

# 2021 SUSTAINABILITY REPORT

## ABOUT THIS REPORT

**As an internationally active specialty chemicals company, we want to communicate openly and transparently. For this reason, a report on sustainable corporate governance activities and performance is important to us.**

The current Sustainability Report has been prepared in accordance with the standards of the Global Reporting Initiative (GRI) in accordance with the Kern option. This report presents our worldwide sustainability commitment for 2021 with regard to the three dimensions economy, ecology and society.

The report shall inform our customers, staff members and business partners about the sustainability performance, the sustainability management and the strategic goals of the company group.

In addition, we want to stress how the sustainability management of the CHT Group contributes to the company's long-term economic success. Moreover, the contents of this report serve as "Communication on Progress" in the sense of the UN Global Compact principles. As a member of the UN Global Compact since 2016 we have aligned our economic actions with the UN Global Compact principles and with the Responsible Care® initiative of the chemical industry.

The report includes the fields of activity in the group's management which contain sustainability goals that are based on the company strategy. The report including the set values such as workforce metrics, energy and water consumption as well as emissions and waste was written for all companies belonging to the group. In case of divergences, these are highlighted.

The period covered in this sustainability report is January 1 to December 31, 2021 and is identical to the fiscal year of the CHT Group. The editorial deadline was April 30, 2022. Additional information and qualitative statements have been taken into account up to the deadline. The sustainability report of the CHT Group was published for the first time in 2014. It is issued on an annual base. The next sustainability report is planned for 2022 and is expected to be published in the 2nd quarter of 2023.

## OUR COMPANY



Strong company, strong character. The CHT Group is a globally acting group of companies.

## EFFECTS OF SUSTAINABILITY



Set guidelines for sustainable actions. Sustainability is fundamental to our company.

## SUSTAINABILITY MANAGEMENT



Long-term business success must create value: for the environment, society, and the economy.

## ETHICS AND INTEGRITY



Our group-wide ethics and compliance program ensures that legal requirements and internal company policies are observed.

## ECONOMY



The CHT Group closed fiscal year 2021 with an increase in sales, following the trend in the chemical industry.

## ECOLOGY



Clear environmental principles: We consistently take responsibility for our actions.

## SOCIETY



"Many people with strong characters". In recent years, the CHT Group has continued to develop.

## PRINCIPLES



GRI Standards: All aspects and indicators at a glance.

## TO THE CHT COMPANY WEBSITE



CHT: Smart Chemistry with Character.

## FACTSHEET 2021

[DOWNLOAD FACTSHEET](#)

## UNSER GESCHÄFTSMODELL OUR BUSINESS MODEL

UNSERE VISION | OUR VISION

## DIE CHT GRUPPE, DER BEVORZUGTE PARTNER UND DIE FÜHRENDE REFERENZ FÜR NACHHALTIGE CHEMISCHE LÖSUNGEN IN UNSEREN WELTWEITEN MÄRKTEN.

**53** PRODUKT-ANWENDUNGSFELDER  
PRODUCT APPLICATION FIELDS

In mehr  
als  
**20**  
Ländern mit  
Gesellschaften  
vertreten

Represented  
in more than  
20  
countries  
worldwide

## CHT GROUP, THE PREFERRED PARTNER AND LEADING REFERENCE FOR SUSTAINABLE CHEMICAL SOLUTIONS IN OUR GLOBAL MARKETS.

**4** GESCHÄFTSFELDER  
BUSINESS FIELDS

- Textil  
Textile
- Bauwesen & Montage  
Construction & Assembly
- Allgemeine Industrie  
General Industries
- Textilpflege  
Textile Care Solutions

**26** GESELLSCHAFTEN  
COMPANIES

**23** Produktionsstandorte weltweit  
Production sites worldwide

**7** Silikon-Produktionsstandorte weltweit  
Silicone production sites worldwide

## UNSERE GRUNDLAGEN | OUR BASIC PRINCIPLES

Rohstoffe, Güter und  
Dienstleistungen für die eigene  
Produktion im Wert von Millionen €  
eingekauft



Million € worth of raw materials,  
goods and services purchased for  
own production

Über | More than



Lieferanten | Suppliers

**>2,500**

Anzahl der Rohstoffe  
Number of raw materials

**412**

Millionen €  
Eigenkapital  
Million €  
Equity capital

**15**

Millionen €  
Forschungs- und Entwicklungskosten  
Million €  
Research and development costs

