % increase in absolute emissions roughly corresponds to the increase in production volume. The increase in emissions is due to an error correction in the data situation in India and the commissioning of the new silicone production facility in the USA, which is not powered by green electricity.

© ESRS E1-6, ESRS E1-7

The 18 % reduction in Scope 1 + 2 greenhouse gas emissions from 2021 to 2024 is mainly due to the expansion of the share of green electricity and efficiency improvements in the energy generation and production processes, as well as portfolio measures.

In 2024, the CHT Group operated 26 production facilities in the EMEA, Asia and Americas regions. The total production volume in 2024 was 187,345 tonnes. Compared to 2023 (171,889 tonnes), the quantity produced increased by 9 %.

T09

**GHG accounting using the market-based approach**

| in CO <sub>2</sub> (e) (t/a)  | 2023           | 2024           |
|---|----------------|----------------|
| <b>Total emissions Scope 1 – 3</b>  | <b>456,491</b> | <b>514,925</b> |
| <b>Total emissions Scope 1 + 2</b>  | <b>14,233</b>  | <b>15,363</b>  |
| <b>Scope 1: Direct emissions</b>  | <b>9,829</b>   | <b>10,675</b>  |
| Heating oil   | 641            | 561            |
| Natural gas   | 5,893          | 6,876          |
| Diesel  | 30             | 58             |
| LNG   | 694            | 558            |
| LPG   |                | 55             |
| Biomass   | 1              | 1              |
| Company vehicles  | 2,571          | 2,566          |
| <b>Scope 2: Indirect emissions</b>  | <b>4,404</b>   | <b>4,687</b>   |
| External electricity procurement, market-related  | 3,681          | 4,470          |
| External steam procurement, market-related  | 273            | 218            |
| <b>Scope 3: Indirect emissions</b>  | <b>442,258</b> | <b>499,562</b> |
| <b>Category 1:</b> Purchase of raw materials, packaging, operating resources and services | 354,745        | 392,184        |
| <b>Category 2:</b> Capital goods  | 8,065          | 21,936         |
| <b>Category 3:</b> Energy-related activities (outside Scope 1 + 2)                        | 4,171          | 4,401          |
| <b>Category 4/9:</b> Upstream and downstream transport                                    | 35,721         | 40,156         |
| <b>Category 5:</b> Disposal & recycling   | 8,524          | 7,430          |
| <b>Category 6:</b> Business travel by employees   | 2,581          | 3,378          |
| <b>Category 7:</b> Commuting by employees   | 2,605          | 2,462          |
| <b>Category 10:</b> Use of sold products  | 4,770          | 5,107          |
| <b>Category 12:</b> Disposal & recycling  | 21,072         | 22,505         |

Scope 1 emissions of the CHT Group were collected from operational records and financial accounting data. Scope 1 emissions do not include direct emissions of volatile gases, as these emissions do not occur in CHT's production processes. An analysis of the cooling systems operated throughout the Group has shown that emissions from the refrigerants used occur to an undetectable extent due to continuous leakage checks.

Scope 1 emissions cover the entire CHT Group fleet, including trucks and forklifts; both leased and purchased vehicles were taken into account. Scope 2 emissions are determined using both the location-based method with emission factors from ecoinvent and the market-based method using location data. The carbon footprint for Scope 1 + 2 according to the location-based method resulted in emissions of 19,074 tonnes of CO<sub>2</sub>(e) for 2024. It was decided to use the carbon footprint based on the market-based approach with individual emission factors of the respective electricity supplier as the standard for the CHT Group (see table above). CHT does not use CO<sub>2</sub>(e) credits (offsetting) outside of its own value chains in its greenhouse gas accounting.

The year 2021 is set as the base year for the CHT Group's climate reporting. The data used for the accounting was collected worldwide using an internal online tool and converted into CO<sub>2</sub>(e) emissions using independent, standardized emission factors. The complete greenhouse gas accounting method was audited in 2022 by the sustainability and climate consultancy, sustainable AG. The consultancy has issued recommendations for action which have now been implemented in the group-wide accounting.

A change in the calculation standard or a recalculation of the initial carbon footprint based on subsequent climate data will only be carried out if significant structural changes such as acquisitions, divestitures or mergers take place within the framework of M&A projects.

The calculation of **Scope 3 greenhouse gas emissions** that arise upstream and downstream of our business activities in the value chain follows the Corporate Value Chain (Scope 3) Accounting and Reporting Standard according to the Greenhouse Gas Protocol and includes the use of common database values. For 2024, we have determined Scope 3 emissions of 499,562 tonnes of CO<sub>2</sub> equivalents (2023: 442,258 tonnes). Due to the increased production volume and a significant improvement in the overall data situation, Scope 3 emissions increased by 13 % compared to the previous year.

The largest contribution to Scope 3 emissions occurred in 2024 with 392,184 tonnes of CO<sub>2</sub> equivalents (2023: 345,745 tonnes) from purchased raw materials, packaging, operating materials and services. To calculate these upstream greenhouse gas emissions, we used information from external databases, such as ecoinvent. However, we were also able to calculate a large part using primary data provided to us by our suppliers.

The second largest contribution to Scope 3 emissions came from transport from the upstream and downstream value chain with 40,165 tonnes of CO<sub>2</sub> (e) (2023: 35,745 tonnes).

Waste disposal accounted for 7,430 tonnes of CO<sub>2</sub> equivalent emissions (2022: 8,622 tonnes). The value is based on CHT disposals. The reduction in waste-related greenhouse gas emissions is a result of global efforts to reduce waste generation and, above all, to make greater use of recycling and re-use.

We assess the end-of-life scenarios of our products in Scope 3.12 for the year 2024 at 22,303 tonnes of CO<sub>2</sub>(e).

CHT offers numerous products that, in their applications, make a positive contribution to reducing greenhouse gas emissions compared to conventional alternatives.

An accounting of the emissions avoided by the products has not yet been carried out, but will be discussed again as part of the development of the climate strategy.

G16

**Scope 1 – 3 emissions along the CHT value chain in 2024**

**Total carbon footprint**

Thousand tons of CO<sub>2</sub>(e)



T10

**Target achievement**

ESRS E1-4

| in thousands of tonnes of CO <sub>2</sub> (e) | Base year 2021 | 2024  | Target year 2030 | 2024 vs. 2021 in % |
|---|----------------|-------|------------------|--------------------|
| Scope 1 + 2 emissions                         | 19.1           | 15.3  | 11.1             | - 20               |
| Scope 3 emissions                             | 590.2          | 449.5 | 442.6            | - 24               |

Scope 1 – 3 emissions and targets as well as the definitions were agreed with and approved by SBTi.

**CO<sub>2</sub> footprint of our products**

In order to increase transparency regarding our product-specific greenhouse gas emissions, we began gradually calculating the CO<sub>2</sub> footprints of our sales products in 2023. These so-called Product Carbon Footprints (PCF) include all greenhouse gas emissions from the extraction of raw materials until they leave the factory gates (“cradle-to-gate”). The PCFs provide us with important information for assessing the climate impact of our products as well as information for the implementation of savings measures so that our customers can benefit from reduced CO<sub>2</sub> emissions in the value chain. The method we use to calculate PCFs corresponds to the “Together for Sustainability” TFS guideline, which was launched as an industry standard in September 2022.

The calculation of upstream Scope 3 emissions is largely based on industrial averages and values from commercial databases, which we will gradually replace with primary data from our suppliers.

In 2023, we expanded our portfolio with the first footprint-reduced product alternatives to the existing range. To this end, we use partially or entirely renewable, waste-based or recycled raw materials.

In 2024, the manual calculation approach was continued and some digital LCA calculation tools available on the market were screened.

In November 2024, a contract was signed with AllocNow to implement the LCA calculation tool and implementation began within the German company CHT Germany GmbH.

**Determination of emissions for relevant Scope 3 categories**

ESRS E1-6

**Category 3.1**

The calculation of the CO<sub>2</sub> footprint for Scope 3.1 is based on all raw materials, merchandise and packaging purchased in 2024 by all CHT companies and sites worldwide. Since 2024, all purchased raw materials which include supplier identification, sales, volume and category have been maintained and accessible regionally and location-specifically in SAP. This approach took into account 100 % of the raw materials, packaging and commercial products purchased worldwide. To determine the emission factors, all raw materials and commercial products were divided into material classes. A regional allocation of raw materials is now possible and can be taken into account when selecting emission factors.

The emission factors originate as primary data from the supplier or from the ecoinvent database.

Indirectly purchased goods such as services were not included in the 2024 carbon footprint because their CO<sub>2</sub> footprint can be assumed to be irrelevant.

For packaging material, the data in SAP was supplemented using activity data from the CHT companies. Emissions were calculated using a quantity-based process that was compared with ecoinvent's emission factors. In addition, primary data from suppliers could also be used, if available.

**Category 3.2**

The CO<sub>2</sub> footprint of capital goods is calculated based on the consolidated financial statements.

The values for fixed assets, land, technical equipment and machinery as well as other assets were taken from the annual development of the Group's assets. Category-specific emission factors from ecoinvent were used.

**Category 3.3 (outside Scope 1 + 2)**

GHG emissions from the upstream value chain of solid, liquid and gaseous energy sources used in the CHT processes during the reporting year were determined as the product of the energy quantities and appropriate, region-specific emission factors from the ecoinvent database. Global energy data was obtained from the internal data retrieval tool Neptune. The representation of upstream emissions for externally sourced energy quantities of steam, heat and electricity was based on assumptions or supplier information regarding the energy mix and the associated site-based emission factors.

**Categories 3.4 and 3.9**

The CHT companies and production sites have recorded the total raw material purchases with tonnage per means of transport and kilometers (ton kilometers). If the data was not available from the shipping documents or the logistics company's documents, the distance in kilometers had to be estimated using an internet search.

The procedure was carried out synonymously for the delivered goods.

For raw materials and finished goods, all transport events were recorded, regardless of who bore the transport costs.

When recording transport events which took place by ship, the following error may have occurred during data entry: For deliveries within the CHT Group, only the delivery to the port of the national company could be taken into account in the delivery documents and not the delivery from the port to the production site. An attempt was made to minimize this error by verifying the data with the respective data collectors.

**Category 3.5**

Emissions from the disposal of production waste can be calculated based on data collected worldwide for sustainability reporting – volume per disposal type.

The emission factors for each type of landfill were obtained from the ecoinvent database. The CHT Group does not have its own waste incineration plants, which is why all emissions are recorded in Category 5.

**Category 3.6**

CO<sub>2</sub> emissions caused by business travel were recorded worldwide based on actual travel distances using different means of transport in different booking classes. Emissions were calculated using standard emission values provided by travel agencies or car rental companies.

Journeys in company vehicles are included in Scope 1 – calculation of fuel per category and the associated emission factors by DEBEIS. The data comes from the Mobility Business Partners and/or the accounting department of the CHT Group.

**Category 3.7**

The emissions caused by employees' commuting were recorded and extrapolated as follows:

Most companies in the CHT Group have a clear overview, as the sites can only be reached by car or hired bus. Other sites conducted an employee survey to collect the data. At CHT Germany, such a company-wide survey was conducted in 2022 to minimize the calculation based on estimates and assumptions.

For all calculations, the approach takes into account 220 working days per employee.

The emission factors were used from the ecoinvent database.

**Category 3.10**

Emissions calculated from the processing of CHT products sold. The quantities and types of products sold in the reporting year were obtained from CHT's internal business data management systems. Emission factors (secondary data): not applicable. GWPs were taken over from ecoinvent.

Most CHT products do not cause high GHG emissions in customer processes: focus on processes with high energy consumption in the industries served by CHT, based on the specific application know-how of CHT's technical experts.

**Category 3.12**

Greenhouse gas emissions from the disposal of all CHT products manufactured in the reporting year (except for products that were already disposed of during their processing phase and are therefore assigned to Category 10) were calculated under the assumption that these products are either disposed of in landfill, incinerated or recycled at the end of their life cycle. It was assumed that the products would be used and disposed of in the countries to which CHT sold them. The amount of greenhouse gas emissions was calculated based on the global scope using the disposal methods already mentioned. The calculation is based on the products sold in the reporting year, which are obtained from internal business data.

## 5.3 Energy

### Strategy and management

A stable energy supply is necessary for our production processes for the manufacture of chemical products to operate reliably. We source energy in the form of electricity, oil, natural gas, liquefied petroleum gas (LPG), wood pellets and local heat. It is used both for the operation of our production facilities and for heating our company buildings. In the long term, we would like to switch the worldwide energy supply to renewable energy sources. We also see energy savings through new technologies and efficient processes as an important measure to counteract climate change. In recent years, we have successfully implemented various energy-saving measures worldwide and continuously improved our energy efficiency. Our energy management system increases energy efficiency at our sites continuously and in the long term, which is why we have set ourselves the goal of operating all sites with a certified energy management system as part of our 2025 strategy.

As part of our commitment to sustainability, we intend to increase our energy efficiency at all CHT sites worldwide in the long term.

ESRS 2 SBM-3

In 2024, all German production sites (Dußlingen, Kirchberg, Oyten and Geretsried), Istanbul (Turkey), Lahore (Pakistan), Navi Mumbai (India), Sesto Ulteriano (Italy) and Bridgwater (UK) had certified energy management systems according to ISO 50001. At the Montlingen site in Switzerland, energy efficiency is certified according to a national standard. This means we have coverage of 40 % of all production sites. The 2025 target will not be achieved, so the goal will be carried forward to the new 2030 strategy.

### Goals

- ▶ Reduction of specific energy consumption by 10 % between 2020 and 2025 (base value is 2019)
- ▶ Conversion of externally sourced electricity to 100 % green electricity by 2030
- ▶ Testing of self-generated electricity using PV for CHT sites

### Measures

CHT relies on long-term green electricity contracts with various local energy suppliers. In countries where energy suppliers do not offer green electricity or where the offers are not economical, we are considering investing in our own photovoltaic systems or renting out our roof space to photovoltaic companies and purchasing the green electricity from these energy producers through long-term power purchase agreements (PPAs). In the area of thermal energy, the importance of biomethane or heat procurement based on biomass as a replacement for fossil fuels such as natural gas and heating oil is growing, especially in Europe.

In addition, we are implementing numerous measures to increase energy efficiency at our sites worldwide.

### Progress 2024

In the reporting year 2024, the production sites in Brazil, Cajamar and Piracaja were completely converted to green electricity. This step will also take place from 2025 with a PPA contract at the Chinese site in Shanghai. There, the roof areas of CHT Shanghai were leased to a photovoltaic power provider, from whom the site will receive green electricity starting in 2025 after the system is installed.

New photovoltaic systems were commissioned at our sites in Cheshire (UK) and Torreón (Mexico) in 2024, and the investment in a new PV system at our site in Dußlingen (Germany) was approved.

### Energy report 2024

The CHT Group's global energy consumption (net electricity and steam demand) amounted to 65,713 MWh in 2024. In direct comparison with 2023, absolute energy consumption increased by 8 %. Total energy consumption includes the primary energy requirement for the company's own steam generation plants and heating systems, which is mostly covered by fossil fuels. In addition, there is the secondary energy consumption, which includes the net electricity and steam purchases.

A higher production volume compared to the previous year and the commissioning of a new production facility in the USA, where steam generation is already carried out using electricity and heat exchangers, have essentially offset the results of the actively implemented energy-saving measures. In addition, changes in the production mix have led to increasing vertical integration and resulting longer occupancy times of reaction vessels compared to the initial situation in 2019.

These changes in the product mix and aggregate mix are evaluated separately and analyzed by internal teams with regard to their optimization potential.

T11

**Energy consumption and energy mix**

ESRS E1-5

|  |               |
|--|---------------|
| in MWh   | <b>2024</b>   |
| Oil  | 1,966         |
| Natural gas  | 33,932        |
| LNG  | 2,730         |
| Purchase of electricity from fossil fuels            | 5,057         |
| Purchase of steam from fossil fuels                  | 1,727         |
| <b>Total energy from fossil fuels</b>                | <b>45,412</b> |
| <b>Purchase of electricity from nuclear power</b>    | <b>2,571</b>  |
| Purchase of electricity from renewable sources       | 14,593        |
| Purchase of steam from biomass                       | 1,889         |
| Biomass for steam generation                         | 52            |
| Self-generated electricity from PV                   | 544           |
| <b>Total renewable energy</b>                        | <b>17,078</b> |
| <b>Total energy consumption</b>                      | <b>65,061</b> |
| of which proportion of energy from fossil fuels in % | 70 %          |
| of which proportion of nuclear energy in %           | 4 %           |
| of which proportion of renewable energy in %         | 26 %          |
| Sales in million EUR                                 | 614           |
| Energy intensity in MWh / million EUR                | 105.96        |
| Specific energy consumption in MWh / tonne           | 0.351         |

The specific energy consumption per tonne of production volume remains unchanged in 2024 compared to 2019. This means we are well behind our target of reducing specific energy consumption by 10 % between 2019 and 2025.

For our own heat and steam generation, we mainly use natural gas (88 %), LNG (7 %) and heating oil (5 %).

An important component in reducing our greenhouse gas emissions is the gradual transition of our energy supply from fossil sources to renewable sources.

In 2024, 26 % (vs. 28 % in 2023) of the total energy demand was covered from renewable energy sources.

At the site in Oyten (Germany), two combined heat and power plants are operated with biogas by an external operator. The heat generated by the CHP plant is used to heat all buildings on site, a heat chamber, production processes and raw material storage tanks. In 2024, heat consumption amounted to 1,889 MWh (54 % of the heat energy used at the site). Due to a supply shortage, the site had to increasingly return to heating oil as an energy source in 2024.

The Tübingen site received a district heating output of 1,722 MWh in 2024.

The CHT Group sources its electricity worldwide from external power supply contracts, less the electricity generated by photovoltaic systems at its plants. In some cases, the respective supplier provides proof of the green electricity source. In 2024, 66 % of electricity across the CHT Group was covered from renewable energy sources. This represents an increase of 56 % compared to 2019.

In transforming the power supply, we are not only pursuing the approach of purchasing more green electricity on the market, but are also producing electricity in our own photovoltaic systems.

In 2024, CHT's own photovoltaic systems supplied the following shares of local electricity demand: Switzerland 11 %, Austria 44 %, Pakistan 34 %, Australia 33 %, Dußlingen 4 %, South Africa 68 % and Mexico: installation of the plant.

## 5.4 Responsible use of water

### Strategy and management

ESRS E3-1

We use water in a variety of ways: as a rinsing and cleaning medium in our operations, as a raw material in products, as a heat transfer medium in cooling processes, or for steam generation.