**18**

Millionen €  
Investitionen in Sachanlagen und immaterielles  
Vermögen (keine Akquisitionen)  
Million €

Worth of investments in property, plant and equipment  
as well as intangible assets (no acquisitions)



Zu unseren Stakeholdern zählen Kunden,  
Mitarbeiter, Lieferanten, unsere Eigentümer  
sowie Experten aus Wissenschaft, Wirtschaft,  
Politik, Gesellschaft und Medien

Our stakeholders include customers,  
employees, suppliers, our owners as well  
as science, economy, politics, society and  
media experts



Schulungsstunden | Training hours

**32,500**

Zahlreiche Angebote für  
die Vereinbarkeit von Beruf  
und Privatleben weltweit



Numerous offers for the  
compatibility of work and  
private life, worldwide



**>2,400**

Mitarbeiter  
weltweit, davon

**95**

Auszubildende | Apprentices

## MEHR ALS 10.000 KUNDEN

Mit einem breiten Portfolio bedienen wir  
Kunden aus vielen verschiedenen Branchen

## MORE THAN 10,000 CUSTOMERS

With a wide portfolio, we serve customers  
from many different industries



### ONE Winning Team

- **Collaborate** – Building on our strong team spirit as ONE company
- **Create** – Continuously innovate and shape change positively
- **Focus** – Be ready to stop and cut activities and maintain a strong focus on what is important
- **Win** – Be successful together and exceed our competition as ONE Winning Team

Werte als Richtschnur für unser Verhalten und Handeln  
Values as a guideline for our behaviour and actions

- **Respekt**  
Respect
- **Verantwortung**  
Responsibility
- **Zuverlässigkeit**  
Reliability
- **Glaubwürdigkeit**  
Credibility
- **Engagement**  
Commitment
- **Mut**  
Courage

**2021**

## UNSERE ERGEBNISSE | OUR RESULTS

**28**

% Anteil Frauen  
in Führungs-  
positionen

% women in  
leading  
positions

**75**

% Anteil von  
nicht-deutschen  
Senior Executives

% Non-German  
senior executives

**18,035**

Tonnen  
CO<sub>2</sub>e Unternehmens-  
fußabdruck Scope 1 + 2  
(market-based method)



**218,241**

Tonnen  
Produktionsmenge



**257,753**

GJ Energieverbrauch  
GJ Energy consumption



Arbeitsunfälle mit  
Ausfalltagen  
je 200.000  
Arbeitsstunden

Work-related incidents  
resulting in days of  
absence per 200,000  
working hours



Transportereignisse  
mit erheblichen  
Auswirkungen auf  
die Umwelt

Incidents during  
transportation with  
significant effects  
to the environment

**181,947**

m<sup>3</sup> Wasserableitung | m<sup>3</sup> water evacuation



**268,509**

m<sup>3</sup> Wasserverbrauch | m<sup>3</sup> water consumption



**630**

Millionen € Umsatz,  
60 % mit Innovationen,  
die seit 2015 auf dem  
Markt sind

Million € turnover, 60 %  
turnover with innovations  
that have been on the  
market since 2015



Rund | Approx.

**380**

Projekte in der  
Forschungspipeline



Rund | Approx.

**215**

Aktive Patente  
weltweit



Seit 2016 im  
UN Global Compact  
engagiert

Cooperation with  
UN Global Compact  
since 2016

Mitarbeiter in Forschung  
und Entwicklung,  
weltweit

**285**



# OUR COMPANY

PREFACE FROM THE  
MANAGEMENT BOARD



THE CHT GROUP



VISION AND MISSION



STRATEGY AND VALUES



OUR WORK IN  
ASSOCIATIONS AND  
INITIATIVES



SUSTAINABILITY GOALS



BUSINESS FIELDS





# OUR COMPANY

## PREFACE FROM THE MANAGEMENT BOARD

2021 was a very successful fiscal year for the CHT Group.

Despite the ongoing corona pandemic, extreme supply bottlenecks and increasingly rising raw material prices, we achieved record figures in both sales and earnings. We were able to show that changes and shifted premises and priorities can challenge us, but not set us back permanently.

This positive development means that the issues relating to sustainability, which were initially overshadowed by the pandemic, have once again come into focus with their full relevance and prioritization. Due to our structure as a foundation-owned group of companies and the obligation to fulfill the foundation's purpose, these topics are a fundamental part of our culture and self-image.

As a global business enterprise, we emphasize that the current global challenges posed by a growing world population, climate change and the increasing complexity of the flow of goods can only be mastered by implementing sustainable actions and business practices. In doing so, we take responsibility for our own actions, our company and society.

We have aligned our vision, our mission, and our entire corporate strategy, with clear goals and the three dimensions of sustainability: environment, economy, and social issues.

» **WE EMPHASIZE THAT THE CURRENT GLOBAL CHALLENGES POSED BY A GROWING WORLD POPULATION, CLIMATE CHANGE AND THE INCREASING COMPLEXITY OF THE FLOW OF GOODS CAN ONLY BE MASTERED BY IMPLEMENTING SUSTAINABLE ACTIONS AND BUSINESS PRACTICES.**

Our economic success shows that the internal organizational structural adjustments are paying off and that we are pursuing the right path with Strategy 2025, which is aligned with the United Nations' Sustainable Development Goals (SDGs). With the "Green Deal", the EU Commission is pursuing ambitious climate targets. We are actively involved in implementing these targets as part of the VCI's "chemistry4climate" initiative. In addition, we as the CHT Group have set ourselves the goal of becoming climate-neutral by 2045. To underpin this ambitious goal, at the end of 2021 we signed up to the Science Based Targets initiative (SBTi) to meet the targets of the Paris Climate Agreement and committed to the 1.5°C target.

What challenges do we see as the CHT Group?

We see the transformation to a sustainable and climate-neutral society as the greatest challenge of the coming decades. Many of our products and technologies have an influence on the success of this transformation. We are therefore working at full speed to develop products and process solutions that reduce our customers' CO<sub>2</sub> footprint, while at the same time making worldwide efforts to reduce the CO<sub>2</sub> footprint of our own production operations. In 2021, we calculated the corporate carbon footprint for the CHT Group for the first time, which serves as a baseline for our reduction targets.

The further intensification of resource scarcity on a global level calls for responsible handling of raw materials. In addition, the chemical industry is very energy-intensive and dependent on fossil raw materials. Therefore, the transformation of our energy consumption towards non-fossil energy sources is crucial. In addition, we see the expansion of the circular economy with increased activities in mechanical and chemical recycling and the increased use of biobased raw materials as a suitable way to drive forward climate protection by means of defossilization. This transformation is a major challenge that we will accept and master.

We are therefore aligning our products and processes even more closely with the circular economy in the future. In the textile industry, for example, we joined forces with other major international textile chemical companies to establish the "Sustainable Chemistry for the Textile Industry (SCTI)" alliance in the fall of 2020 with the aim of setting uniform global environmental standards within the international textile value chain and thus advancing sustainability in the textile industry.

To successfully implement this transformation, we need to continue to grow our business profitably. To this end, we continue to rely on our sustainably classified products, with which we aim to map 80% of our sales by 2025. These products support customers in traditional industry segments such as the textile or paper industry in their transformation towards lower-pollutant manufacturing. Furthermore, they also ensure the reduction of water and energy consumption in the corresponding industries. In addition, our additives are used in future technologies such as e-mobility, fuel cells and modern construction materials.

In the Sustainability Report 2021, we present the CHT Group's contribution to sustainable and responsible action and give you an overview of how we are addressing the diverse challenges described.



**Dr. Bernhard Hettich | CTO**



**Dr. Frank Naumann | CEO**



**Axel Breitling | CFO**

# OUR COMPANY

## THE CHT GROUP

### STRONG COMPANY, STRONG CHARACTER

The CHT Group is a globally acting group of companies focusing on the development, production, and sale of specialty chemicals as process aids, function generators, and additives for industrial applications. Our products improve the quality, the functionality, and the performance of textiles, construction materials, paints, coatings, paper, leather as well as cleaning and care products. Moreover, we provide the mold making and prototyping industry, medical engineering, transportation, and the electronics industry with sophisticated silicone elastomers.

### COMBINING OF COMPETENCES

The headquarters of our group, CHT Germany GmbH in Tübingen, is also a center of competence for the Business Fields (BF) of Textile, Textile Care Solutions, Construction & Assembly, and General Industries. Our center of competence for textile dyes (this product line belongs to BF Textile) is managed at CHT Switzerland AG in Montlingen.