Water is an essential product component, as water-based processing auxiliaries are a focus of CHT's business. For these reasons, the sufficient availability of water in production plays a crucial role for CHT. Water scarcity, especially in water-stressed areas, represents a potential risk. For this reason, CHT 2025 will implement a process for regularly analyzing short-, medium- and long-term water risks at all production sites. When it comes to improving water use, we focus on our own operations, but also look at the upstream and downstream value chains.

As an analysis and prioritization tool, we use the Water Risk Filter developed by WWF, which allows for a comprehensive consideration of physical risks (e.g. water scarcity, flooding) as well as regulatory (e.g. local regulations, infrastructure) and reputational risks (e.g. media coverage, water conflicts). Both the general risk in the respective water catchment area ("basin risk") and the site-specific use risk ("operational risk") are considered – including future scenarios up to 2030 and 2050.

Our goal is to establish structured water risk management. This comprises:

- ▶ The annual analysis of the basin risk for all CHT sites
- ▶ The categorization and prioritization of sites according to risk and water demand
- ▶ An in-depth operational risk analysis for prioritized high-risk sites

Our goal is to derive targeted and effective measures for sustainable water management by analyzing the various risk drivers which can be used to categorize and prioritize the sites.

CHT uses water as sparingly and efficiently as possible. We are also working to further reduce our emissions into water. To conserve water resources, we focus on the use of water cycles in our own operations. We work on optimizing processes and ensuring water recycling wherever possible. Wastewater treatment plants are used to improve water quality. We rely on modern technologies for water treatment and re-use. We ensure that our discharged wastewater complies with legal requirements for the preservation and protection of the aquatic environment.

Investing in rainwater collection and utilization systems is another measure to minimize dependence on fresh water supplies.

In addition, we have long been developing products and processes that contribute to better water use in the downstream value chain for our customers.

#### Commitment in the value chain

We offer our customers products and process solutions that enable them to save water and, above all, to reduce the amount of contaminated wastewater in their production processes, such as textile dyeing.

When dyeing cotton with the 4SUCCESS process (with VARIO BLEACH 3E, SARABID MIP / SPIDER, COTOBLANC SEL and BEZAKTIV GO), up to 30 % of water and wastewater can be saved or reduced.

PIGMENTURA by CHT is a pigment-based continuous dyeing process that can reduce up to 96 % of the water used in the standard dyeing process.

### Goal

ESRS E3-3

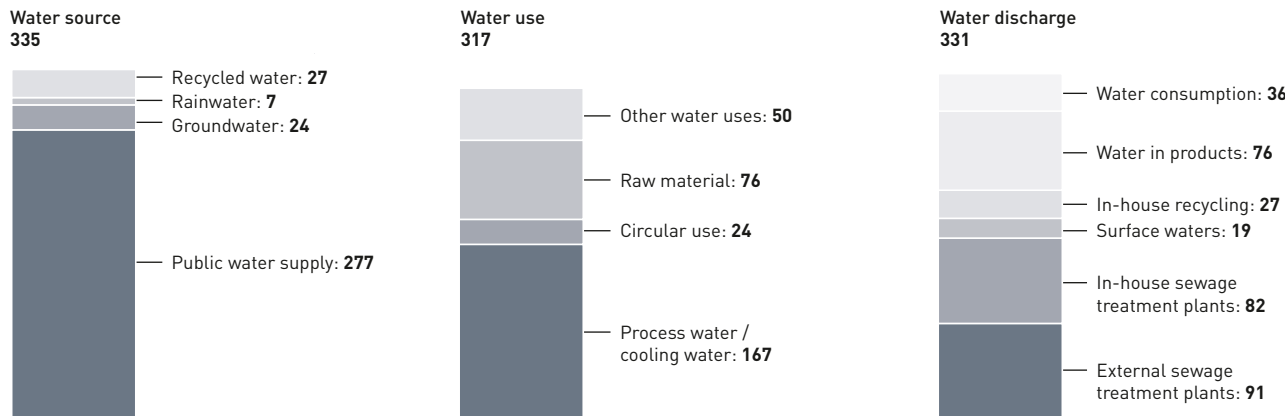
Since our water consumption, the amount of wastewater generated and the associated emissions into the water can have an impact on the environment, we have set ourselves the goal of reducing water use and the resulting amount of wastewater to a minimum. We also strive to comply with legal requirements to ensure wastewater quality and to further reduce the amount of harmful contaminants it contains. To reduce water use, we have defined locally suitable, consumption-relevant measures for our sites in our environmental program. Examples of this include closed water cycles and optimization of production processes. As part of our "Strategy 2025," we have set ourselves the goal of reducing specific water use by 10 % by 2025 compared to the base year 2019.

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**Key figures 2024**

**Water balance of the CHT Group\***

in thousands of m<sup>3</sup> / year



\* Values in the graph are rounded; water consumption is the difference between water source and water discharge

**Water balance**

In 2024, the absolute water purchase of the entire group was 308,410 m<sup>3</sup>. Compared to 2023, this is an increase of 8 %. The absolute water purchase includes 75,906 m<sup>3</sup> of water that was used as a raw material. Since 2021, specific water use has been assessed without raw material water.

If we evaluate the specific water use, which represents our specific water use as a key figure, in relation to the production volume, 14 % less water (180 l/tonne) was consumed in 2024 than in 2019 and 4.3 % less (50 l/tonne) than in the previous year.

The reduction in specific water use compared to 2019 is evidence that successful water saving measures have been implemented

worldwide, e.g. improved monitoring of water flows, elimination of leaks, investments in water-saving boiler cleaning and container washing systems, as well as investments in closed-loop cooling systems and consistent recycling of rinse water.

The CHT Group's water consumption in 2024 was 36,147 m<sup>3</sup>. Water consumption is essentially based on evaporation and the water used to irrigate the green spaces at our sites. Our water discharge data also includes the water contained in our products. In 2024, the total was 75,906 m<sup>3</sup>, an increase of 12.1 % compared to 2023 and in line with the increase in production volume and changes in the product mix.

A key component of our water management is a complete and comprehensive overview of data, as well as the continuous analysis and implementation of improvement measures, such as rainwater harvesting, re-use of treated wastewater, and investments in closed-loop systems.

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**Water balance**

ESRS E3-4

| in thousands of m <sup>3</sup>                          | 2024         |
|---|--------------|
| <b>Water purchase</b>                                   |              |
| Public water supply                                     | 277          |
| Groundwater   | 24           |
| Rainwater   | 7            |
| <b>Total water intake</b>                               | <b>308</b>   |
| <b>Water discharge</b>                                  |              |
| External sewage treatment plants                        | - 91         |
| Internal sewage treatment plants                        | - 82         |
| Surface waters  | - 19         |
| in products   | - 76         |
| <b>Total water discharge</b>                            | <b>- 268</b> |
| <b>Water consumption</b>                                | <b>36</b>    |
| Volume of recovered and re-used water (water recycling) | 27           |
| Sales in million EUR                                    | 614          |
| Water intensity in m <sup>3</sup> / million EUR         | 502          |

**Water discharges**

The CHT Group complies with all applicable regulatory and legal requirements regarding wastewater quality worldwide. Both internal audits and local authorities regularly check whether the analyses and safety precautions at our sites comply with internal regulations and legal requirements.

The total water withdrawal of 308,000 m<sup>3</sup> (vs. 285,000 m<sup>3</sup> in 2023) was compared to 268,000 m<sup>3</sup> of water discharges (including water in products) in the reporting year. Water use – defined as the difference between water purchase and discharge – is mainly determined by evaporation and drying losses.

15 of our 26 production sites worldwide have their own water treatment or sewage treatment plant.

The wastewater with a total volume of 82,000 m<sup>3</sup> was pre-treated and delivered to municipal and public sewage treatment plants (81 %) and 8 % was discharged directly into a body of water. Around 10 % of the wastewater remains in local recycling on site and 1 % of the wastewater is disposed of as waste and reported in the waste statistics.

T13

**Status of the 2025 water target**

Reduction of specific water use by 10 % compared to 2019

| in m <sup>3</sup> / tonne | Base year<br>2019 | 2024  | Target year<br>2025 | 2024 vs. 2019<br>in % |
|---------------------------|-------------------|-------|---------------------|-----------------------|
| Water use                 | 1,292             | 1,112 | 1,163               | - 14                  |

Already in the production process, it is important for us to keep the wastewater volume and pollutant load as low as possible and to re-use wastewater and material flows internally wherever possible. When treating our wastewater, we rely on centralized measures in the sewage treatment plants as well as partial pre-treatment of wastewater. To avoid unforeseen emissions and pollution of surface water and groundwater, water protection measures are in place at the production sites.

The data for the CHT water balances are mainly based on measurement data, evaluations of billing systems, supplier invoices and special reports to authorities. The data undergoes an intensive validation process annually through input-output balancing.

## 5.5 Circular economy

### Strategy and management

For CHT, the circular economy is inextricably linked to the fundamental transformation of the economy. Circular Economy is a systems-oriented approach that encompasses all industrial processes and economic activities along an entire value chain. The approach aims to decouple economic performance and raw material consumption and is necessary for the transformation to climate neutrality. Waste must be viewed as secondary raw materials. The value of products, materials and raw materials must be maintained for as long as possible. This means that, after the use phase, raw materials must be returned to the cycle where possible, and products must be designed in such a way that they can be recycled or do not interfere with recycling.

Better use of resources is of great importance to the CHT Group, as it is to all chemical companies. The circular economy is gaining importance in view of the limitations of our planet. Raw material scarcity, like water scarcity, is a material risk for the CHT Group.

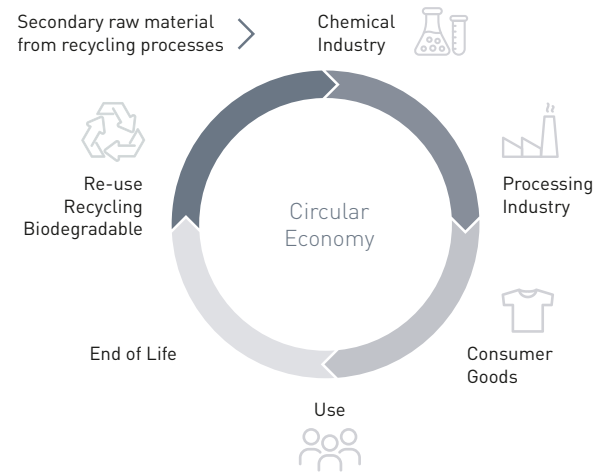
With our raw material diversification activities, we are ensuring increased security of supply in the future and preparing to reduce dependence on fossil and other non-circular resources.

As a specialty chemicals company, the CHT Group and CHT products are part of various value chains. We have in-depth knowledge, experience and know-how in downstream industrial processes. This also opens up new business opportunities through the circular economy.

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### Circular economy

ESRS 2 SBM-3, ESRS E5



Circular economy considers the entire life cycle of products. The CHT Group supports all business activities, technologies and innovations that contribute to accelerating ecologically and economically viable measures toward a circular economy for us or our customers.

As a specialty chemicals company, the CHT Group is typically located at the center of various value chains, which means that our role in the circular economy is limited and we must work together with our partners in the value chain on the further development of technologies as well as raw materials.

Only then can we further develop our products so that they do not interfere with end-of-life treatments, especially recycling. In addition to our own efforts, the key drivers for the circular economy are the increasing regulatory obligation and the voluntary commitment of our customers who are committed to sustainable transformation. For us, cooperation with partners along the value chain is an important building block for contributing to the success of sustainable transformation and, in this case, to a circular economy.

One challenge on the path to a circular economy remains the currently limited availability of economically viable circular raw materials, including renewable or bio-based, recycled and CO<sub>2</sub>-based raw materials. CHT currently uses recycled silicone raw materials in addition to bio-based raw materials. Bio-based raw materials used in CHT products include native thickeners and waxes, sugar derivatives, natural fats and oils, and their derivatives. In the procurement of raw materials, renewable raw materials are among the goods that must be considered with particular care with regard to security of supply, ecology, but also social conditions.

As a manufacturer of specialty silicones, the CHT Group now sources and supplies some of the recycled silicone raw materials used itself. Common silicone raw materials contain silicone cycles from the previous processes – called D4, D5 and D6 for short. These are largely removed from these raw materials by distillation. The resulting distillate is then not disposed of as waste, but is used as a raw material in CHT's silicone synthesis. In 2024, around 103 tonnes of raw materials were extracted in this way, thus avoiding waste.

ESRS 2 SBM-3

**Goals of the circular economy in the CHT Group**

ESRS E5-3

- ▶ The aim is to strengthen CHT’s activities within the framework of the circular economy and thus further support sales development
- ▶ Achieving sales of EUR 10 million with PET recycling customers
- ▶ Reduction of the specific production waste quantity by 10 % based on the production quantity by 2025 vs. 2019

**Measures of the CHT Group**

- ▶ Use of bio-based raw materials
- ▶ Use of recycled raw materials
- ▶ Development of products that are biodegradable or do not interfere with subsequent recycling
- ▶ Achievement of a Cradle to Cradle (C2C) Material Health Certificate for selected textile auxiliaries and textile dyes
- ▶ Increase in the re-use rate of plastic packaging through the installation of container washing systems at CHT production sites or through service contracts with external providers

**Commitment in the value chain**

We offer our customers products based on raw materials that have been at least partially recycled at our sites in Oyten and Cassopolis.

**TUBINGAL RISE**

With TUBINGAL RISE, CHT has successfully launched the first textile softener based on recycled silicones and emulsifiers from renewable raw materials. The silicone oil used consists of used silicone materials that have been converted into recycled silicone oil through a complex processing and purification process. The hydrophilic silicone softener can be applied to all textiles and ensures a particularly soft core. Used on recycled fibers, the textile is completely recyclable after use.

**CHT-BeauSil Re-AMO**

As an additive for the care products industry, silicones in hair care ensure good combability, shine and softness. With CHT-BeauSil Re-AMO, a common silicone raw material was not only modified using natural sugar variants, but is also made of over 90 % recycled silicone raw materials.

**Waste management**

Preventing waste from being created in the first place is of great importance to CHT. Therefore, employees are regularly trained in waste management and ways of avoiding it. Unavoidable waste is recycled wherever possible. All non-recyclable waste is disposed of properly. When disposing of waste, the legal regulations and local requirements of the respective country are observed.

We are advancing our waste management with a variety of measures so that it ultimately supports the goals set within the framework of the circular economy and climate protection. This includes:

- ▶ Increasing resource efficiency through continuous optimization of production processes
- ▶ Measuring and reporting waste generation in our operations in line with the 2025 target
- ▶ Reduction, re-use and recycling of the packaging used for our products

The total amount of waste across the entire group in 2024 was 8,040 tonnes (2023: 7,642 tonnes). A comparison with 2023 shows that the total amount of our waste has increased by 5 %. Production volume grew by 11 % over the same period.

50 % of waste was recycled in 2024: through cleaning, recovery or material recycling. In the course of the circular economy, re-use is becoming an important factor that can be realized in the chemical industry, particularly in packaging materials.

The share of hazardous waste was 47.6 % of total waste in 2024. The total amount of hazardous waste decreased by 4.5 % compared to 2023. Hazardous waste is usually incinerated or handed over to special waste disposal companies for recycling.

ESRS E5-5

T14

**Waste target status**

Reduction of the specific production waste quantity by 10 % based on the production quantity by 2025 vs. 2019.

| in kg / tonne | Base year 2019 | 2024 | Target year 2025 | 2024 vs. 2019 in % |
|---------------|----------------|------|------------------|--------------------|
| Water use     | 48             | 43   | 43.2             | - 10.4             |

T15

**Waste balance of the CHT Group**

ESRS E5-4, ESRS E5-5

|   | 2024            |                     |
|---|-----------------|---------------------|
| in tonnes                                       | Hazardous waste | Non-hazardous waste |
| Re-use  |                 | 875                 |
| Recycling                                       | 402             | 1,220               |
| Recovery  | 1,245           | 245                 |
| <b>Total recycled / recovered</b>               | <b>1,647</b>    | <b>2,340</b>        |
| Combustion                                      | 1,658           | 851                 |
| Landfill  | 17              | 656                 |
| Composting                                      |                 | 42                  |
| Underground storage                             | 13              | 1                   |
| Physical / chemical treatment                   | 494             | 321                 |
| <b>Total disposed</b>                           | <b>2,182</b>    | <b>1,871</b>        |
| <b>Total waste classified</b>                   | <b>3,829</b>    | <b>4,211</b>        |
| <b>Total waste*</b>                             | <b>8,040</b>    |                     |
| <b>Total recycled / recovered waste</b>         | <b>3,987</b>    |                     |
| <b>Proportion of recycled / recovered waste</b> | <b>50 %</b>     |                     |

\* Consideration only of waste in the gate-to-gate process with external treatment

## 5.6 Ecosystems and biodiversity

### Strategy and management

We are aware that our business may entail opportunities and risks related to biodiversity. However, in the double materiality analysis conducted in 2024, we concluded that, due to our position in the value chain and our measures at our sites to preserve biodiversity, there is only a potential risk of biodiversity loss from our business activities. We will reassess the topic of biodiversity annually based on its impact to determine whether to add it to the material topics.

We are aware that declining biodiversity could adversely impact the CHT Group's business activities and could therefore delay the achievement of our 2045 net zero target.

In 2024, we conducted a risk analysis of our business model as part of the "double materiality analysis", examining not only climate, water, biodiversity, and chemical safety, but also long-term, physical and transitory risks.

The biodiversity-supporting goals of CHT, such as combating climate change, water conservation, circular economy and waste reduction, are described in the relevant chapters.

We pay attention to sensitive ecosystems and protected areas in the area affected by our facilities. As a chemical company, we use valuable resources such as water, air and soil. At the same time, our business activities impact nature through emissions into the environment or the purchase of renewable raw materials.

When managing our sites and facilities, we aim to preserve biodiversity by minimizing negative impacts on the environment. In this way, we keep emissions from our production facilities into the air, water and soil as low as possible and have set ourselves a target for waste reduction.

To better understand the state of biodiversity at our global sites, we conducted and evaluated a status quo survey on biodiversity within the company in 2023/2024. The results of this survey show that the proportion of green space is > 30 % and that 7 of our 26 production sites are located in or near protected areas. Emissions are avoided for sites located in a protected area.