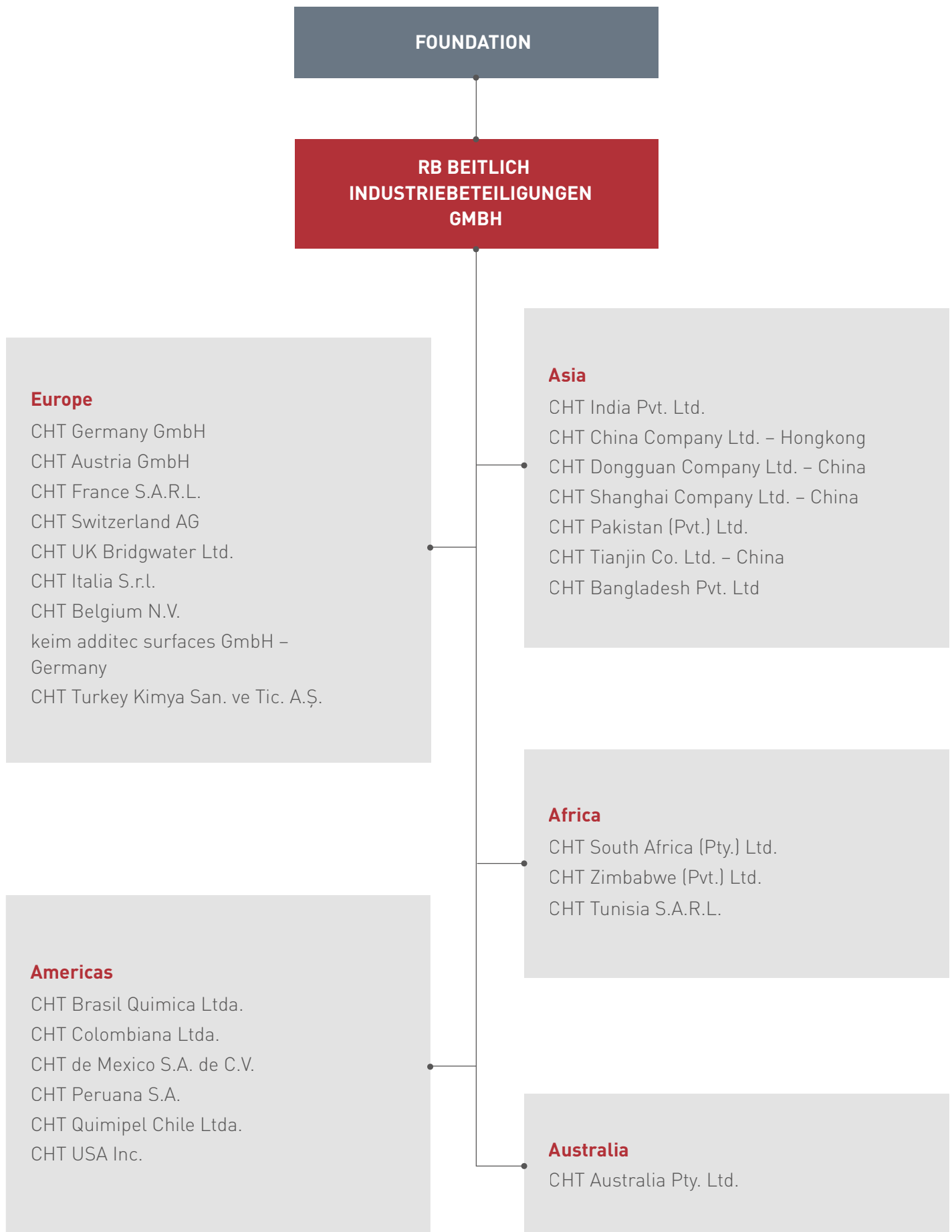
The center of competence for polymers is managed at CHT Turkey Kimya in Istanbul, and the center of competence for paper chemicals has been divided between the group's headquarters in Germany and CHT Brasil Quimica Ltda. in Piracaia, Brasil. The center of competence for wax chemistry is managed at our site Keim Additec Surface GmbH in Kirchberg, Germany.

The centers of competence aim at combining the strong points of technology and marketing in our group of companies and at controlling the worldwide business development by applying new technologies and providing technical support. This structure also enables us to continually develop innovative products, applications, or processes.

### CONSTANT OWNERSHIP STRUCTURE

All companies of the CHT Group belong to the RB Beitlich Industriebeteiligungen GmbH (RBI) privately owned by two foundations, namely the Beitlich Familien Stiftung (Beitlich family foundation) and the charitable Reinhold Beitlich Stiftung (Reinhold Beitlich social foundation).

## THE CORPORATE STRUCTURE OF THE CHT GROUP



As of 30.06.2022

In 2021, the two companies CHT Brasil Quimica Ltda. and CHT Quimipel Brazil Quimica Ltda. merged to form CHT Brasil Quimica Ltda.

# OUR COMPANY

## VISION AND MISSION

"The CHT Group, the preferred partner and leading reference for sustainable chemical solutions in our worldwide markets":

With our vision, we have set an ambitious goal to clearly express that we want to contribute to a sustainable future.



Our corporate mission statement gives both our employees and our customers and business partners a clear idea of what they can expect from our company. Thus, our mission is to make our contribution to sustainability with smart chemistry. We are a reliable partner and support our customers' needs in the fields of Textile, Construction & Assembly and General Industries. Through tailor-made service, innovative strength, and outstanding product quality we distinguish ourselves in the market to secure profitable growth.

### STRUCTURE OF THE GROUP

We committed to providing job security worldwide. On the basis of tradition and values, we promote our staff's talents. We fully utilize our business potential by maintaining a seamless organization of our international teams.

# OUR COMPANY

## STRATEGY AND VALUES

### OUR STRATEGIC PRINCIPLES



- ▶ ONE WINNING TEAM – through cultural transformation we achieve more
- ▶ First choice for our customers
- ▶ Leading reference for sustainable chemistry
- ▶ Great working conditions
- ▶ Effective and value-based organization

## OUR VALUES

For a successful implementation of our strategy, our way of acting is decisive. This is what our values stand for. They give us orientation and grant a uniform and reliable behavior within and outside the company.



### 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 the future

**WHAT IS IMPORTANT TO US**

## STRATEGY 2025

In 2020, the objectives for the next five years were defined at group level with Strategy 2025. Strategy 2025 aims to continue profitable growth and focuses even more strongly than before on customer business and sustainable value creation.

With Strategy 2025, CHT combines the goal of creating value for society and has set itself financial and non-financial goals for this purpose, which at the same time contribute to the implementation of the United Nations' Sustainable Development Goals (SDGs).

# CORPORATE GOALS

## Financial Goals

Growth to +€750m sales with ROS of 8 % until 2025



Increasing sales in Asian markets by +€64m



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



## 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 COMPANY

## OUR WORK IN ASSOCIATIONS AND INITIATIVES

Through our membership of various industry associations, we want to contribute to improving the protection of people and the environment. For example, we are a partner of the Responsible Care® initiative of the chemical industry and member of the TEGEWA and ETAD. We actively support the sustainability initiative Chemie³ of the Chemical Industries Association (VCI), the Union for Mining, Chemical and Energy Industries (IG BCE) and the Federal Employers' Association of Chemical Industry (BAVC) as well as the Chemistry4Climate (c4c) platform of the partners VCI and VDI (Association of German engineers).

In addition, the CHT Group has been a member of the European Chemical Industry Council (CEFIC) since March 2022 and has committed itself as a member of SBTi (Science Based Targets initiative) to meeting the targets of the Paris climate agreement.

[MORE INFORMATION](#)

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 commit ourselves to aligning our business activity and strategies with ten universally recognized principles in the areas of human rights, labor standards, environmental protection, and anti-corruption.

[MORE INFORMATION](#)