In addition, as part of a sustainability project in 2023, a catalogue of measures to increase biodiversity at CHT sites was developed and distributed company-wide. This has already led to the implementation of the first measures at various sites.

### Protected areas

At our site in Piracaia, Brazil, which is located in a water protection area, we therefore only manufacture products that have no negative impact on the water quality in the surrounding area and whose production is permitted there. The water from the production area as well as the sanitary water is completely cleaned, treated and returned to the water cycle of the production plant or the sanitary area. The CHT Group also practices this at other sites, such as Pakistan and India, primarily to support national "zero discharge" efforts.

T16

### CHT sites near biodiversity-sensitive areas

| Location   | Country     | Area [ha] | Type of area                | Name of the area       |
|------------|-------------|-----------|-----------------------------|------------------------|
| Dußlingen  | Germany     | 80        | Natura 2000                 | Alpine foothills       |
|            |             |           | Landscape conservation area | Rammert                |
| Geretsried | Germany     | 1         | Nature reserve              | Wolfsratshäuser Forst  |
| Montlingen | Switzerland | 34        | Nature reserve              | Bannriet               |
| Meiningen  | Austria     | 10        | Nature reserve              | Matschels              |
| Piracaia   | Brazil      | 53        | Nature reserve              | Apa Sistema Cantareira |
| Cajamar    | Brazil      | 31        | Nature reserve              | Apa Cajamar            |
| Esenyurt   | Türkiye     | 19        | Nature reserve              | Büyükçekmece/Athyras   |

## 5.7 Product stewardship

### Strategy, goal and management

📄 ESRS E2 IRO-1, SBM-1

Product stewardship is an approach that considers the entire life cycle of a product; a product-centric approach. For us as the CHT Group, product stewardship means responsible management of our products with regard to human safety and the reduction of environmental risks throughout the entire product life cycle. In this context, we are aware of our responsibility to subject our products to the highest possible safety standards, not only within the EU, where our headquarters are located, but also to make the same demands and make the same efforts on a global level. The same requirements for our product stewardship policy apply to all of our 27 companies worldwide.

Compliance with chemicals and product legislation is a prerequisite for CHT Product Stewardship. As the CHT Group, we therefore feel obliged to comply with national and international regulatory requirements and internationally recognized standards for our chemicals and products. However, our goal regarding product responsibility is to go beyond all legal requirements and to minimize product risks to people and the environment in accordance with the Responsible Care program<sup>1</sup>.

Responsible Care is an international, voluntary initiative of the chemical industry worldwide that requires companies to improve health, safety and environmental performance beyond compliance with legal and regulatory requirements.

To meet this challenge, the CHT Group has implemented effective and digital processes for the systematic identification and assessment of hazards and made them binding worldwide. Together with our internal product classification criteria, we can minimize potential risks in the product life cycle before we develop a new product or sell a product to our customers. As part of our sustainability analysis of our businesses and the requirements of our customers and markets, we regularly examine aspects of product stewardship along the value chain. The criteria we evaluate clearly relate to critical substances and existing regulations. In addition, we also consider sustainability ambitions along the value chain, which can become significant for chemical safety and product stewardship before they become new regulations. Phase outs and Techno Best classified products only contribute a small share to global sales. We aim to keep the share of sales from phase out products permanently below 3 %. This is achieved both through the continuous replacement of hazardous substances in our products and through the development of alternative solutions.

📄 ESRS E2, ESRS E2-3

To secure and further develop our sustainable portfolio, we continuously evaluate our raw materials and suppliers worldwide. We replace hazardous substances or apply alternative solutions to hazardous substances to ensure that risk assessment is an integral part of our strategy for the development, manufacture, distribution and use of products.

The assessment of our raw material and product portfolio with regard to **substances of concern (SoC)** and **substances of very high concern (SVHC)** is a matter of course for us and an essential part of our internal product classification. According to CHT's internal assessment, products classified as SVHC can no longer become a sustainable chemical solution. In these cases, it is

only a matter of risk assessment within the framework of our product responsibility. In cases where chemicals are subject to new regulatory assessment or when new information or data is disclosed that leads to a more stringent classification, we look for alternatives or substitutions for the CHT Group's portfolio.

In addition, appropriate information and guidance on the safe use of substances of concern and substances of very high concern, some of which are still present in our products, are communicated throughout the supply chain, both internally and with our downstream users via **Safety Data Sheets (SDS)**, in order to increase awareness of the need for greater attention. We investigate chemicals and groups of chemicals, carefully and in detail, for which there are currently no immediate regulatory measures, but which are suspected of being hazardous to human health and the environment. Therefore, the CHT Group has made great efforts and invested in various resources over the past 10 years with the aim of reducing the use of **per- and polyfluoroalkyl substances (PFAS)** in products and replacing them with other chemicals that are less harmful to human health and the environment, while maintaining excellent product effectiveness.

### Digital processes

📄 ESRS E2-2, E2-4

We are establishing a unique software within the CHT Group that will allow individual companies to manage their data in a central database. This gives our companies a unified view of accurate and harmonized data in real time on a global level. It enables us to better manage our processes, work more productively and efficiently, and significantly reduce the number of data errors. We believe that by implementing CHT standards and rules, we will benefit from a central database to help us achieve our sustainability goals more quickly.

<sup>1</sup> Responsible Care is a registered trademark of ICCA. [www.responsiblecare.org](http://www.responsiblecare.org)

In addition, we have developed processes (sustainability classification of all products, worldwide in SAP) and implemented appropriate IT tools (**Global Innovation Management Platform**) to integrate our research and development within the CHT Group in order to develop new and sustainable products that are less harmful to people and the environment. For this purpose, suitable workflows for the detection and evaluation of new chemical substances and products within the CHT portfolio were established.

All systems and processes implemented within the CHT Group are in line with the relevant regulatory requirements and obligations set out in REACH, CLP/GHS and other regulations, and are linked to the criteria defined within the ESRS and our internal sustainability policy. All these activities demonstrate our product responsibility strategy within the entire CHT Group.

**Regulatory Affairs**

Regulatory Affairs are involved in product development from the very beginning. This includes all phases of study design, data evaluation, regulatory submissions, post-approval of the manufacturing process, and ensuring safe use after the registration process. Regulatory Affairs coordinate the activities of various departments involved in projects relevant to regulatory registration, evaluation and approval.

**Measures REACH registrations and compliance**

ESRS E2-2, E2-3

Regulation (EC) No. 1907/2006 concerning the **Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH)** requires the registration of all – with a few exceptions – individual chemical substances manufactured and/or imported within the EU Community under this regulation and ensures the “safe use” of chemicals for humans and the environment. Safety is applied by describing realistic **exposure scenarios (ES)** and developing appropriate **risk assessments (RA)** to avoid harmful effects of hazardous chemicals.

CHT regularly evaluates the quality of REACH-registered dossiers and **chemical safety assessments (CSA)**. If necessary, they will be

updated in important cases and new data will be disclosed. In this context, we are in constant and close contact with our suppliers to obtain relevant new data about our raw materials. Following the evaluation, we regularly share updated information on new applications, potential hazard properties, and safe handling of the application with the entire supply chain network. For this purpose, we use various regulatory and non-regulatory documents such as safety data sheets, product information sheets, technical data sheets etc. to appropriately address our relevant stakeholders internally and externally. We believe that proper communication along the supply chain is key to ensuring the safe use of chemicals and products within the framework of our product responsibility policy.

**PFAS and microplastics**

ESRS E2-5, E2-7

We continuously evaluate our CHT portfolio with regard to **per- and polyfluoroalkyl substance (PFAS)** and **synthetic polymeric microplastics (SPM)**, better known as primary microplastics, which may be present in raw materials we purchase worldwide.

The current restriction proposal for PFAS as a group of chemicals is very broad and may therefore affect a very large number of chemicals with properties that are important for relevant applications, without a suitable replacement currently being available. For example, fluoropolymers as a group of polymers also fall under the current general definition of PFAS. Although most fluoropolymers are not classified as toxic to human health or the environment, they may be restricted or banned and disappear from the EU market. This would affect sensitive applications for which there is currently no substitute, such as batteries, semiconductors, renewable energies, plant engineering, but also protective clothing for firefighters and chemical workers, for example. For years, CHT has voluntarily committed itself to limiting the use of PFAS chemicals and to refraining from using them wherever technically feasible. In 2017, the CHT Group voluntarily declared that it would cease manufacturing PFAS-containing products for home textiles and apparel, as portfolio adjustment is our precautionary approach and our strategy within the framework of product responsibility.

The CHT Group strives not only to minimize the use of primary microplastics in the CHT polymer portfolio, but also to avoid them by replacing them accordingly. Synthetic polymer microplastics (SPM) are very small solid polymers that are not water-soluble and would remain in nature if they were released into the environment. In order to regulate and prevent the release of microplastics into the environment, Commission Regulation (EU) 2023/2055 on primary microplastics was implemented in Europe in 2023.

By using the CHT **Global Innovation Management Platform** software, we have established a process to replace primary microplastics with other polymer products that are less hazardous to the environment, if this is also technically feasible for our industrial applications, although industrial use is exempt from the restriction provision because emission to the environment is controlled.

In this way, we want to achieve the ethical goal we have defined for the entire CHT Group for People and Planet.

**“REACH-like” regulations**

ESRS E2-2, E2-3

Other regions and countries outside the EU have implemented or are in the process of implementing chemicals regulations that are largely similar to the European REACH Regulation, so the term “REACH-like” regulation should emphasize this high ratio between EU and non-EU chemicals regulations. Apart from the USA, with its specific **Toxic Substances Control Act (TSCA)**, which is now stricter than in the past, the implementation of “REACH-like” regulations is in the preparatory phase in Ukraine, Türkiye, the United Kingdom, South Korea, etc.; these are expected to come into force from 2026 onwards.

The CHT Group ensures that the relevant chemical regulations are complied with worldwide. Therefore, we carefully monitor the personal development of our regulatory departments in all relevant CHT member companies to ensure a high level of regulatory expertise of our Regulatory Affairs teams. It is our ethical understanding to properly promote the development of our employees.

**Requirements for classification and labeling**

ESRS E2-2, E2-5

The **Globally Harmonized System (GHS)** is a system developed by the United Nations to standardize the classification and labeling of chemicals worldwide. The GHS document, the “Purple Book,” is regularly updated and contains a definition of the physical, health and environmental hazards of chemicals and describes classification criteria. It also harmonizes the format of chemical labels and safety data sheets (SDS). Because implementation of the GHS rules is voluntary at the global level, countries have introduced different versions of the GHS at different times. In accordance with the product responsibility of the CHT Group, we maintain all different GHS versions in our database so that CHT companies worldwide are well informed about new GHS developments and align with the correct GHS version in their regions, thus ensuring compliance with the classification and labeling elements of CHT chemicals and products worldwide.

Regulation (EC) No. 1272/2008 on the **Classification, Labeling and Packaging of Substances and Mixtures (CLP)** came into force in Europe on January 20, 2009. The CLP Regulation is in line with the United Nations Globally Harmonized System (GHS). In addition to the assessment of classification, labeling and SDS creation and communication of hazardous chemicals/products along the supply chain, the CLP Regulation requires European suppliers to report the classification and labeling elements of hazardous substances to the European Chemicals Agency (ECHA) within one month of placing the substance on the European market (C&L notification), according to Art. 40 of this Regulation.

In addition, European suppliers are required to submit relevant data on hazardous mixtures/products based on their health and physical hazards to the ECHA in accordance with Article 45 before placing these products on the European market. The EU Poison Centre Notification (PCN) procedure ensures that, in the event of an incident procedure, doctors have access to all relevant reported data in order to properly treat poisoned individuals.

To ensure compliance with all regulatory obligations under the CLP Regulation, the CHT Group has embedded and continuously

maintained the necessary data for line materials and products in IT systems and tools and developed digital processes to fulfill the reporting obligations accordingly.

**Ecolabels and sustainability standards**

Comprehensive and well-established product responsibility is an important prerequisite for the successful certification of sales products according to sustainability standards, as required by various customer industries, such as the textile industry, paper industry, and laundries. There are > 1,000 such standards worldwide. The following are of great importance to the CHT Group: GOTS, bluesign®, ZDHC, Cradle to Cradle, Inditex, Eu, Ecolabel, Blue Angel.

We strive to increase the coverage of certified products in our portfolio. The certification of our products according to internationally recognized sustainability standards reinforces the responsibility we assume for the products we manufacture worldwide. It is an expression of our product responsibility, with which we aim to avoid negative impacts on the health and safety of workers or consumers as well as on the environment throughout the entire product life cycle.

The CHT Group has collaboration agreements with several renowned sustainability standards, we are a ZDHC system partner and global bluesign® system partner and have a business collaboration with Inditex. In this context, we have committed ourselves to regular audits worldwide in order to meet the requirements of these sustainability labels.

In 2024, 39.8 % of all products with a sales volume of > EUR 1,000 across all four business fields were certified according to at least one established standard. Due to different regional (APAC, EMEA, Americas) and customer preferences, many products are certified by two or even more sustainability standards.

T17

**Coverage of the product range with sustainability labels 2023 and 2024**

|   | 2023  | 2024  |
|---|-------|-------|
| bluesign®*  | 1,668 | 1,632 |
| Inditex*  | 1,611 | 1,438 |
| ZDHC Gateway (MRSL 2.0 & 3.1 in 2023 / MRSL 3.1 in 2024)* | 2,461 | 2,033 |
| GOTS (GOTS 6.0 & 7.0 in 2023 / GOTS 7.0 in 2024)          | 873   | 976   |
| C2C   | 206   | 223   |

\* Portfolio adjustments have led to fewer certified products

**Further activities in the area of product stewardship**

ESRS E2-2, E2-3

As the CHT Group, we live up to our global responsibility and therefore proactively monitor processes and decisions made within the framework of the Stockholm, Rotterdam and Basel Conventions and implement the results accordingly.

Effective product responsibility not only involves CHT Group employees, but also requires us to work closely with suppliers, customers and other stakeholders in the supply chain to ensure everyone understands how to handle our products safely.

Our customers benefit from our product information within the framework of CHT product responsibility. We provide safety data sheets and technical data sheets in many languages for our chemical products, including non-hazardous products; they are available on the CHT website. We regularly prepare and update Product Regulatory Information (PRI) documents for our products, including additional regulatory information about the product and its compositions, to better understand the safety, health and environmental issues related to materials and uses that are frequently shared with our customers. We ensure that our advice to our customers is accurate and up-to-date by continuously reviewing our records. We have established a global emergency telephone number and process that is available to our customers according to their languages and needs.

We are constantly developing products that are safer and more environmentally friendly and proactively offer these products to our customers as replacements for products containing hazardous substances.

We are reorganizing our dangerous goods processes and areas with the aim of improving the level of information for all relevant stakeholders. At the same time, we are increasing the “safety” for our employees in all production facilities according to our internal occupational health and safety regulations in order to be able to control risks much more effectively.

We manage our packaging materials to ensure that new packaging continues to contain recycled materials, and we take back packaging materials from our customers for re-use wherever possible. Packages containing dangerous goods are always clearly and properly labeled.

All CHT product and packaging labels comply with international and local regulatory requirements.

We are developing a process to evaluate our suppliers. Supplier evaluation enables us to select and bring into the CHT supply chain only raw materials and products that are safely packaged and transported to us and comply with all relevant European and global laws.

We are in regular contact with our key suppliers to ensure that they understand the importance and relevance of reducing the CO<sub>2</sub> footprint of raw materials.

**Progress in 2024**

We are continually expanding our product responsibility, which encompasses a broad spectrum of activities. A brief summary of the CHT Group’s activities and development regarding CHT product responsibility can be found below:

T18

**SVHC disclosure**

| in SVHC/kg                    | 2024      |
|-------------------------------|-----------|
| Purchased raw materials       | 1,156,044 |
| Purchased merchandise         | 24,851    |
| Products sold                 | 33,390    |
| Disposed of or recycled waste | 90,051    |

We assessed the CHT portfolio according to EU Regulation 2023/2055 amending Annex XVII to the REACH Regulation with regard to synthetic polymer microplastics (SPM).

Four REACH-registered dossiers were updated based on new data and available regulatory information to improve the quality of the registered dossiers.

Approximately 36,115 safety data sheets (SDS) were updated in 2024 to display new and updated hazardous information on certain chemical substances. Nearly 20,538 SDSs were updated and published within the Europe region, and 15,577 SDSs were updated according to the GHS Regulation for regions outside Europe.

# 06

## Social information



2.500

employees work worldwide  
in the CHT Group in 2024



34 %

of all employees are women



77 %

of all employees took part  
in the ONE VOICE survey  
in 2024

## 6. Social information

### 6.1 Attractiveness as an employer and employee satisfaction

#### Strategy and management

Our qualified and motivated employees contribute significantly to the success of the CHT Group. We want to continue to attract and retain talented individuals for our company and support them in their further development. To this end, we strive to create a working environment based on mutual trust and respect, as well as motivation and commitment. **“Many people with strong characters”**

The CHT Group has continuously developed over the past few years, entering new markets and expanding its product portfolio. Therefore, our need for highly qualified and well-trained employees is increasing in order to be able to meet the challenges of the future.

Employees are also the most important stakeholders of a company. The CHT Group offers potential applicants not only interesting areas of responsibility, but also attractive working conditions and opportunities for personal development. As part of our human resources management, we motivate our employees to show initiative and take on responsibility. Through group-wide HR management, CHT can not only meet its personnel needs worldwide in a targeted manner, but also offer young talents the opportunity to develop and grow in an international environment at an early stage. A comprehensive package of social benefits, initial and in-service training measures, and continuous employee development are among the building blocks of our targeted HR policy worldwide.

As part of a comprehensive and future-oriented sustainability strategy, the Human Resources & Corporate Development department plays a central role within the CHT Group. As a link between strategic corporate goals and operational employee management, HR makes a significant contribution to implementing and realizing social sustainability goals within the company.

For the CHT Group, sustainable human resources management means creating long-term employment prospects, promoting equal opportunities, practicing a values-based leadership culture, and maintaining and strengthening the employability of our workforce.

Future-oriented human resources management helps promote stable employment relationships, retain employees long-term, and create a working environment that offers diversity, participation, and development opportunities. Sustainability in human resources also means creating working conditions that are fair to all generations, providing training opportunities, and raising awareness among managers about responsible behavior.

In addition, the Human Resources & Corporate Development department sees itself as an active driver of the transformation, which is gaining increasing momentum due to demographic change, changing working environments and the growing demand for skilled workers.