# OUR COMPANY

## OUR SUSTAINABILITY GOALS

| ASPECT                        | TARGET FOR 2022   | STATUS END OF 2021   | MORE<br>INFORMATION                             |
|-------------------------------|---|--|---|
| Sustainable Product Portfolio | Reaching a sales target of 67% with ECO Range products  | 64% of CHT Group global sales have been achieved with ECO classified products  | Ökologie  |
| Climate Protection            | Calculation of first climate balance for CHT Group (Scope 1, 2 & 3)<br>Definition of climate strategy to reach annual GHG savings of 4.2% (Scope 1 + 2) and 2.5% reduction of Scope 3 emissions   | Commitment to SBTi by December 7, 2021<br>Business ambition for 1.5°C campaign and net zero commitment<br>Scope: entire CHT Group represented by CHT GER as HQ   | Ökologie  |
| Internal Processes            | Reducing specific energy consumption, water consumption and waste generation by -10% until 2025<br>Roll-out of ISO 5001 certification to KAS<br>Implementation of standard calculation for the work incidents within CHT Group and definition of reduction targets until 2025 | Specific energy consumption:<br>327 kWh/ton<br>Specific water consumption:<br>1,230 l/ton<br>Specific waste generation:<br>49 kg/ton<br>Appointment of an energy officer for each CHT company<br>Definition of reduction targets per CHT company / CHT site<br>incident rate of 1.6 (globally) | Ökologie  |
| Supplier Management           | Keeping 88% of purchase volume with sustainable suppliers<br>100% of suppliers are ISO 9001 certified<br>>80% of suppliers are ISO 14001 certified<br>100% of suppliers signed the CHT Code of Conduct  | 88.5% of strategic raw material sourcing with sustainable classified suppliers   | Gesellschaft                                    |
| Circular Economy              | Increasing number of products based on bio-based or recycled raw material<br>Participation in VCI project circular economy & digitalization<br>Increasing number of textile products with C2C rated MHC<br>Focusing R&D on sustainable polymers                               | Launch of 5 new products based on recycled or bio-based raw material<br>Implementation of internal sustainable polymers conference (R&D team globally)   | Auswirkungen von Nachhaltigkeit                 |
| EcoVadis Certification        | Reaching a score of at least 67   | Score of 65  | Auswirkungen von Nachhaltigkeit<br>Gesellschaft |

The above list of goals and projects for 2021 is documented in several chapters of this Sustainability Report.

### **UNIFORM ACTION**

Our customer portfolio ranges from global key accounts and medium-sized companies down to small local finishing companies. In 2021, the CHT Group entered the end-user customer business (B2C) for the first time via retail chains by introducing a sustainable household detergent.

With a broad portfolio of different competences, processes, technologies, and products, we serve customers from different industries, and now even end-user customers.

By combining know-how and resources, we position ourselves as a creative solution provider. As a global company, we see it as our responsibility to harmonize the different conditions within individual markets and their participants in the long term by adopting a uniform approach. We do this by implementing our commitment to sustainability in all company areas and markets in which we operate.

# OUR COMPANY

## BUSINESS FIELDS

### TEXTILE

The CHT Group is a strategic and innovative partner of the textile industry. Our vast range of sophisticated auxiliaries, function generators and textile dyes cover the complete textile chain, from fiber manufacturing via pre-treatment, dyeing, textile printing and flock up to finishing and coating and finally jeans & garment. Our customers in this market segment are textile manufacturers and textile finishing companies all over the world.



Our innovative chemical solutions make a significant contribution to a sustainable textile future. I am firmly convinced that my team at CHT will be successful together with our partners along the textile chain.

#### **BENOIT MOUTAULT**

VP Textile of CHT Group & Managing Director of CHT Switzerland

The CHT Group makes its contribution to establish sustainability aspects within the international textile value chain. Thereby, we support the goal of a worldwide compliance with uniform labor, social and environmental standards. To achieve this goal, we are working internally on our sustainability goals and are committed nationally and internationally at association level and with our customers, brands, partners, and NGOs.

For years, we have particularly focused on developing auxiliaries and dyes which help save energy, time, waste, and water in the production process. Here, we develop customer-oriented processes that are tailored to the production facilities and the articles to be manufactured.

### TEXTILE CARE

We mainly develop perfectly adjusted washing and care concepts which meet the requirements of modern laundries. Our current product and process development is not only focused on achieving excellent washing results but particularly on saving water, energy, and time and on using less chemicals.



Let's make a start together! We make your way to less plastic as easy as possible. With a purely plant-based detergent of the latest generation and a refill system with which you can effortlessly save plastic: LAVECO+ and "My Bottle, please!"

**PRINCE CHARLES STEVENS**

Head of BF Textile Care Solutions of CHT Group

Our customers include worldwide-operating industrial laundry groups that run supra-regional laundries and are often specialized in working clothes and hygiene processes.

Moreover, we also assist locally operating customers in the OPL segment. In general, these are smaller laundries, hotels, hospitals, and nursing homes. Companies finishing feather and down complete our customer portfolio.

In 2021, CHT expanded its textile care business toward the end-user customer market (B2C) with a purely plant-based household detergent for all textiles. The LAVECO+ detergent contains exclusively biodegradable chemicals. In addition, LAVECO+ offers a unique "unpackaged range" concept in the retail sector. Customers fill LAVECO+ into their own or purchased bottles at the specially developed filling machine in the supermarket and save a large amount of plastic packaging.