In this context, innovative approaches to staff recruitment, development and retention are developed and implemented. Strengthening employer attractiveness and promoting a sustainable corporate culture are also key areas of action.

Our global HR organization consists of the Global HR Business Partners as well as the HR Processes, Systems and Services and Global Learning, Culture and Leadership departments. The HR functions work together across the organization to fulfill global control functions. The HR Business Partners coordinate the regional employer function, remuneration, employee recruitment and exchange with employee representatives. HR Processes, Systems and Services is responsible for the digital tools and the implementation of globally standardized processes. Global Learning, Culture and Leadership manages the development and retention of employees and managers as well as the entire range of learning and training courses of the CHT Group.

The Global Head of HR and Cultural Development reports to the CEO of the Group.

We can only achieve the CHT Group's growth targets through the successful recruitment and retention of skilled workers. The increasing shortage of skilled workers in some countries may result in vacancies.

Given the increasingly challenging labor market situation, the professional design of recruitment and retention processes plays a central role. In recent years, the CHT Group has begun to modernize its approaches to recruiting skilled workers and to specifically align them with the expectations and needs of potential applicant groups. The focus is not only on CHT's visibility as an employer, but also on dialog with relevant target groups and the active external positioning of the company's values.

As part of this strategic development, various projects were initiated to increase the impact and efficiency of recruitment measures. For example, the aCHTung project, a locally focused personnel marketing initiative, was launched at the Oyten site with the aim of increasing the perception of the location as an attractive employer. Through targeted communication measures and stronger integration into the regional environment, qualified applicant groups are to be addressed and acquired.

At the national level, CHT Germany initiated the Recruiting 2.0 project, a structured process to optimize its recruitment approach. Within this project, a new recruitment strategy was developed, internal processes were streamlined, and the approach to candidates was revised.

The aim was to increase the visibility of the CHT Group as an employer, to use suitable communication channels more specifically and to make application processes more efficient and transparent. This project is an example of CHT's ambition to position itself flexibly in a dynamic environment and to continue to successfully attract qualified employees through innovative approaches.

We want to avoid a high turnover rate among newly hired employees, as this can lead to increased costs and a reduction in the attractiveness of the employer. Employee satisfaction is a key success factor and is therefore continuously measured. Lack of satisfaction can lead to lower productivity and increased sick days/absences. To avoid this, we offer our employees not only competitive remuneration but also individual development opportunities, comprehensive health protection, and offers to help

them balance their work and private lives. Motivated and satisfied employees support the company culture and thus become ambassadors to customers, applicants and their own colleagues.

📍 ESRS 2 SBM-3, ESRS S1-4

In a rapidly changing world, continuous training and strategic leadership are crucial to a company's success and employee satisfaction. CHT relies on a modern learning culture and a future-oriented leadership style.

Our goal is the targeted development of all employees and the creation of optimal working conditions so that everyone can give their best and identify with the company. Learning, leadership and personal development are key success factors for a positive corporate culture.

The skills and competencies of our employees are of utmost importance for sustainable growth and long-term success. We therefore promote self-directed learning and offer a wide range of measures and tools for individual employee development and further training.

**Measures and progress 2024**

**New recruitment processes**

The shortage of skilled workers represents an increasingly relevant risk for the CHT Group. Unfilled positions not only lead to operational bottlenecks, but also impact innovation, responsiveness and team structures. In order to counteract this development at an early stage, initial strategic measures were taken in the 2024 reporting period to better identify and utilize existing human resources potential within the organization. For the first time, open positions were advertised across locations and within the Group in order to promote mobility within the Group and open up new development opportunities for employees. At the same time, internal succession planning was more structured and integrated into human resources processes. The aim is to identify key positions at an early stage, to recognize potential successors and to develop them further in a targeted manner. These steps serve to sustainably close personnel gaps and at the same time

strengthen employee loyalty through transparent and plannable career prospects.

**Increasing retention of newly hired employees**

Early departures not only cause costs, but also affect the stability of teams and the efficiency of the entire recruitment process. Against this background, the onboarding process within the CHT Group is currently being revised in order to support the onboarding of new employees in a structured and targeted manner. Particular attention is paid to integrating new colleagues into the company as quickly as possible through clear responsibilities, transparent communication and early involvement in work processes.

Feedback sessions during the first few months and close support from management and HR should help to identify and address potential uncertainties at an early stage. The aim is to increase employee loyalty during the critical entry phase and to build a sustainable employment relationship.

**Talent management and leadership development**

📍 ESRS S1-4

As part of our efforts to retain staff and secure the next generation of talent, we would like to offer our high-performing employees with career interests further qualification opportunities. For this purpose, our global employee development program GROW was launched in 2023. GROW not only allows participants to grow personally and professionally, but also expands the global CHT network and promotes lively exchange. GROW has a unique program architecture that enables a diverse and sustainable learning experience. Participants not only receive input and fresh momentum from the area of career and personal development, but also deepen self-selected learning content in small groups. By working together, skills such as self-organization, collaboration and communication are experienced through direct application. To complement the learning experience, regular feedback loops and the implementation of what has been learned into everyday work are an integral part of the program.

A new round of the program started in 2024. The previous group accompanied the new group as mentors, creating a large network with 42 employees. The participants come from 12 CHT countries with different professional positions and thus formed a diverse group that was enriched by their different perspectives and experiences.

A transfer phase was added to the program in the middle to ensure sustainable learning success and allow time for reflection. As a team, GROW participants focus on their learning goals for 16 months, working on them in small, virtually organized learning groups.

**Leadership development**

The performance of companies, employees and teams depends significantly on good leadership. It is not only crucial for achieving corporate goals, but also contributes significantly to employee satisfaction.

With this in mind, we have developed the CHT Leadership Guidelines, which encompass three dimensions: Lead Myself, Lead My Team and Lead Within The Organization. These guidelines promote continuous learning, collaboration, focus and results orientation.

In 2023, we launched the global leadership development program LEAD. This three-year program focuses annually on three of the nine Leadership Guidelines. The aim is to integrate a common understanding of the guidelines into everyday working life worldwide. The LEAD program supports managers in this and offers the opportunity for exchange and joint learning.

In 2024, the focus was on the guidelines Choose personal integrity, Take care of your people and Anticipate Change. These were addressed, discussed and put into practice in a combination of training, workshops and networking events. The face-to-face meetings are followed by an active phase in which the managers apply what they have learned. They form tandems, work on leadership challenges together and advise each other. In addition, short virtual learning units on specific leadership topics that fit the guidelines are held regularly. Additional learning materials and new ideas are provided on a common SharePoint.

Our stated goal is to further expand our offerings for managers and develop a modular learning system to provide appropriate offerings for the guidelines depending on the management level and leadership experience, and to further strengthen the management network across all levels.

**Employee survey and feedback culture**

Our employees are at the heart of our corporate culture. We are convinced that continuous dialog with them is crucial to creating a trusting, value-oriented and sustainable working environment. By taking feedback seriously and shaping the work culture together with our teams, we not only strengthen employee loyalty and satisfaction, but also trust in our company.

In 2024, we comprehensively modernized our global employee survey, ONE Voice. Integration into the existing Workday system makes participation intuitive, familiar and user-friendly. The survey was rolled out worldwide and covers key topics such as commitment, health & well-being, transformation & change, and diversity & inclusion. The participation rate was 77 % of the 2,500 employees worldwide with an average score of 7.7/10.

The survey results were made available on individual dashboards and via corporate communications on the internal company network, thus ensuring maximum transparency. A particular focus was on the follow-up process: Based on the results, targeted measures were developed and implemented – differentiated between the CHT Group as a whole, sites and individual teams. The exchange formats initiated as part of the follow-up promote dialog on an equal footing. This holistic approach strengthens our corporate culture and demonstrates: We listen – and we act together.

Our goal is to conduct shorter surveys more frequently in the future – so-called pulse checks – in order to be even closer to the pulse and mood of our employees. This allows us to respond more quickly to feedback and ensure that we continuously work on employee satisfaction. Because: Satisfied employees make us better, more agile and more productive as a company.

ESRS S1-5

In the CHT DIALOG, the annual discussion between management and employees, a status assessment is carried out and the evaluation of personal performance and further development opportunities are discussed. The development offering is diverse and ranges from workplace support to customized personnel development programs.

**Performance-related remuneration and social benefits**

“Performance must be worthwhile”: CHT sees this motto as the basis for fair remuneration for its employees worldwide. Remuneration is determined based on global principles that reflect position, market and performance. Our remuneration generally consists of a salary with fixed and variable components as well as additional benefits.

Our employees are protected by social benefits against loss of income in the event of major life events such as illness, unemployment, work-related accidents, disability, maternity and retirement.

Additional benefits often go beyond legal obligations and, for example, in many countries include a company pension scheme or additional health insurance (100 % coverage, as all other employees are covered by statutory health insurance).

We are committed to the UN Global Compact’s goal of paying employees a living wage that enables them and their families to earn a decent living.

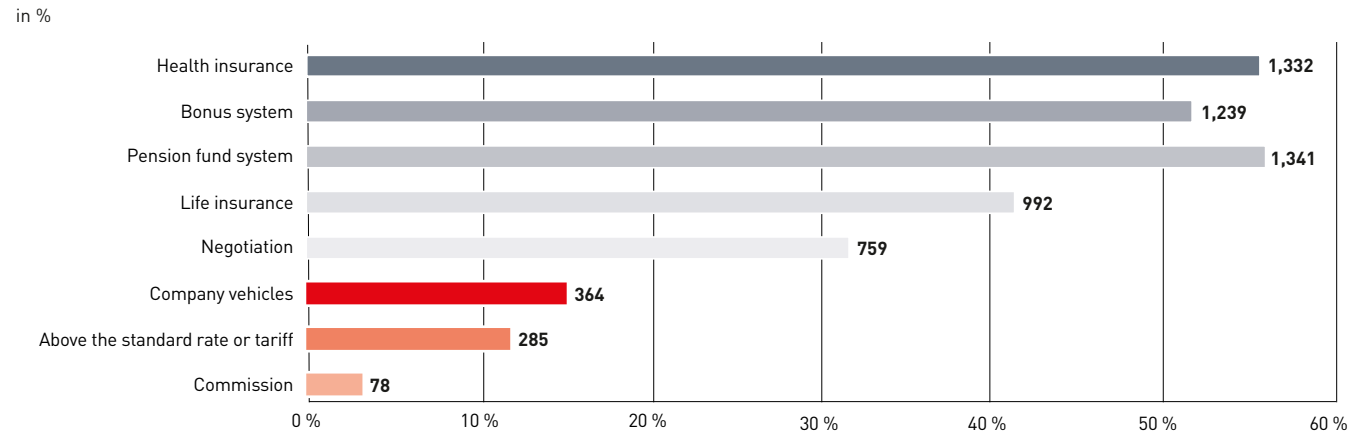
The introduction and maintenance of living wages has a positive impact on several dimensions of sustainability:

- ▶ **Economic:** Higher employee motivation and retention lead to increased efficiency, lower turnover and long-term competitiveness
- ▶ **Social:** Fair wages strengthen trust in the company, reduce social inequalities and promote the well-being of employees
- ▶ **Ecological:** A stable and healthy workforce is better able to participate in sustainable initiatives and actively support environmental goals

Healthy and economically secure employees can actively participate in their communities and thus contribute to stable, resilient communities – a crucial factor for sustainable business success.

G19

**CHT employees who were entitled to payment and fringe benefits in 2024**



In 2024, the CHT Group conducted its first company-wide wage review based on a benchmark from the Global Living Wage Coalition (GLWC). This benchmark provides a uniform and transparent basis for assessing the cost of living and fair wages. The result: 95.12 % of all CHT Group employees receive an income above the defined living wage.

After evaluating the results regarding the countries and positions in which a deviation from the living wage was identified, it will be determined on an individual basis how the existing gaps can be closed by 2030.

To ensure this standard is maintained on an ongoing basis, CHT will conduct an annual review of wages in relation to current living costs and industry trends.

🌱 **ESRS S1-4, S1-10**

**Trusting cooperation with employee representatives**

The trusting cooperation between employer and employee representatives is an important success factor for the CHT Group. This cooperation takes place in compliance with the legal framework and operational conditions in the countries concerned. In Germany, for example, the Works Council Constitution Act regulates participation rights. The employee representation in Germany represents both tariff and non-tariff employees at the site level and through the general works council. There is no committee of representatives for senior management within the CHT Group.

All important operational changes are discussed with the works council committees in a timely manner. In the CHT Group, the good cooperation is also based on the fact that, in addition to the legally required co-determination, the employee representation is integrated into the corporate development processes. In the case of reorganizations and restructurings, the goal is to jointly find socially acceptable solutions for employees.

In many countries where CHT employs staff, there are comparable legal regulations regarding consultation and negotiation with employee representatives.

The CHT Group does not restrict employees' right to freedom of assembly or their right to collective bargaining. We grant this to our employees at all sites worldwide.

In Germany, 100 % of employees are represented by employee representatives. This quota has yet to be collected for the group.

At our global sites and companies, around 50 % of employees are covered by performance- and success-based incentive systems. Once a year, a dialogue discussion about development takes place with all employees worldwide, which also offers the opportunity for personal feedback. In 2024, the compliance rate was around 88 %.

🌐 ESRS S1-2, ESRS S1-5, ESRS S1-8, ESRS S1-11

**Well informed**

The CHT Global News Portal provides all employees with easy access to all information about the Group, in a modern and targeted manner. The dashboard can be designed interactively with surveys and video messages and is linked to all digital applications and work environments.

**Working hours models and work-life balance**

A good balance between work and private life ensures high levels of employee commitment at work in the long term. We see it as our task to create the appropriate framework for our employees that enables them to achieve a healthy balance between work, family and leisure time. Therefore, at some CHT Group sites, there are various work-life balance offerings, ranging from support with childcare to sports and leisure activities to health promotion and social counseling.

Of 2,545 employees, 92 % are employed full-time and 8 % part-time. Of the 873 female employees, 79 % work full-time and of the 1,672 male employees, 98.5 % work full-time.

Across the Group, we limit our employees' weekly working hours to 48 hours, unless shorter working hours already apply. The vast majority of our employees benefit from an annual leave policy that is better than the legal requirements of the respective country. In the USA, due to the lack of legal requirements, the regulations are based on regional customs.

In Germany, all 933 employees – including all male employees – have a legal right to parental leave. The CHT Group offers this option at all other sites worldwide. During the course of 2024, a total of 111 employees made use of this opportunity. The proportion of men worldwide was 21 % and that of women 45 %. In the reporting year 2024, 88 employees returned from parental leave.

**Basic and continuing vocational training**

Our basic and continuing vocational training activities include the training of young professionals as well as the continuing training of all employees.

In 2024, the CHT Group trained 108 young people (56 % in CHT Germany GmbH) in recognized apprenticeships as well as in training-related and cooperative study programs.

CHT has a global learning strategy, the key elements of which include:

- ▶ Learning and personal development as success factors for a positive corporate culture
- ▶ Globally uniform continuing training and personnel development solutions with digital self-learning content
- ▶ Internal and external qualification and further training measures: Based on targeted measures, we promote technical, methodological and social skills
- ▶ Measures to promote collaboration and team development
- ▶ Increase in the acceptance of digital self-directed learning

In 2024, the CHT Group invested EUR 660,000 in continuing training measures. Around 69 % of all employees worldwide participated in continuing training measures in 2024.

T19

**CHT Group**

|  | 2024         |
|--|--------------|
| Number of training hours                 | 58,404 hours |
| Average training hours per participant   | 33 hours     |
| Total investment in training and courses | EUR 660,000  |
| Average investment per participant       | EUR 375      |

To promote all talents in a targeted and individualized manner, we offer a wide range of measures and instruments for employee development and continuing training.

**Digital learning formats**

With our digital offerings, we enable our employees to develop independently within the company, regardless of whether they are at the workplace, working from home, or traveling. The program includes self-study modules on personality development and methodological skills as well as guided exchange formats. In 2024, the offering was expanded to include new formats such as self-tests, assessments, and short eLearning boosts with exercises.

In this way, qualification in specialist topics, in the further development of employees or in the implementation of legal requirements can also be ensured.

A particular concern is to continue to promote learning in groups and to maintain social contacts.

The central learning platform of the global HCM system Workday provides an overview of the highly sought-after virtual offerings to which every employee of the CHT Group has access.

In the future, we intend to further promote the use of digital learning opportunities and offer learning paths in so-called blended formats. CHT is convinced that the combination of new media with face-to-face formats enables tailored and individualized learning paths.

**Key figures**

The following employee figures are headcounts and are taken from the global Workday information system as of December 31, 2024.

ESRS S1-6

Employees by contract status: Around 93 % of our employees worldwide have permanent contracts. Of the fixed-term contracts, 70 % are training contracts.

**T21**

**Employees by country / region**

ESRS S1-6

|                           | Total        | Women       | Men         |
|---------------------------|--------------|-------------|-------------|
| Germany                   | 914          | 36 %        | 64 %        |
| Europe*                   | 534          | 38 %        | 62 %        |
| USA                       | 151          | 30 %        | 70 %        |
| Central and South America | 410          | 37 %        | 63 %        |
| Africa                    | 54           | 27 %        | 73 %        |
| Asia                      | 468          | 21 %        | 79 %        |
| Australia                 | 14           | 29 %        | 71 %        |
| <b>Total</b>              | <b>2,545</b> | <b>34 %</b> | <b>66 %</b> |

\* Europe without Germany, including Türkiye

**T20**

**Employees by region, contract status and full-time / part-time**

ESRS S1-6

|                              | EMEA*        | Americas   | APAC       | Total CHT Group | Men          | Women      |
|------------------------------|--------------|------------|------------|-----------------|--------------|------------|
| <b>Contract status</b>       |              |            |            |                 |              |            |
| Permanent employees          | 1,404        | 527        | 445        | 2,376           | 1,586        | 790        |
| Temporary employees          | 20           | 1          | 40         | 61              | 34           | 27         |
| Apprentices / trainees       | 81           | 24         | 3          | 108             | 52           | 56         |
| <b>Total</b>                 | <b>1,505</b> | <b>552</b> | <b>488</b> | <b>2,545</b>    | <b>1,672</b> | <b>873</b> |
| <b>Full-time / Part-time</b> |              |            |            |                 |              |            |
| Part-time employees          | 199          | 0          | 3          | 202             | 23           | 179        |
| Full-time employees          | 1,225        | 528        | 482        | 2,235           | 1,597        | 638        |
| Apprentices / trainees       | 81           | 24         | 3          | 108             | 52           | 56         |
| <b>Total</b>                 | <b>1,505</b> | <b>552</b> | <b>488</b> | <b>2,545</b>    | <b>1,672</b> | <b>873</b> |

\* Europe, Middle East, Africa

**T22**

**Fluctuation and affiliation with the CHT Group**

ESRS S1-6

|   | 2023 | 2024 |
|---|------|------|
| Fluctuation in %                                    | 12.6 | 9.9  |
| Average length of service in the CHT Group in years | 10.3 | 10.5 |

**T23**

**Employee turnover by region, gender and age**

ESRS S1-6

| By region                          | Fluctuation rate in % | Number of departures |
|------------------------------------|-----------------------|----------------------|
| EMEA                               | 8.4                   | 127                  |
| Americas                           | 16.5                  | 91                   |
| APAG                               | 7                     | 35                   |
| <b>By gender</b>                   |                       |                      |
| Women                              | 8.4                   | 74                   |
| Men                                | 10.7                  | 179                  |
| <b>By age</b>                      |                       |                      |
| < 25                               | 13.1                  | 34                   |
| 25 bis 39                          | 12.2                  | 109                  |
| 40 bis 55                          | 7.2                   | 64                   |
| > 55                               | 9.1                   | 46                   |
| <b>CHT Group</b>                   | 9.9                   | 253                  |
| of which resignations by employees | 6.2                   | 157                  |

## 6.2 Diversity and equal opportunities

The CHT Group is represented in numerous markets and strives to create a diverse working environment worldwide. For us, diversity is more than a social or political obligation. We see mutual respect, trust and appreciation as the key to economic success. Promoting and valuing diversity across all levels of the hierarchy is an integral part of our corporate culture. Increased cases of discrimination can have a negative impact on corporate culture. That is why we clearly position ourselves against any kind of discrimination within the company and in the value chains. Diversity and equal opportunities have a positive impact on employee recruitment and retention worldwide. The employment and inclusion of people with disabilities are part of our living diversity.

Our diversity strategy is anchored in our corporate strategy and our values. We expect our leaders to actively manage diversity in their teams. Controllable KPIs include experience, age, education, nationality and gender. In addition, we also take into account different ways of thinking and perspectives that arise from cultural, religious or sexual orientations.

ESRS 2 SBM-3

### Promoting diversity on an equal basis means:

- ▶ **Uniqueness of talents:** Recognition and appreciation of every unique talent and way of thinking
- ▶ **Gender:** Respect and equal opportunities for men, women and diverse people
- ▶ **Nationality / Culture:** Recognition of the nationality and culture of each employee
- ▶ **Age / Generation:** Appreciation and use of age and generational differences
- ▶ **English as a corporate language:** Online English courses worldwide

The implementation and monitoring of diversity goals and measures is the responsibility of the HR department, which

works globally with business partners. Workday provides a report on the relevant KPIs in the HR Diversity Dashboard. These are communicated directly to management, and within this group, measures and goals are decided upon, which are then communicated to the global companies via the regionally responsible HR business partners.

### Goals for 2025

ESRS S1-5

- ▶ The proportion of women in the company is expected to increase to 33 % in 2025 % vs. 2019
- ▶ Proportion of women in management (all management levels) of 30 % by 2025
- ▶ Intercultural mix in management (all management levels) of 35 % by 2025
- ▶ Proportion of newly appointed women of 35 % by 2025

The CHT Group has set itself goals that often exceed legal requirements, particularly in areas where we want to improve.

### Measures

Diversity also refers to the demographic situation in our company. This varies regionally within the CHT group. Our goal is to maintain the employability of our employees throughout all phases of life and to secure skilled workers for the long term. Our strategic approaches to retaining employees long-term, ensuring equal opportunities for men and women, and developing individual strengths are as follows:

- ▶ **Intergenerational** development opportunities and teams
- ▶ **Flexible working hours models:** Over 170 models across the CHT Group
- ▶ **Continuing training:** Individual opportunities for all employees
- ▶ **Health management:** Sports programs and company doctor at many sites
- ▶ **Succession planning:** Five-year planning for key positions
- ▶ **Age development:** Scenarios every five to ten years

As a growing international company, we see diversity as a strength and a key pillar of our long-term success. Cultural diversity is

deeply embedded in our DNA and shapes the way we collaborate, innovate and grow together. That's why we actively promote and support intercultural exchange at all levels of our company through language courses, intercultural awareness training course, global exchange programs, and an ever-expanding international corporate structure.

### Actively promoting equal opportunities

A further milestone on the path to greater transparency and fairness is the introduction of a uniform grading system, which began in 2024. It enables an objective evaluation of positions and thus creates the basis for greater comparability and fairness within the company. In the future, we will develop career paths for management, expert and sales roles based on this structure in order to specifically promote individual development opportunities.

We see the introduction of our global grading system as an opportunity to sustainably improve employee recruitment and retention. Through transparent, uniform and comparable evaluation of roles worldwide, we create the basis for greater fairness and equal opportunities. This makes it easier to attract diverse talent and ensures that development and remuneration decisions are made regardless of gender, age or origin. In the long term, we are strengthening our attractiveness as an employer and promoting an inclusive, committed corporate culture.

We actively raise awareness of diversity and equal opportunities through our Group-wide media, regular dialog formats, and our global training program.

**Progress and key figures 2024**

We promote cross-generational collaboration in our teams.

For years, we have had stable age distributions, although it is becoming increasingly difficult to find young talent in some regions. But filling skilled positions is also becoming increasingly difficult, so we are trying to partially close these gaps within our own organization through international mobility opportunities.

T24

**Age structure of the CHT group**

ESRS S1-6

|          | Number |       | Proportion in % |      |
|----------|--------|-------|-----------------|------|
|          | 2023   | 2024  | 2023            | 2024 |
| < 25     | 175    | 170   | 7               | 7    |
| 25 to 39 | 850    | 858   | 34              | 33   |
| 40 to 55 | 1,004  | 1,010 | 40              | 39   |
| > 55     | 475    | 507   | 19              | 21   |

Our goal is to increase the proportion of women in the company at all levels. In 2024, the proportion of women in the company was 34 %, thus the target set for 2025 was already achieved. Of the new employees appointed in 2024, 35 % were women.

We also promote diversity in management positions. Women and men have fundamentally identical application and career opportunities with us and receive equal access to training courses and continuing training.

Our stated goal is to further increase the proportion of women in our management levels. In 2024, we set a milestone with the appointment of the first female CEO at the highest level, which led to a female quota of > 60 % in our management team at the beginning of 2025 with the appointment of a woman to the global COO management board.

T25

**Diversity goal: Proportion of women in management**

ESRS S1-9

|   | Base year<br>2019 | 2023       | 2024       | Goal for<br>2025 |
|---|-------------------|------------|------------|------------------|
| Senior management*                              | 3                 | 5          | 6          |                  |
| Senior management* in %                         | 13                | 17         | 18         |                  |
| Middle management**                             | 98                | 114        | 125        |                  |
| Middle management** in %                        | 33                | 31         | 31         |                  |
| <b>Total women in management positions</b>      | <b>101</b>        | <b>119</b> | <b>131</b> |                  |
| <b>Total women in management positions in %</b> | <b>26</b>         | <b>27</b>  | <b>27</b>  | <b>30</b>        |

\* Senior management: Management Board and direct reports

\*\* Middle management: Key functions in divisions, regions and service functions

In 2024, the proportion of female managers in the Group worldwide remained unchanged at 27 %. In the area of middle management, the target for 2025 would already have been achieved, but in upper management the proportion of men still strongly predominates. By 2025, the proportion of women in management positions within the CHT Group is to be increased to 30 %.

We aim to reflect the diversity and internationality of the CHT Group in our management. Currently, 60 nationalities are represented in the CHT Group. This is also reflected in management. The CHT Group has always relied on local management. Managers seconded from Germany generally only assume such functions on a transitional basis. The internationally positioned management team supports CHT's intercultural approach in strategy and market development. 70 % of managers are not German citizens.

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**Diversity goal: International management**

| Diversity mix in %         | 2019 | 2023 | 2024 |
|----------------------------|------|------|------|
| Senior management*         | 48   | 66   | 65   |
| Middle management**        | 46   | 72   | 72   |
| Total management functions | 47   | 70   | 70   |

\* Senior management: Management Board and direct reports

\*\* Middle management: Key functions in divisions, regions and service functions

### 6.3 Safety and health protection (plant and occupational safety as well as health protection and promotion)

#### Strategy and management

The safety, well-being and health of our employees are our top priority. To ensure workplace protection and safety at our sites and their surroundings, we set high standards within the CHT Group. These safety standards aim to prevent accidents with and without personal injury as well as damage to health and the environment. Occupational health and safety and plant safety apply not only to our own employees, but also to employees of external companies during working hours and while traveling to/from work.

Our integrated management systems contain binding requirements for the environment, safety, health, quality and energy for the ESHQE topics. Our goal is the continuous optimization of our processes, facilities, products and services in order to minimize the undesirable impacts of our actions on people and the environment.

Furthermore, it is our concern to prevent the release of hazardous substances into the environment by the CHT Group and to exclude damage to our production facilities or sites due to inadequate safety precautions. We take into account both internal and external influences, such as extreme weather events, manipulation or possible attacks.

We are aware that our production activities result in emissions into the environment. Therefore, it is necessary to avoid possible environmental pollution such as water or air pollution at our sites.

📍 ESRS 2 SBM-3, ESRS S1 SBM-3, ESRS E2-1, ESRS E3-1

The CHT Group fulfills its corporate control function through globally valid guidelines and processes and systems that are firmly anchored in our management systems. Safety is an integral part of all work areas at CHT and is implemented annually and worldwide for all employees through a mandatory training

program. Binding recommendations for action provide employees, contractors and temporary workers at all our international sites with reliable guidance for safety-compliant conduct in their everyday work. As part of internal audits, we evaluate the implementation of applicable requirements locally and identify potential for optimization. External audits by independent certifiers complement our internal procedures.

📍 ESRS 2 SBM-3, ESRS S1 SBM-3, ESRS E2-1, ESRS E3-1

Safety is the basic prerequisite for the operation and performance of our systems. It forms the basis for reliable and effective production, also in the future. Plant safety therefore not only contributes to occupational safety and environmental protection, but is also necessary to ensure proper operation. We apply high safety standards worldwide throughout the entire life cycle of our systems and view safety as a holistic task that must be regularly reviewed. These audits may be carried out at any time on an ad hoc basis or at a set frequency, such as ISO audits every three years. The key figure to be evaluated is the event frequency, which tracks the number of events such as substance releases, fires or explosions.

In accordance with legal requirements, CHT has established occupational safety committees at all sites to address issues of occupational safety and health protection.

These committees meet at least once a quarter and are composed of employer and employee representatives, safety experts, safety officers and occupational physicians. 100 % of our employees in Germany are covered by the occupational health and safety committees. Internationally, employees are informed about the local management structures. Together, they set the priorities for action to achieve the goals.

📍 ESRS E1-5, ESRS S1-14

The CHT Group's global health management is geared towards protecting and promoting health in the long term. The focus is on the employees, their work situation and the operational environment. Our approach begins with needs-based, high-quality occupational health care, which includes ergonomic

support, preventive health measures, and operational emergency management. Our goal is to meet all legal requirements for occupational medicine and health protection while maintaining and improving the performance and well-being of our employees in order to avoid high rates of absence due to illness. The CHT Group offers its employees voluntary health promotion measures via the "machtfit" platform to support a healthy lifestyle. In addition, we attach great importance to a family-friendly and life phase-oriented personnel policy that enables a good work-life balance. With appropriate offers, we counteract both a lack of work-life balance and the increase in stress-related or mental illnesses.

#### Goals

- ▶ Reduction of occupational accidents within the CHT Group by 2025 [from 10.2 in 2021 to < 9.2 in 2025]
- ▶ Halving accident-related absences between 2021 and 2025
- ▶ Company-wide introduction of the LTIFR Method 1 for calculating occupational accidents

The goal relates to our own employees worldwide. When considering work-related accidents, commuting accidents are not included. Work-related accidents resulting in a loss of one working day or a complete missed shift are counted.

<sup>1</sup> The calculation is based on the LTIFR method: Lost Time Injury Frequency Rate = number of registered accidents with days lost > 1 x 1,000,000 / number of hours actually worked. The hours worked are recorded worldwide in Workday and amounted to 3,809,397 hours in 2024.

Based on this development, we will further strengthen our occupational health and safety measures internationally and promote employee training in this regard.

**Measures**

**Plant and occupational safety**

The CHT Group’s crisis and security management aims to avert damage from CHT. In the event of an incident, we systematically analyze and simulate it with external support, for example from the local fire department. In this way, we want to further improve our safety performance. We share our insights within the company via our Global News Portal.

Damage to health and the environment should be avoided. To minimize the impact of our production and/or operational disruptions, we pursue high safety standards throughout the CHT Group. We regularly monitor our emissions into air and water, but not yet according to a uniform global standard, rather in accordance with local legal requirements.

At our sites, we ensure that no relevant contamination can occur during regular operations. We achieve this by complying with the extensive existing legal requirements, particularly those relating to water, soil and emissions protection.

For example, our sites implement measures to protect the air quality. These include the thermal afterburning of residual gases, dedusting by electrostatic precipitators and the washing of exhaust air streams with subsequent precipitation and recirculation of the washing solution into production processes.

To protect water, the production sites focus on wastewater-free and low-wastewater production processes. Where the generation of contaminated water from production processes cannot be avoided, the wastewater is tested for biodegradability and used wherever possible. All production wastewater is pre-treated using appropriate methods, whether it is treated externally or internally.

Various CHT sites are subject to zero liquid discharge regulations, and all wastewater is completely cleaned, recycled and returned to the cycle at the sites. The wastewater from our sites is carefully monitored, for example through regular sampling and analytical measurements. These analyses not only support the control of the company’s own wastewater treatment plants, but also the implementation of numerous legally required self-monitoring analyses. In addition, there are numerous official surveillance measures in many countries, which are carried out in the form of unannounced inspections. Appropriate precautions have been taken at all sites to prevent soil contamination. There are clear procedures and controls for collecting and storing water-polluting substances that help prevent leaks.

 [ESRS E2-1](#), [ESRS E2-6](#)

**Medical emergency management**

There are binding instructions worldwide that specify what must be observed and what measures must be taken in emergencies. The specific requirements for equipment and personnel depend on the respective sites, the production-specific hazards, and the availability and quality of the local medical infrastructure. Emergency preparedness also includes pandemic plans as well as regular exercises and training. The content of the training is based on current legal requirements and takes into account the identified hazards in the workplace.

All employees worldwide are instructed to wear appropriate work clothing and protective equipment during working hours.

**Preventive occupational health protection**

The results of the risk assessments help us to prevent occupational diseases and work-related health disorders through appropriate protective measures. In 2024, preventive health protection was expanded to include risk assessment of psychological stress.

By analyzing the psychological stress at specific workplaces, we aim to counteract sickness-related absences through targeted measures for each workplace or stress cluster.

To avoid health problems, training and information are also very important. All employees worldwide are required to participate in appropriate training.

As part of occupational health care, our occupational physicians advise employees on their individual health risks. This includes the provision of occupational health examinations. The data collected is subject to medical confidentiality and is protected and archived under data protection law.

**Workplace health promotion**

Our corporate health care program and the “machtfit” program focus on exercise, healthy nutrition, mental fitness, and the balance between work and private life. At our sites, we offer a wide range of activities, including health days and sports activities, complemented by global digital programs to promote the physical and mental health of our employees. In its corporate health promotion program, the CHT Group relies on long-term programs that not only promote a healthy lifestyle but also improve the health-promoting facilities in the workplace.

In addition, we offer our employees at many sites the opportunity to receive advice on workplace-related issues as well as personal or family matters.

The offers of the individual companies in the CHT Group go beyond the general measures described; some are presented below:

- ▶ **Coverage of membership fees in selected fitness studios**
- ▶ **Physical training sessions:** Weekly training sessions with a trainer are offered to give employees the opportunity to stay active and support their physical health
- ▶ **Board games:** The midweek board games provide a relaxed and entertaining environment for social interactions and mental relaxation
- ▶ **Friday team meal:** Every Friday, team members take turns cooking lunch for their colleagues to strengthen the sense of community and appreciation
- ▶ **Commuter support:** Daily transportation is offered to employees who commute by public transport to reduce traffic stress and improve accessibility

The CHT Group's diverse health promotion initiatives aim to reduce the risk of burnout, improve job satisfaction, and foster a strong sense of belonging within the company. Ultimately, by investing in the well-being of our employees, we also strengthen the long-term resilience, productivity and cohesion of our teams.

**Progress and key figures 2024**

In 2024, CHT Germany GmbH, together with the B.A.D. Health Center in Stuttgart, conducted an employee survey on psychological stress in the workplace. 58 % of employees participated in the survey, the main scope of which was to determine the psychological stress factors on the one hand and the resulting stress consequences on the other.

The employees of CHT Germany GmbH represent > 40 % of the total global workforce. All company divisions and departments were represented in the survey.

- ▶ Participation rates between the different fields of activity diverge greatly (37.3 % – 68 %)
- ▶ A very high amount of positive feedback in all characteristic areas
- ▶ Only the topic of **working environment** deviates significantly from the data of the Benchmark COPSQ database and shows a high need for action
- ▶ The topics of the importance of work, role clarity and job insecurity must also be discussed and analyzed in more detail

In the next step, the specialist team will define material topics, which will be further analyzed together with focus groups to be defined in order to derive targeted measures.

The target of halving accident-related absences between 2021 and 2025 was not effectively tracked, and due to the changes in data collection between the baseline year 2021 and 2024, data comparison can no longer support target achievement.

In 2024, we once again met our self-imposed target in the area of occupational safety. The key figure is calculated worldwide in the CHT Group using the LTIFR method. This includes all work-related accidents with an absence of at least one day or a complete shift. The base year for the new calculation was defined as 2021, with an LTIFR of 10.2. By 2025, the LTIFR ratio<sup>1</sup> is to be reduced by > 10 %. In 2024, the LTIFR rate was further reduced, resulting in a value of 8.7.

ESRS S1-14

**Status of occupational safety target 2024**

- ▶ Reduction of occupational accidents within the CHT Group by 2025 [from 10.2 in 2021 to < 9.2 in 2025]
- ▶ Company-wide introduction of the LTIFR calculation method

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**Targets for occupational safety**

| in %                                   | Base year 2021 | 2024 | Target year 2025 | 2024 vs. 2021 |
|--|----------------|------|------------------|---------------|
| Workplace accident rate (LTIFR method) | 10.2           | 8.7  | 9.2              | - 14.7        |

The type of injuries were predominantly not typical of the chemical industry, but rather non industry-specific injuries such as bruises, sprains, cuts and the like.