## **GENERAL INDUSTRIES**

This business field serves many different market segments: These include the paper and pulp industry (sophisticated process aids and special coatings), the cleaning and care agent industry (Consumer Care), the agrochemical and leather finishing industry (silicone specialties as process aids, function generators and additives) as well as the mining industry (process aids).

Since the beginning of 2022, Eva Baumann has been leading the BF General Industries of the CHT Group.



Silicones are environmentally friendly and sustainable as well as versatile and durable in applications.

**EVA BAUMANN**

Head of BF General Industries of CHT Group

In addition to silicone oils, emulsions and defoamers, our silicone range includes silicone gels and gums which were added to the portfolio by the ICM in 2017.

In addition, we offer a broad range of sophisticated silicone elastomers for numerous industrial applications. The focus is on model and mold making, the automotive industry, aerospace, electronics, LED technology, medical engineering, pad printing and industrial bonding and sealing. All over the world, silicones are seen as products with a good CO<sub>2</sub> balance as they are superior to other polymeric raw materials and materials due to their physical properties.

## CONSTRUCTION AND ASSEMBLY

As a producer and provider of additives and specialist chemicals for the paint and coatings industry and the construction materials industry, we have set the goal of supporting our customers with efficient components and innovative solutions. Our portfolio comprises wetting, dispersing and leveling agents, rheological additives, defoamers and wax formulations for surface modification as well as hydrophobic impregnating agents.



Our model for success is to be close to our customers and to supply them reliably with sustainable, water-based additives. Thus, we find technically innovative answers to customers' questions and offer new solutions.

**DR. BERND SCHENZLE**

Head of BF Construction & Assembly of CHT Group

The range of rheological additives is largely based on renewable raw materials such as guar and starch. Our customers mainly operate in the paint and coatings industry and produce, among others, interior and exterior wall paints, printing inks and overprint varnishes, automotive and industrial coatings as well as wood coatings. In the construction materials industry, we supply manufacturers of mortars, screeds, or fillers, as well as producers of cement, concrete and their finished products with natural rheological additives, plasticizers, anti-settling agents or hydrophobic impregnating agents.

# EFFECTS OF SUSTAINABILITY

OUR COMPREHENSION  
OF SUSTAINABILITY



# EFFECTS OF SUSTAINABILITY

## OUR COMPREHENSION OF SUSTAINABILITY



### SET GUIDELINES FOR SUSTAINABLE ACTIONS

Sustainability is fundamental to our company. It harmonizes with our culture and our self-perception as a global commercial company. A foundation-owned company rooted in tradition, the CHT Group has embraced the aspects of sustainability for a very long time. The legacy of the company's founder already stipulated job security, family-friendly working time models and corporate social responsibility (CSR). We recognize that the current challenges arising from a growing global population, climate change and an increasingly complex flow of goods will only be met by implementing sustainable actions and management. We take responsibility for our actions, our company, and society. Not least for this reason, we have aligned both our vision and mission as well as the entire corporate strategy with the three dimensions of sustainability (environment, society and economy) and anchored them with clear goals.



### MAKE USE OF GROWTH OPPORTUNITIES

We have recognized the importance of sustainability as an essential, global growth driver and a critical factor for the future. Therefore, we always analyze sustainability trends in the market segments we serve. This enables us to develop new business opportunities and support our customers with innovative and sustainable products and solutions. Critical success factors for chemical companies are, among other things, the type and quality of raw materials and how they are secured. Therefore, for the selection and evaluation of new and existing suppliers, in addition to economic criteria, we consider environmental, social, and corporate governance standards. By defining sustainability criteria for research and development we ensure that new products and processes support our company goals worldwide. Our sustainable personnel policy leads to staff that have a strong identification with our company. What is more, by our commitment to sustainability we see it as increasing our chances to win young "high potentials" as employees worldwide and to integrate them in the further development of the CHT Group. Ecological and social responsibility meets the younger generation's interest in a highly globalized world. We see the expansion of a family-friendly working environment with flexible working hours and workplace models as both an obligation and an opportunity for our company.