There were no work-related fatalities in the 2024 reporting period.

Based on this development, we will further strengthen our occupational health and safety measures internationally and promote employee training in this regard. The CHT Group's long-term goal is to further reduce the number of work-related accidents.

<sup>1</sup> The calculation is based on the LTIFR method: Lost Time Injury Frequency Rate = number of registered accidents with days lost > 1 x 1,000,000 / number of hours actually worked. The hours worked are recorded worldwide in Workday and amounted to 3,809,397 hours in 2024.

# 07

## Governance information



> 90 %

of all employees have participated in compliance training



100 %

of the reported compliance incidents were processed



100 %

of employees were trained in cybersecurity using KnowBe4 in 2024

# 7. Governance information

## 7.1 Responsible corporate governance / human rights

### Strategy and management

ESRS S1-1

Responsible corporate management requires consistent compliance with legal regulations, internal guidelines and binding voluntary commitments. This includes, in particular, the full respect of human rights. We consider strict compliance with human rights standards and relevant legal provisions – such as those protecting fair competition and preventing corruption and money laundering – by our business partners as a fundamental prerequisite for sustainable business relationships.

If these requirements are not met by our business partners, we will make every effort to implement appropriate standards and correct any violations. The prevention, detection and elimination of compliance violations and human rights abuses within our group of companies and along our supply chain are our highest priorities.

In our Declaration of Human Rights, the CHT Group explicitly commits itself to respecting human rights in accordance with the United Nations Universal Declaration of Human Rights and to the fundamental principles and rights at work in accordance with the ILO Declaration. These principles are binding for our business activities and all employees of the CHT Group. We also expect our suppliers and other business partners to commit to complying with these principles and to implementing appropriate procedures to protect human rights. Compliance with the Declaration of Human Rights forms the basis for long-term collaboration with the CHT Group.

The Declaration of Principles is implemented within the framework of our Compliance Management System (CMS), for which the Human Rights Officers are responsible for implementation and monitoring. Responsibility for compliance with the Declaration of Principles lies with the Company’s management, which is informed at least once a year by the Global Head of Compliance about the activities of the Human Rights Officer and the further development of the CMS.

In addition, the CHT Group is committed to complying with internationally recognized standards, its own guidelines and codes of conduct. In addition to the Declaration of Human Rights, these include the Company-wide Code of Conduct, guidelines on sustainability, compliance, quality, occupational health and safety, and energy.

The Code of Conduct is available in several languages and summarizes the core principles of our corporate culture. It serves as a binding framework for the daily actions of all employees of the CHT Group.

The contents of our Code of Conduct include: Guidelines on human rights, labor and social standards:

ESRS 2 SBM-3, ESRS S1-2

### Human rights, labor and social standards

ESRS S1-SBM-3

The CHT considers all human rights to be of equal value. In the business context, the following are of particular importance to us:

- ▶ Protecting the rights of others
- ▶ Recognition and appreciation of fellow human beings

- ▶ To make a positive contribution to respect for human rights and the well-being of people
- ▶ Respect for trade unions and employee participation, relevant collective agreements and ethical principles
- ▶ Obligation to respect the dignity of everyone and to refrain from any kind of discrimination, in particular on the grounds of age, ethnic origin, skin color, gender, sexual orientation, religion or disability
- ▶ Compliance with internationally recognized labor and social standards in accordance with the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) of the International Labor Organization (ILO)
- ▶ Compliance with the safety regulations applicable at the respective workplace
- ▶ Responsible employee management, respectful interaction within the company and with third parties
- ▶ Promoting a diverse and inclusive work environment
- ▶ No tolerance of child labor or forced labor, slavery or human trafficking within our group of companies and the fight against them among partners along the procurement and supply chain

**Further contents of our Code of Conduct are:**

- ▶ Avoiding conflicts of interest
- ▶ Avoiding dangers to people and the environment
- ▶ Promoting fair competition
- ▶ Money laundering prevention
- ▶ Corruption prevention
- ▶ Safeguarding information and data protection
- ▶ Protection of company property and the property of business partners
- ▶ Compliance with import and export regulations
- ▶ Gifts and invitations

The Code of Conduct was adopted by the Management Board of the CHT Group and applies to the entire group.

We also expect our business partners to comply with the standards that apply to us or equivalent requirements in their own codes.

**Compliance Management System**

ESRS G1-1

Internal guidelines are implemented through our management systems.

The coordination of compliance activities takes place in the “Global Compliance & Management Systems” department. Independent audit services are supported by the company-wide internal audit function. It supports all management levels in fulfilling monitoring duties and continuously improving business processes.

One focus here is on the audit of internal control systems and the risk management system.

The minimum requirements for compliance management are determined by management. The aim is to avoid or minimize violations and risks. Violations should be exposed and stopped. In addition to risk analyses, instruments that help avoid potential compliance risks include control self-assessments, awareness training courses and internal audits.

**Goals of the Control Self-Assessment (CSA):**

- ▶ Review, analysis and documentation of business processes
- ▶ Review of the suitability of existing control systems
- ▶ Identification of possible risks and necessary improvement measures
- ▶ Ensuring compliance with overarching policies and processes
- ▶ Ensuring local management in accordance with national law
- ▶ Ensuring the implementation of the Code of Conduct
- ▶ Review of management for compliance with the principles of the UN Global Compact

All employees and external stakeholders are encouraged to report potential or actual violations of our Code of Conduct, policies and laws. Various reporting channels are available for this purpose.

All information received will be thoroughly reviewed and treated with the utmost care, speed and confidentiality. Only the CHT Head of Compliance and, where appropriate, other departments or investigators necessary for the investigation will have access to the reported information and will manage the process.

Our Head of Compliance is independent and not bound by instructions. If necessary, he can also inform the Board of the Beitlich Family Foundation.

Every incident is properly recorded and documented. The investigations are carried out within the framework of a fair and objective procedure. The presumption of innocence applies to all persons affected until a violation is proven.

CHT responds consistently to identified misconduct; this may result in appropriate disciplinary action. Based on the facts established, a decision on the case and appropriate measures are usually taken by the relevant department heads and the HR department in collaboration with the CHT Head of Compliance.

If necessary, CHT will also involve the relevant authorities.

**Compliance reporting**

ESRS G1-1, ESRS G1-3

Our Compliance Department provides information once a year in the form of a compliance report on goals, projects, compliance cases and training measures.

The report is made available to the Management Board of the CHT Group and to the Board of the Beitlich Family Foundation. In addition, the Head of Compliance reports on compliance cases directly to the Audit Committee every six months.

**Goals**

- ▶ Ensuring compliance with all relevant legal, regulatory and internal guidelines
- ▶ Risk management
  - ▶ Identification of compliance risks within the organization and implementation of measures to minimize these risks
  - ▶ Working with management to develop strategies to prevent compliance violations
- ▶ Compliance guidelines
  - ▶ Creating, updating and implementing company policies and procedures to ensure compliance with legal regulations, industry standards, and internal requirements
  - ▶ Communication of these guidelines to employees at all levels
- ▶ Staff training
  - ▶ Development and implementation of training programs to educate employees about compliance requirements and ethical behavior
  - ▶ Ensure that all employees understand the consequences of non-compliance and know how to report violations
- ▶ Operating a whistleblowing channel
- ▶ Investigation and case management
  - ▶ Monitoring the investigation of reported incidents of violations and ethical conduct
  - ▶ Coordination of corrective and disciplinary actions, if necessary
- ▶ Monitoring and keeping up-to-date with relevant laws, regulations and industry guidelines
- ▶ Enforcement of ethical standards
  - ▶ Promoting a culture of integrity and ethical behavior throughout the company
  - ▶ Ensuring that the company operates with integrity and ethical practices in all its operations

**Measures**

**Implementation of a whistleblower procedure**

📍 ESRS S1-3, ESRS S2-3

Responsible, law-abiding, and ethical behavior is of utmost importance for the reputation of our company and the trust of our employees, business partners, and the public. This also includes strict compliance with whistleblower laws and compliance with laws that focus on human rights and environmental standards.

We attach great importance to identifying potential misconduct at an early stage and taking proactive measures to prevent violations. For this reason, we strongly encourage all employees, business partners and other stakeholders to report potential misconduct.

**The following can be reported:**

- ▶ Violations of applicable law
- ▶ Violations of human rights and environmental obligations resulting from the economic activities of CHT in its own business area or that of a supplier of CHT
- ▶ Human rights and environmental risks
- ▶ Violations of the CHT Code of Conduct and values

CHT has established several reporting channels for information on potential and actual violations.

All reports are thoroughly analyzed by CHT and processed in a fair manner. All information will be treated with the utmost confidentiality. The rights of the whistleblowers and the data subjects remain protected.

Whistleblowers who report potential misconduct to the best of their knowledge and belief will be protected. Any form of retaliation against whistleblowers is prohibited.

**Reporting channels for employees of the CHT Group**

- ▶ Directly to their superiors, the human resources department or the **Head of Compliance** at CHT (also by email: [codeofconduct@cht.com](mailto:codeofconduct@cht.com))
- ▶ By name or **anonymously** by phone, web or app to our whistleblower system SpeakUp®: <https://cht.speakup.report/internal>  
 Please find the telephone numbers in the Appendix.

**Reporting channel for third parties**

- ▶ By name or anonymously via the web to our whistleblower system SpeakUp®: <https://cht.speakup.report/external>

**Whistleblower protection / data protection**

The identity and information of whistleblowers will be treated with strict confidentiality in compliance with applicable data protection regulations. No reprisals or discrimination against whistleblowers will be tolerated.

Information on data protection can be found in the respective CHT data protection declaration.

**Processing of tips**

All information received will be thoroughly reviewed and treated with the utmost care, speed and confidentiality. Only the CHT Head of Compliance and, where appropriate, other departments or investigators necessary for the investigation will have access to the reported information and will manage the process.

Our **Head of Compliance** is independent and not bound by instructions. If necessary, he can also inform the Board of the Beitlich Family Foundation.

Every incident is properly recorded and documented. The investigations are carried out within the framework of a fair and objective procedure. The presumption of innocence applies to all persons affected until a violation is proven.

CHT responds consistently to identified misconduct; this may result in appropriate disciplinary action. Based on the facts established, a decision on the case and appropriate measures are usually taken by the relevant department heads and the HR department in collaboration with the CHT Head of Compliance.

If necessary, CHT will also involve the relevant authorities.

**Response and protection of whistleblowers**

We will contact whistleblowers as soon as possible. As a rule, an acknowledgement of receipt will be sent within seven days of notification, and a notification of the conclusion or information on the status of the procedure will be sent within three months. The response takes into account the confidentiality and right to privacy of all data subjects.

Details about our reporting channels are available to employees on our website [www.cht.com](http://www.cht.com) and on the CHT intranet.

**Creation of an anti-corruption policy**

CHT has implemented an internal anti-corruption policy. It regulates the handling of invitations and gifts as well as travel between CHT and its business partners. These activities are evaluated according to defined criteria and, if necessary, must be assessed and approved or rejected by the Compliance Department.

**E-learning training concept for the CHT Group**

ESRS G1-3

The CHT Group currently conducts compliance training every two years.

The following list reflects the last campaign; the content includes the following points:

- ▶ Fundamentals of compliance including the CHT Group's Code of Conduct
- ▶ Code of Conduct (lawpilots GmbH)
- ▶ Corruption prevention for purchasing, sales and marketing
- ▶ Antitrust law
- ▶ Prevention of money laundering and terrorist financing
- ▶ Export control and dealing with embargoes
- ▶ Protection of trade secrets
- ▶ AGG (Equal Treatment Act) and equal treatment
- ▶ AGG for managers

The training course "Fundamentals of Compliance including the CHT Group Code of Conduct" was provided to every employee of the CHT group. The remaining training topics were assigned to the MD/GM, CFO and COO of the CHT companies as well as to the BF and BU managers and sales employees of the CHT Group according to their respective areas of responsibility and duties based on a risk assessment.

**Progress 2024**

CHT's compliance management system is continuously being developed further.

To strengthen compliance activities, the position of internal auditor was integrated into the compliance department. It represents the third line of defense of the internal control system.

One of the first tasks of the internal auditor was to evaluate the most recent self-assessment of the individual CHT companies and, based on this, to derive the following internal audit activities on a risk-based basis:

- ▶ The introduction of the whistleblower system at the beginning of the year represents another decisive measure for improvement
- ▶ Due to new features of our HR management tool, training measures are allocated even more specifically to the employees of the CHT Group
- ▶ Participation in the Business Human Rights Accelerator

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**Key figures – Training completion rate**

ESRS S1-1, ESRS G1-3

| Training topic   | Degree of completion in % |
|--|---------------------------|
| Basics of compliance including the CHT Group Code of Conduct | 90                        |
| Code of Conduct (lawpilots GmbH)                             | 94                        |
| Corruption prevention for purchasing, sales and marketing    | 94                        |
| Antitrust law  | 94                        |
| Prevention of money laundering and terrorist financing       | 94                        |
| Export control and dealing with embargoes                    | 94                        |
| Protection of trade secrets                                  | 94                        |
| AGG (Equal Treatment Act) and equal treatment                | 86                        |
| AGG for managers   | 96                        |

With a completion rate of ≥ 86 %, all assigned training courses were passed (as of the end of 2024). The completion rate can therefore be considered very high and demonstrates the high level of acceptance and awareness among employees regarding compliance issues.

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**Monitoring and processing of compliance reports**

ESRS G1-4, ESRS S1-17

|                                   |           |
|-----------------------------------|-----------|
| <b>Total compliance reports</b>   | <b>29</b> |
| of which processed and completed  | 24        |
| confirmed compliance violations   | 6         |
| unconfirmed compliance violations | 8         |
| no compliance issue               | 3         |
| no tracking possible*             | 7         |
| open, in progress                 | 5         |

\* due to missing information

T30

**Categories of confirmed compliance violations**

|                                 |   |
|---------------------------------|---|
| Human rights                    | 0 |
| Fraud                           | 2 |
| Corruption                      | 0 |
| Abuse of power                  | 0 |
| Sexual harassment               | 0 |
| Information and data protection | 1 |
| Code of Conduct                 | 3 |
| Legal violations                | 0 |

In the statistics, multiple reports on the same case are not summarized, but are counted individually.

**Measures taken to punish compliance violations and prevention**

All confirmed compliance violations resulted in immediate action. Warnings were issued and training courses or workshops organized.

Preventive measures (e.g. awareness training) are also derived from the systematic evaluation of compliance violations.

**Data protection management**

CHT complies with European and national data protection regulations when collecting and processing personal and company-related data. This applies equally to customers, suppliers, other business partners, employees and job applicants.

Our data protection management ensures compliance with these regulations and supports divisions and departments in their implementation.

Our data protection measures, requirements and processes are described internally in policies and procedures and are available to all employees on the intranet.

Data protection incidents are handled in accordance with internal and legal requirements.

## 7.2 Cyber Security

### Strategy and management

The CHT Group attaches great importance to information security and considers IT and OT (Operational Technology) holistically in the context of cybersecurity. The strategy involves collaboration between IT and OT security experts to ensure the highest possible protection for CHT's assets.

The automated processing of data and information plays a key role in the performance of the CHT Group's tasks. All essential processes are significantly supported by information and communication technology (ICT) as well as operational technology (OT).

IT and OT must be viewed holistically and comprehensively in the context of cybersecurity. The CHT Group continues to build on successful collaboration between IT and OT security experts to achieve the highest possible protection for CHT's assets. Therefore, the term information security refers to the IT and OT of the CHT Group.

Due to the increased dependence on modern ICT/OT technology, the risk of compromise of information infrastructures and their components (IT/OT infrastructure) through intentional attacks from inside and outside, through negligent actions, ignorance or potential failure of the technology has increased significantly, both qualitatively and quantitatively.

A lack of information security can lead to disruptions in the performance of tasks, which can reduce the performance of the CHT Group and, in extreme cases, bring its business processes to a standstill.

Against this background, an appropriate level of information security must be organized in the business processes of the CHT Group.

The Management Board of the CHT Group is responsible for information security and is particularly responsible for creating the organizational framework, defining responsibilities and authorities, establishing information security management, implementing security measures and providing the necessary financial resources. The main tasks of IT security are:

- ▶ The creation of organizational framework conditions for the sustainable guarantee of information security
- ▶ The definition and determination of the necessary responsibilities and authorities
- ▶ The establishment of an information security management system
- ▶ The implementation of the agreed security measures including the provision of the necessary financial resources
- ▶ Adequate and appropriate documentation of the IT/OT infrastructure as well as all security precautions and security measures.

The general goals, strategies and organizational structures for initiating and establishing a holistic information security process are described in a guideline. Information security encompasses the confidentiality, integrity and availability of information and information technology. These goals are reduced to an acceptable level through appropriate measures. The guideline forms the basis for the creation of further guidelines, information security concepts and detailed regulations and procedural instructions on information security.

### Goals

- ▶ **Raising awareness and training employees:** Phishing vulnerability is expected to reach 5 % by 2025 (benchmark 5.9 %)
- ▶ Confidential data, information and programs must be protected from unauthorized access and disclosure
- ▶ **Ensuring the functionality** of technical systems to avert dangers to people and the environment. Safety is achieved in OT, among other things, through functional safety measures according to IEC 61508

Technical and organizational security measures are an integral part of all business processes and must be taken into account when designing the organization, creating and filling functions and roles, managing employees, providing initial and continuing training, designing work processes, collaborating with other authorities and external parties, and selecting and using resources. The security measures must be economically justifiable in relation to the potential damage that may be caused by security incidents.

Responsibility for information security lies with management, employees, line managers and external service providers. The information security organization includes the Group Information Security Officer (GISO), the Information Security Officers (ISO) and the information security management teams.

**Measures**

Creation of the organizational framework to ensure sustainable information security.

In 2024, the necessary responsibilities were defined and established. The Security Officer (ISO) was appointed, the agreed security measures, including the provision of the necessary financial resources, were implemented, and sufficient and appropriate documentation of the IT/OT infrastructure and of all security precautions and security measures was created.

**Regulatory competence:**

- ▶ Global regulatory competence: Safety requirements of the CHT Group of overriding interest must be met
- ▶ Local regulatory competence: Companies of the CHT Group can independently plan and implement appropriate security measures, provided there is no overriding interest

**Security over availability:**

In the event of threats or known security risks, the availability of ICT and OT technology, IT applications, data and networks may be temporarily restricted.

**Principle of the informed employee:**

Employees must be made aware and qualified to the extent necessary regarding information security. Increasing IT security awareness among all employees is extremely important for the security of the CHT Group.

The CHT Group uses the digital platform of the company KnowBe4 to train its employees worldwide. KnowBe4 is the world's leading IT security awareness training organization. The state-of-the-art platform includes IT security awareness training and simulated phishing attacks, helping the CHT Group create a "human firewall" by training everyone on how to recognize and report malicious emails.

KnowBe4 is included in every employee's training catalog annually through mandatory training. In addition, simulated phishing emails are regularly sent to employees to determine the likelihood that the CHT Group will fall victim to a phishing attack.

**Ensuring and improving information security:**

Regular review of the information security process for its timeliness and effectiveness. Continuous review of the regulations and compliance with them ensures the desired level of security and data protection. Deviations are analyzed with the aim of improving information security and keeping it constantly up to date.

The complete derivation of the measures is currently in progress and will then be included in the following sustainability reports.

## 7.3 Responsibility in the supply chain

### Strategy and management

The purchase of raw materials, intermediate products, technical goods and services is of great importance to the CHT Group and has an impact on the environment and society. Raw materials are the starting point of our value creation and business activities. That is why we have placed great emphasis on the sustainability management of our suppliers from the very beginning. By working closely with our global suppliers, we aim to prevent both human rights violations and environmental abuses in the supply chain.

By avoiding negative impacts on employees of direct suppliers and in the deeper supply chains, the purchasing organization contributes to minimizing operational reputational risks for CHT, ensuring long-term security of supply, and securing competitive advantages for the operational businesses. In addition, the purchasing organization plays a central role in the sustainability transformation. In addition to economically viable low-carbon raw materials, the purchasing department also procures primary data from suppliers, which is necessary to calculate both the initial emissions situation and the progress.

Our activities to mitigate social and environmental impacts not only have positive effects on the people in our supply chains, but also lead to a reduction in human rights risks in the societal context as a whole.

 ESRS 2 SBM-3, ESRS S2- SBM-3, ESRS S2-4)

In addition to economic aspects, our procurement strategy also takes into account criteria such as health, quality, safety, social issues and environmental protection.

The integration of sustainability into the procurement strategy to identify, mitigate and eliminate social and environmental risks in the supply chain is becoming increasingly important for the CHT Group. For this reason, the purchasing team was reinforced.

Global purchasing is managed from Germany and supported by local units in the CHT companies and at the sites. In 2024, we purchased raw materials, merchandise, technical goods and services, as well as energy and other operating resources worth EUR 408 million from our approximately 2,000 suppliers. 80 % of the global purchasing volume was handled with 320 suppliers. In 2024, 62 % was sourced in Europe, 25 % in Asia and 13 % in the Americas. The share of raw materials and merchandise in the total purchasing volume was 78 % in 2024. Of this, 97 % was petrochemical raw materials.

The purchasing policy also describes how to deal with suppliers. In 2025, a scorecard was developed and implemented that supports supplier selection through defined sustainability criteria. Together with the sustainable supplier management process, this eliminates potential human rights risks and environmental impacts before initiating a business relationship. The annual review of all suppliers as part of a risk assessment is intended to ensure that the suppliers comply with CHT's sustainability requirements. Exclusion criteria may primarily include disregard for the ILO core labor standards, serious deficiencies in occupational health and safety, and serious violations of recognized environmental and social standards by the supplier. CHT is prepared to support suppliers in remedying any deficiencies. The Global Head of Procurement is responsible for sustainable supplier management.

The Supplier Code of Conduct is based on internationally recognized human rights and sets out corresponding expectations for suppliers of all kinds. The Code covers the following areas:

### Compliance with laws

- ▶ Combating corruption, money laundering, payment fraud and cybercrime
- ▶ Foreign trade and export control, antitrust law
- ▶ Confidentiality of data

### Human rights and fair working conditions

- ▶ No tolerance of child labor or forced labor, slavery or human trafficking, fair treatment, protection against discrimination and equal opportunities
- ▶ Protection of human rights
- ▶ Respect for trade unions and employee participation, relevant collective agreements and ethical principles
- ▶ Compliance with internationally recognized labor and social standards in accordance with the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) of the International Labor Organization (ILO)
- ▶ Compliance with safety regulations applicable in the respective workplace, promoting a diverse and inclusive work environment

**Avoiding conflicts of interest**

**Avoiding dangers to people and the environment**

- ▶ Compliance with environmental and health protection regulations
- ▶ Health and Safety at the Workplace
- ▶ Product safety and quality
- ▶ Environmental protection and resource efficiency

**Promoting fair competition**

By signing the Code, our suppliers acknowledge that collaboration with us is contingent upon their compliance with this Code of Conduct within their own companies. Our suppliers' employees have the opportunity to contact our whistleblower system with concerns or problems. Each case will be reviewed to determine appropriate action.

🌱 ESRS S2-1, ESRS S2-3

The values and expectations of our Code of Conduct are also communicated to all suppliers through our general purchasing conditions. Relevant suppliers are informed about our expectations regarding sustainability in the context of social responsibility and climate protection during our Supplier Roundtable Meetings.

We are aware that the active involvement of those potentially affected by human rights violations, such as the workers of our suppliers, is an important component of human rights due diligence. However, we have not yet found a structured approach or process for this.

🌱 ESRS S2-2, ESRS S2-5]

**Goal**

90 % of suppliers will meet the CHT Group's sustainability standards by 2025.

By carefully selecting our suppliers, we ensure not only that their own sustainability standards are met, but also that sustainability is increased throughout the entire value chain.

We conduct a separate review of suppliers of critical raw materials that are associated with potential supply or reputational risks or are subject to legal restrictions in certain countries. For these critical raw materials, we have established various review steps in our procurement strategy that help to significantly minimize risks. Critical raw materials include, for example, conflict minerals and renewable raw materials.

Our goal is to ensure that our direct and indirect suppliers do not engage in human rights or environmental violations. We also want to achieve, to the best of our ability, a positive impact on people and the environment in the context of our procurement. We will describe our measures below. We strive for continuous improvement and have therefore not yet set any firm goals. This also applies to the risks for the CHT Group itself that arise from supplier management or the handling of our supply chains.

🌱 ESRS S2-5

**Measures**  
**Supplier-related risk analysis**

As part of the annual Group-wide compliance risk analysis, we identify suppliers and supply chains that we consider to be particularly risky and therefore treat as a priority. The risk analysis covers all social sustainability issues at our suppliers, with a focus on their employees as well as on compliance with and monitoring of human rights and social sustainability in the deeper supply chain. This also includes logistics and distribution in the downstream value chain. We take care to identify particularly vulnerable groups of people in a context-dependent manner and, in discussions with our suppliers, work towards defining and implementing preventive and remedial measures.

We also include environmentally relevant risks in the assessment, as these must always be viewed as potential risks for employees in the value chain.

The risk assessment is based on the industry standard Chemie3, the sustainability initiative of VCI, BAVC and the chemical union IG BCE. The standard is two-part in its approach and focuses not only on the risks posed by the countries of origin but also on the risks arising from the upstream value chain. The particularly risky value chains for the chemical industry are as follows:

- ▶ Metallic and mineral raw materials – due to very high potential human rights risks such as child and forced labor, particularly during mining, but also during further processing of the materials
- ▶ Crude oil or natural gas-based raw materials – due to very high potential environmental risks. Global working conditions also fundamentally endanger people within the value chain, especially those living in the vicinity of the relevant facilities
- ▶ Services – due to the high human rights risks for workers, particularly in connection with low-skilled and/or low-paid work and the use of subcontractors
- ▶ Logistics – due to the high to very high human rights risks of certain transport modalities such as sea freight or road transport

For these risks, we implement measures to prevent relevant risks. Actual risks are mitigated as appropriate using a process based on a catalog of measures.

The risk analysis helps chemical companies to fulfill their social responsibility under the Supply Chain Due Diligence Act and to implement human rights due diligence obligations.

In addition, our risk analysis includes an assessment step that clarifies the strategic importance of the supplier and its economic impact on the CHT Group. Raw materials that have been identified jointly with the business unit as being of increased importance are, for example, key raw materials or a single-source situation.

We are consistently working on expanding our strategic supplier relationships and qualifying new suppliers.

In addition to the Supplier Code of Conduct and the annual risk analysis, a qualification process has been implemented. After conducting the risk analysis based on country and industry risk, in-depth business partner analyses are carried out in order to exclude possible specific risks. Following these analysis steps, the following measures are carried out, depending on the risk score:

- ▶ Low risk suppliers: no further measures
- ▶ High and medium risk suppliers: Verification of the signature of the Supplier Code of Conduct and submission of the CHT Sustainability Questionnaire
- ▶ Suppliers can qualify if they achieve a score of 75 points in the CHT sustainability questionnaire. Otherwise, an EcoVadis certification of at least Bronze must exist
- ▶ If neither the CHT sustainability questionnaire score of 75 points has been achieved nor an EcoVadis certification exists, we expect the supplier to successfully complete a TfS audit

If we become aware of actual human rights violations – for example through audits, whistleblowers or other external sources – we immediately seek dialog with the supplier. Based on this, we enter into binding agreements to resolve the identified incidents and, if necessary, provide redress to those affected. Possible measures include improvement plans agreed with the supplier, adjusting our purchasing practices, but suspending business relationships is also a possible option. If clarification is required, the responsible purchasers will contact the Head of Compliance. Further measures and escalation levels are documented in the internal process.

🔗 ESRS S2-3

We review the effectiveness of preventive and remedial measures through the process, as part of the annual risk analysis and, where appropriate, through audits conducted by external partners.

**Qualification and evaluation of suppliers**

🔗 ESRS G1-2, ESRS S2-2, ESRS S2-4

We expect our suppliers to share our principles and act correctly in every respect, thus fulfilling their responsibilities towards their employees, their business partners, society and the environment.

Establishing a supply relationship begins with qualification. The qualification process currently begins with the recognition of the values set out in the CHT Supplier Code of Conduct, which must be confirmed by the supplier with a signature.

From 2026 onwards, in addition to the economic qualification points and the verification of the existence of ISO certifications 9001, 14001, 50001 and 45001, a sustainability scoring system will be added for each supplier to qualify.

Procurement employees receive annual training on ESG assessments. In addition, buyers of strategic or particularly critical raw materials or purchased goods participate in the annual sustainability roundtable discussions.

**Roundtable meetings:**

As part of our climate protection activities and to support our reduction potential as well as to increase transparency regarding the sustainability activities of our strategic suppliers, we initiated the “Sustainability Roundtable Meetings” in 2022. The annual meetings provide information on how far our suppliers have progressed in their sustainability efforts, how and with which measures the suppliers implement climate protection in their companies, and to what extent they can support CHT’s climate protection goals with primary data.

The meetings follow a uniform agenda which, in addition to climate protection, also includes the review of suppliers’ human rights due diligence obligations.

**Conflict minerals**

🔗 ESRS S2.SBM-3

Since the CHT Group is not listed on the US stock exchanges, we are not legally obligated to comply with the reporting requirements of the Securities and Exchange Commission [Dodd-Frank Act for potential conflict minerals]. Nevertheless, we consider it our responsibility to verify the origin of potential materials, as human rights are often violated in the extraction of conflict minerals. The relevant suppliers are reviewed once a year using a self-assessment questionnaire with supporting documents to prove origin. The mineral resources examined include tin, tungsten, tantalum, gold and cobalt.

**Progress and key figures 2024**

As part of the supplier risk assessment and the associated qualification process, the sustainable supplier management processes were rolled out worldwide for the first time in 2024. All producing and thus raw material purchasing companies were included in the process. Extensive training and the establishment of a global reporting tool were necessary. The practical feasibility for direct suppliers was chosen such that a minimum annual order quantity of EUR 10,000 was set for the implementation of preventive measures. Below this limit, we consider our ability to influence suppliers to be too limited for further measures to be successful.

In addition to the measures already described, we also examine the value chains classified as particularly high-risk from a human rights perspective at our annual supplier roundtable meetings. However, the focus of the discussions is less on climate protection and more on transparency and increasing risk prevention.

In 2024, the international purchasing teams subjected 1,976 suppliers worldwide to risk assessment, meaning that > 90 % of all relevant suppliers of the CHT Group were reviewed as part of the internal supplier risk assessment. Suppliers from both direct and indirect purchasing were included.

295 of the assessed suppliers (15 %) had a high risk and 793 (40 %) had a medium risk. The sustainability questionnaire was sent to all of these suppliers. The 888 assessed suppliers (45 %) who were classified as low risk were not subject to any further action.

As a matter of principle, all suppliers receive a Code of Conduct to sign at the beginning of the collaboration. In total, around 98 % of all suppliers of the CHT Group have received the Supplier Code of Conduct and, with their signature, have acknowledged the values contained therein as the basis of their business relationship. For suppliers classified as “medium” or “high” risk, the currentness of the signed Supplier Code of Conduct will be reviewed.

The sustainability questionnaire for suppliers contains questions to verify compliance with human rights and labor law due diligence obligations regarding environmental protection, occupational health and safety, and compliance. The evaluation or the score achieved had an impact on the qualification of the suppliers.

Based on the evaluations and the submitted EcoVadis certifications, the 2024 risk assessment showed a risk reduction of 54 % for raw materials and 19 % for indirect purchasing for suppliers who were originally rated as high risk.

In 2024, the only supplier supplying CHT with tin-bearing raw materials was audited for conflict minerals assessment. The supplier has demonstrated through its qualification process and proof of origin that the CHT Group does not source any conflict materials.

In 2024, 25 sustainability roundtable meetings were held in Germany with suppliers of strategic raw materials, logistics partners, and suppliers of packaging materials. A uniform agenda applies to all these meetings and the agreed improvement measures are recorded in the joint minutes. In 2025, the sustainability roundtable meetings will be further rolled out and internationalized from 2026 onwards.

As a result of these discussions, we have 100 % more primary data for raw materials, packaging and services than in 2023 for calculating the activity data for the corporate carbon footprint and for calculating the product footprints.

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**Number of suppliers assessed according to the internal risk assessment carried out by the CHT Group**

| CHT sites                 | High risk  | Medium risk | Low risk   | Total        |
|---------------------------|------------|-------------|------------|--------------|
| CHT Germany GmbH          | 7          | 55          | 439        | 501          |
| Keim-Additec-Surface GmbH | 1          | 15          | 127        | 143          |
| CHT Italia                | 2          | 67          | 2          | 71           |
| CHT Turkey                | 0          | 43          | 11         | 54           |
| CHT UK                    | 11         | 73          | 109        | 193          |
| CHT Switzerland           | 71         | 58          | 46         | 175          |
| CHT US                    | 0          | 62          |            | 108          |
| CHT Brasil                | 0          | 154         | 46         | 200          |
| CHT Colombiana            | 10         | 13          | 6          | 29           |
| CHT Mexico                | 3          | 52          | 14         | 97           |
| CHT Peruana               | 13         | 2           | 1          | 16           |
| CHT Australia             | 2          | 22          | 14         | 38           |
| CHT South Africa          | 5          | 5           | 0          | 10           |
| CHT China                 | 7          | 136         | 24         | 167          |
| CHT India                 | 23         | 11          | 1          | 35           |
| CHT Pakistan              | 48         | 5           | 0          | 53           |
| CHT Bangladesh            | 64         | 20          | 2          | 86           |
| <b>Total</b>              | <b>295</b> | <b>793</b>  | <b>888</b> | <b>1,976</b> |

# 8. Appendices

## ESRS Index: Disclosure obligations

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| ESRS standard  | Disclosure   | Material* | Phase-in used | Page reference          |
|----------------|--|-----------|---------------|-------------------------|
| <b>ESRS 2</b>  | <b>General information</b>   | <b>x</b>  |               |                         |
| BP-1           | General principles for the preparation of sustainability statements  | x         |               | 3 et seq.<br>20 et seq. |
| BP-2           | Information related to specific circumstances                        | x         |               | 3 et seq.<br>20 et seq. |
| GOV-1          | The role of administrative, management and supervisory bodies        | x         |               | 29                      |
| GOV-2          | Engagement of committees in sustainability aspects                   | x         |               | 30 et seq.              |
| GOV-3          | Inclusion of sustainability-related performance in incentive systems | x         | x             |                         |
| GOV-4          | Declaration of due diligence   | x         | x             | 31                      |
| GOV-5          | Risk management and internal controls of sustainability reporting    | x         |               | 28 et seq.              |
| SBM-1          | Strategy, business model and value chain                             | x         |               | 8 et seq.               |
| SBM-2          | Interests and viewpoints of stakeholders                             | x         |               | 21 et seq.              |
| SBM-3          | Material IROs and their interaction with strategy and business model | x         |               | 26 et seq.              |
| IRO-1          | Procedures for identifying and evaluating material IROs              | x         |               | 23 et seq.              |
| IRO-2          | Disclosure obligations   | x         |               | 26 et seq.              |
| <b>ESRS E1</b> | <b>Climate change</b>  | <b>x</b>  |               |                         |
| ESRS 2 GOV-3   | Inclusion of sustainability-related performance in incentive systems | x         | x             | 32 et seq.              |
| E1-1           | Transition plan for climate protection                               | x         |               | 34 et seq.              |
| ESRS 2 SBM-3   | Material IROs and their interaction with strategy and business model | x         |               | 26 et seq.              |
| ESRS 2 IRO-1   | Procedures for identifying and evaluating material IROs              | x         |               | 23 et seq.              |
| E1-2           | Strategy related to climate change mitigation and adaptation         | x         |               | 34 et seq.              |

| ESRS standard  | Disclosure   | Material* | Phase-in used | Page reference           |
|----------------|--|-----------|---------------|--------------------------|
| E1-3           | Measures and resources related to climate strategies   | x         |               | 34 et seq.               |
| E1-4           | Goals related to climate protection and adaptation to climate change   | x         |               | 34 et seq.               |
| E1-5           | Energy consumption and energy mix  | x         |               | 43 et seq.               |
| E1-6           | Gross GHG emissions in Scope 1, 2 and 3 categories and total GHG emissions                                       | x         |               | 39 et seq.               |
| E1-7           | Greenhouse gas reduction and greenhouse gas reduction projects financed through carbon credits                   | x         | x             | 35                       |
| E1-8           | Internal CO <sub>2</sub> pricing   | x         |               | 35                       |
| E1-9           | Expected financial impacts of material physical and transition risks and potential climate-related opportunities | x         | x             |                          |
| <b>ESRS E2</b> | <b>Environmental pollution</b>   | <b>x</b>  |               |                          |
| ESRS 2 IRO-1   | Procedures for identifying and assessing the material IROs related to environmental pollution                    | x         |               | 23 et seq.<br>33 et seq. |
| E2-1           | Strategies related to environmental pollution  | x         |               | 52 et seq.<br>68 et seq. |
| E2-2           | Measures and means related to environmental pollution  | x         |               | 52 et seq.<br>69 et seq. |
| E2-3           | Targets related to environmental pollution   | x         |               | 52 et seq.<br>68         |
| E2-4           | Air, water and soil pollution  | x         |               | 52 et seq.<br>68 et seq. |
| E2-5           | Substances of concern and substances of very high concern  | x         |               | 52 et seq.<br>68 et seq. |
| E2-6           | Expected financial impacts of IROs related to environmental pollution  | x         | x             |                          |
| <b>ESRS E3</b> | <b>Water and marine resources</b>  | <b>x</b>  |               |                          |

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| ESRS standard  | Disclosure  | Material* | Phase-in used | Page reference |
|----------------|---|-----------|---------------|----------------|
| ESRS 2 IRO-1   | Procedures for identifying and assessing material IROs related to water and marine resources                    | x         |               | 23 et seq.     |
| E3-1           | Strategies related to water and marine resources  | x         |               | 46 et seq.     |
| E3-2           | Measures and resources related to water and marine resources  | x         |               | 46 et seq.     |
| E3-3           | Goals related to water and marine resources   | x         |               | 46 et seq.     |
| E3-4           | Water consumption   | x         |               | 47             |
| E3-5           | Expected financial impacts of IROs related to water and marine resources  | x         | x             |                |
| <b>ESRS E4</b> | <b>Biodiversity and ecosystems</b>  |           |               |                |
| E4-1           | Transition plan and consideration of biodiversity and ecosystems in strategy and business model                 |           | x             | 51             |
| ESRS 2 SBM-3   | Material IROs and their interaction with strategy and business model  |           | x             | 23 et seq.     |
| ESRS 2 IRO-1   | Procedures for identifying and assessing material IROs related to biodiversity and ecosystems                   |           | x             | 23 et seq.     |
| E4-2           | Strategies related to biodiversity and ecosystems   |           | x             | 52             |
| E4-3           | Measures and resources related to biodiversity and ecosystems   |           | x             |                |
| E4-4           | Goals related to biodiversity and ecosystems  |           | x             |                |
| E4-5           | Impact parameters related to biodiversity and ecosystem changes   |           | x             |                |
| E4-6           | Expected financial impacts of IROs related to biodiversity and ecosystems                                       |           | x             |                |
| <b>ESRS E5</b> | <b>Use of resources and the circular economy</b>  | <b>x</b>  |               |                |
| ESRS 2 IRO-1   | Procedures for identifying and assessing material IROs related to the use of resources and the circular economy | x         |               | 23 et seq.     |
| ES-1           | Strategies related to the use of resources and circular economy   | x         |               | 49 et seq.     |
| ES-2           | Measures and means related to the use of resources and the circular economy                                     | x         |               | 49 et seq.     |
| ES-3           | Goals related to the use of resources and the circular economy  | x         |               | 50 et seq.     |
| ES-4           | Resource inflows  | x         | x             |                |
| ES-5           | Resource outflows   | x         |               | 51             |

| ESRS standard  | Disclosure  | Material* | Phase-in used | Page reference           |
|----------------|---|-----------|---------------|--------------------------|
| ES-6           | Expected financial impacts of IROs related to the use of resources and the circular economy   | x         | x             |                          |
| <b>ESRS S1</b> | <b>Our own workforce</b>  | <b>x</b>  |               |                          |
| ESRS 2 SBM-2   | Interests and viewpoints of stakeholders  | x         |               | 21 et seq.               |
| ESRS 2 SBM-3   | Material IROs and their interaction with strategy and business model  | x         |               | 23 et seq.<br>58 et seq. |
| S1-1           | Strategies related to our own workforce   | x         |               | 58 et seq.               |
| S1-2           | Procedures for involving our own workers and employee representatives with regard to impacts  | x         |               | 58 et seq.<br>64 et seq. |
| S1-3           | Procedures for addressing adverse impacts and channels through which employees can raise concerns                                     | x         |               | 72 et seq.               |
| S1-4           | Measures with regard to material IROs among the company's own workforce and their effectiveness                                       | x         |               | 59 et seq.               |
| S1-5           | Goals related to addressing significant negative impacts, promoting positive impacts and managing significant risks and opportunities | x         |               | 60 et seq.               |
| S1-6           | Characteristics of the company's employees  | x         |               | 64 et seq.               |
| S1-7           | Characteristics of non-contracted employees in the company's own workforce  |           |               |                          |
| S1-8           | Collective bargaining coverage and social dialog  | x         |               | 63                       |
| S1-9           | Diversity parameters  | x         |               | 65<br>67                 |
| S1-10          | Adequate remuneration   | x         |               | 63                       |
| S1-11          | Social protection   | x         | x             | 58 et seq.               |
| S1-12          | Persons with disabilities   |           |               |                          |
| S1-13          | Parameters for training and skills development  | x         |               | 62 et seq.               |
| S1-14          | Health and safety parameters  | x         |               | 66 et seq.               |
| S1-15          | Parameters for the compatibility of work and private life   | x         |               | 66 et seq.               |
| S1-16          | Remuneration parameters (earnings differences and total remuneration)   | x         | x             |                          |
| S1-17          | Human rights incidents, complaints and serious impacts  | x         |               | 74 et seq.               |
| <b>ESRS S2</b> | <b>Workforce in the value chain</b>   | <b>x</b>  |               |                          |

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| ESRS standard | Disclosure  | Material* | Phase-in used | Page reference           |
|---------------|---|-----------|---------------|--------------------------|
| ESRS 2 SBM-2  | Interests and viewpoints of stakeholders  | x         |               | 19 et seq.               |
| ESRS 2 SBM-3  | Material IROs and their interaction with strategy and business model  | x         |               | 23 et seq.               |
| S2-1          | Strategies related to workforce in the value chain  | x         |               | 77 et seq.               |
| S2-2          | Procedures for involving workforce in the value chain with regard to impacts  | x         |               | 77 et seq.               |
| S2-3          | Procedures for addressing adverse impacts and channels for raising concerns   | x         |               | 72 et seq.               |
| S2-4          | Measures on material IROs for workforce in the value chain and their effectiveness  | x         |               | 77 et seq.               |
| S2-5          | Goals related to addressing material negative impacts, promoting positive impacts and managing material risks and opportunities |           |               | 78 et seq.               |
| ESRS S3       | Affected communities  |           |               |                          |
| ESRS S4       | Consumers and end users   | x         |               | 19 et seq.<br>53 et seq. |

| ESRS standard  | Disclosure  | Material* | Phase-in used | Page reference                |
|----------------|---|-----------|---------------|-------------------------------|
| <b>ESRS G1</b> | <b>Corporate policy</b>                                       | <b>x</b>  |               |                               |
| ESRS 2 GOV-1   | The role of administrative, management and supervisory bodies | x         |               | 29 et seq.                    |
| ESRS 2 IRO-1   | Procedures for identifying and evaluating material IROs       | x         |               | 23 et seq.<br>71 et seq.      |
| G1-1           | Strategies related to corporate policy and corporate culture  | x         |               | 8<br>26 et seq.<br>70 et seq. |
| G1-2           | Management of relationships with suppliers                    | x         |               | 77 et seq.                    |
| G1-3           | Prevention and detection of corruption and bribery            | x         |               | 71 et seq.                    |
| G1-4           | Confirmed cases of corruption or bribery                      | x         |               | 74                            |

\* Materiality classification based on the materiality analysis and ESRS 2 AR 16.

# Glossar

## A

### Additives

Substances that are added to products in small quantities to achieve or improve certain properties

### AGG

German General Equal Treatment Act

### AGM

Annual General Meeting

### AOX

Absorbable organic halogen compounds (the X stands for a halogen such as fluorine, bromine, chlorine and iodine): Parameters for assessing wastewater

### APEO

Alkylphenol ethoxylate

## B

### BAUA

German Institute for Occupational Safety and Health

### BAVC

German Employers' Association of the Chemical Industry: Represents the interests of German chemical employers

### BfR

German Institute for Risk Assessment

### Biodiversity

Biodiversity includes the different life forms (species of animals, plants, fungi, bacteria), the different habitats in which species live (ecosystems such as forests or water bodies), as well as the genetic diversity within species (e.g. subspecies, varieties and breeds)

### bluesign®

A system designed to reduce environmental impacts along the entire supply chain in the textile industry. It offers efficient solutions for chemical suppliers and textile manufacturers

## C

### Circular economy

The circular economy is a model of production and consumption in which existing materials and products are shared, leased, re-used, repaired, refurbished and recycled for as long as possible. In this way, the life cycle of the products is extended

### CLP

Regulation on the classification, labeling and packaging of substances and mixtures

### CMR

Carcinogenic, mutagenic and toxic to reproduction: Carcinogenic, mutagenic or reproductive toxicant

### CO<sub>2</sub>

Carbon dioxide: A greenhouse gas that contributes to global warming. It is produced by the combustion of fossil fuels

### Code of Conduct

The Code of Conduct: a collection of behaviors that apply to the employees of a company. It contains guidelines on how employees should behave legally, ethically and socially

### CoRAP

Community Rolling Action Plan: A system designed to reduce environmental impacts along the entire supply chain in the textile industry. It offers efficient solutions for chemical suppliers and textile manufacturers

### Corporate Governance

The purpose of corporate governance is to enable effective entrepreneurial and prudent management of the company

### CSA

Control Self-Assessment: a structured approach to reviewing and ensuring business processes and control measures as well as for assessing risks

### COD value

Chemical oxygen demand: The measure of the sum of all organic compounds and thus an indicator of wastewater quality

### CSR

Corporate Social Responsibility: Corporate social responsibility, in the sense of sustainable business

### CSRD

The Corporate Sustainability Reporting Directive regulates the scope and nature of sustainability reporting by companies in the EU

### CSS

Chemicals Strategy for Sustainability: The strategy is part of the EU's zero-pollution target – a key commitment of the European Green Deal

### Cradle to Gate

The "cradle to gate" approach typically refers to environmental assessments that consider the environmental impacts of a product from the extraction of raw materials until it leaves the factory (factory gate).

## D

### Defossilization

The term defossilization describes the conversion of an economic system with the aim of replacing fossil fuels with renewable alternatives

### Dispersants

Additives that make it possible to mix two immiscible substances

**E**

**EBIT**

Earnings before interest and taxes

**ECHA**

European Chemicals Agency: Information source for all chemicals manufactured or imported in Europe regarding properties, classification, labeling and safe use

**ecoinvent**

Life cycle assessment database

**EcoVadis**

The EcoVadis rating covers a wide range of non-financial management systems, including environmental, labor and human rights impacts, ethics, and sustainable procurement

**EHS**

Environmental Health Safety: Environmental protection, health and occupational safety

**Electro potting**

Electronic components must be protected from moisture, dust and foreign bodies. This protection can be ensured by encapsulating the components

**EPEA**

Environmental Protection Encouragement Agency: The design concept Cradle to Cradle forms the basis and describes the safe and potentially infinite circulation of materials and nutrients in cycles

**ERP System**

Enterprise Resource Planning System: Resource planning software

**ESG**

Environmental, Social and Corporate Governance are criteria and frameworks for the consideration of environmental, sustainability and social issues within corporate management, public bodies, governments and authorities

**ESRS**

The European Sustainability Reporting Standards regulate the details of sustainability reporting by companies in the European Union

**ETAD**

Ecological and Toxicological Association of Dyes and Pigments Manufacturers: International association representing the interests of the dye and pigment industry with regard to health and environmental protection

**European Green Deal**

The European Green Deal is a package of policy initiatives designed to put the EU on the path to a green transition to ultimately achieve its goal of becoming climate neutral by 2050

**F**

**G**

**GHG**

Greenhouse gas: greenhouse gas emissions

**GOTS**

Global Organic Textile Standards: World's leading standard for the processing of textiles made from organically produced natural fibers

**Greenhouse Gas Protocol Standards**

The GHG Protocol provides the world's most widely used standards for greenhouse gas accounting

**GRI**

Global Reporting Initiative: The guidelines developed for the preparation of sustainability reports

**GROW**

CHT internal talent training program: The program aims to support participants in their professional and personal development, clarify their goals, provide time to learn key skills for the next possible career step, and strengthen our global network.

**H**

**HCM**

Human capital management software is the system and solutions used to carry out and optimize the required tasks while taking corporate goals into account. These solutions are often referred to as Human Resources Management Systems (HRMS)

**I**

**IG BCE**

German trade union for Mining, Chemicals and Energy

**IRO**

Impacts, Risks and Opportunities: These three elements form the basis for a comprehensive materiality analysis, which is relevant within the framework of the CSRD (Corporate Sustainability Reporting Directive) and the ESRS (European Sustainability Standards)

**ISO**

International Organization for Standardization

**J**

**K**

**KPI**

Key Performance Indicator

**L**

**LCA**

Life Cycle Assessment: also known as a life cycle analysis. A method for systematically assessing the environmental impacts of a product or service throughout its life cycle

**LksG**

Supply Chain Due Diligence Act: The act specifies how companies must fulfill their human rights due diligence obligations. This includes having to analyze human rights risks, take preventive and remedial measures, establish complaint mechanisms and report on their activities

**Local heating**

The term local heating refers to the heating supply of a smaller area by a heating center located near the area to be supplied

**LPG**

Liquefied petroleum gas: propellant gas

**LTIFR**

Lost Time Injury Frequency Rate: Measure of accident frequency which defines the number of work accidents resulting in at least 1 day of absence

**M**

**Mass balance**

A mass balance is an accounting approach that describes the conservation of mass in a system. It states that the amount of mass flowing into a system is equal to the amount of mass flowing out of the system plus the mass accumulated in the system. In practice, it is used to track and quantify the flow of materials through processes or supply chains

**Materiality analysis**

Materiality analysis is an analytical tool used in strategic analysis. It is used to identify the sustainability topics that are important for a company and its stakeholders

**MRO**

Maintenance, Repair and Operations

**N**

**Net zero emissions**

All emissions caused by a company are removed from the atmosphere through reduction measures

**NGO**

Non-Governmental Organization

**O**

**OECD**

Organization for Economic Co-operation and Development

**Oeko-Tex® Standard 100**

Worldwide uniform testing and certification system for textile products and their accessories

**P**

**Paris Climate Agreement**

Agreement of 195 nations to prevent a global temperature increase > 2 °C and the goal of limiting it to + 1.5 °C

**Phishing**

Obtaining other people's personal data using fake email addresses or websites

**PPA**

Power Purchase Agreements are supply contracts for electricity generated from renewable sources. They are concluded directly between electricity producers and consumers and ensure the expansion of renewable energies as well as the financing of new plants through long-term purchase agreements

**Product Stewardship**

Holistic product responsibility with regard to environmental, safety and health aspects along the entire supply chain – from the procurement of raw materials through production to application

**Q**

**QRPI**

Quality, Regulatory and Product Information: Similar to a product passport, which summarizes all information about CHT products regarding quality, product safety, certifications and legal regulations including chemical compositions

**R**

**R&D quota**

Research and development expenditure in relation to sales

**REACH**

Registration, Evaluation, Authorization and Restriction of Chemicals: EU chemicals regulation

**Responsible Care**

Responsible Care is an initiative of the chemical industry with the goals of striving for continuous improvement in the areas of environment, safety and health, independent of legal requirements, and of regularly demonstrating this progress publicly.

**Retention agents**

Substances that cause the retention of substances

**Rheology additives**

Thickeners based on guarana, a natural plant

**ROS**

Return On Sales

**S****SBTi**

Science-Based Targets initiative

**Scope 1**

Direct emissions of climate-damaging gases within the company

**Scope 2**

Indirect emissions of climate-damaging gases by energy suppliers

**Scope 3**

Indirect emissions of climate-damaging gases in the upstream and downstream supply chain

**SCTI**

Sustainable Chemistry for the Textile Industry: SCTI is committed to working together for a more sustainable and safer textile industry

**SDG**

Sustainable Development Goals: The 17 Sustainable Development Goals are political goals of the United Nations that aim to ensure sustainable development worldwide on an economic, social and ecological level.

**SpeakUp®**

Whistleblower platform for companies

**Stakeholders**

Persons or groups whose interests are linked to those of a company in many ways

**SVHC**

Substances of very high concern

**T****Taxonomy**

A taxonomy is a uniform procedure or model with which objects are classified according to certain criteria, i.e. they are placed into categories or classes. The EU Taxonomy Regulation describes a framework for the general classification of “green” or “sustainable” economic activities within the EU

**TEGEWA**

Association of manufacturers of textile, paper, leather and fur, auxiliaries and dyes, surfactants, complexing agents, antimicrobial agents, polymeric flocculants, cosmetic raw materials and pharmaceutical excipients or related products.

**Tfs**

Together for Sustainability: A chemical industry initiative for greater sustainability in the supply chain

**U****UN Global Compact**

United Nations initiative: Based on 10 universal principles and the sustainable development goals, the UN Global Compact pursues the vision of a more inclusive and sustainable economy for the benefit of all people, communities and markets, today and in the future

**V****VCI**

The Association of the Chemical Industry represents the interests of the industry in relation to politics, authorities and other areas of the economy

**VOC**

Volatile Organic Compounds. These are organic chemical compounds with a boiling range of approximately 50 – 260 °C

**W****WBCSD**

World Business Council for Sustainable Development: An organization that deals exclusively with the topic of “economy and sustainable development”. The WBCSD represents business interests at UN climate conferences

**WWF**

The World Wide Fund for Nature is an international non-governmental organization dedicated to protecting the environment and preserving biodiversity. The WWF was founded in 1961 and is one of the largest and most experienced conservation organizations in the world

**WWF-Water Risk Filter**

The Risk Filter is an online tool for companies and investors to assess and manage water-related risks in their operations, value chains and investments

**XY****Z****ZDHC**

Zero Discharge of Hazardous Chemicals: Association of textile manufacturers and their suppliers with the aim of eliminating chemicals that are harmful to health and the environment from their production