## JOINT COMMITMENT

CHT commits itself to its responsibility to respect internationally valid human rights. We do not tolerate human rights violations in our business activities. It is important to us that our partners along the entire value chain also commit themselves to this. We therefore call on them to recognize our Code of Conduct. We continuously communicate our goals and how we comprehend sustainability both internally and externally. That is why we inform our staff, customers, and the public about what they can expect from us. Moreover, CHT is committed to national and international associations, and together with customers, partners, and NGOs we implement sustainability along all relevant value chains with defined common goals. Our sustainability commitment is supported by our staff. They get involved in projects and are compliant with sustainability goals. On the one hand, they support our customers in terms of sustainability, on the other hand they act sustainably at their workplace – a great idea which will spread even wider.



## WHICH CHALLENGES DO WE HAVE TO MEET?

We see the transformation to a sustainable and climate-neutral society as the greatest challenge of the coming decades.

Many of our products and technologies have an influence on the success of this transformation. We work on the development of products and process solutions that reduce the CO<sub>2</sub> footprint of our customers and at the same time we make internal efforts worldwide to reduce the CO<sub>2</sub> footprint of our own productions and products.

The increasing global scarcity of resources also calls for the responsible use of raw materials. In addition, we see the expansion of the circular economy with increases in mechanical and chemical recycling and the increased use of biobased raw materials as the only way to advance climate protection through defossilization.

In the future, we will focus our products and processes even more strongly on the circular economy, as this global trend will also open new business opportunities for us.

Together with the major international textile chemical companies, we founded the Sustainable Chemistry for the Textile Industry (SCTI) alliance in the fall of 2020 to drive sustainability in the textile industry. In the textile trade and textile manufacturing, the high demands and strict legal requirements within the European and US buyer markets are linked with the topic of sustainability. High cost pressure is caused by a global sourcing structure and low social and ecological regulations in many textile producing countries in Asia and South America. Complex supply chains no or non-uniform legal requirements and environmental standards globally, resulted in more than 300 chemical requirements according to the Manufacturing Restricted Substances List (MRSL) for the manufacture of textile products. This development can neither be managed by the affected industrial companies nor does it lead to transparency for end users. SCTI has therefore initiated a joint effort with all participants to establish uniform environmental standards worldwide within the international textile value chain.

# SUSTAINABILITY MANAGEMENT

WE TAKE  
RESPONSIBILITY



SUSTAINABILITY  
STEERING COMMITTEE



# SUSTAINABILITY MANAGEMENT

## WE TAKE RESPONSIBILITY

Long-term business success must create value: for the environment, society, and the economy. That is why sustainability has been a fundamental component of our corporate strategy for many years. We consistently integrate aspects of sustainability into our actions. We understand future sustainability trends and derive appropriate measures for our business. Sustainability remains deeply anchored in our company strategy.

### COMPANY STRATEGY

Within the framework of our entrepreneurial self-obligation, we define measurable sustainability goals and methods for their implementation. In our corporate strategy, we have set sustainability priorities and linked these to the relevant SDGs (Sustainable Development Goals of the UN). CHT has selected 11 of the 17 SDGs which are highly relevant for our business activities today and in the future (see graph).

- ▶ We buy responsibly.
- ▶ We align our production safely for people and the environment.
- ▶ We treat our staff and society with respect and appreciation.
- ▶ We are the preferred partner and leading reference for sustainable chemical solutions in our markets.

Energy and climate protection, portfolio management, supply chain responsibility, staff commitment and resource efficiency as well as responsible production are the focal points of our sustainability management.



These aspects play a vital role in our long-term steering processes and reports. We consider the relevance of these topics for our business, the effects along the value chain and the significance for our stakeholders.

## WE INVOLVE STAKEHOLDERS: OPEN DIALOG

Our commitment to sustainability is characterized by a trusting and open dialog with our stakeholders. These include the owners of our company, our staff, and external stakeholders such as our customers, suppliers, associations, universities, research institutions and NGOs. In an exchange with them we identify new trends and demands at an early stage, so that we can include them in our development and entrepreneurial decisions.

### MATERIALITY ANALYSIS

## STAKEHOLDERS' NEEDS AND EXPECTATIONS OF CHT



### EMPLOYEES

- ▶ Safe workplace
- ▶ Attractive and fair employer
- ▶ Development opportunities
- ▶ Trust
- ▶ Protection of health



### OWNERS, CHT FOUNDATIONS

- ▶ Responsible and sustainable management
- ▶ Profitable business expansion
- ▶ Risk minimization



### CUSTOMERS

- ▶ Innovative and sustainable solutions
- ▶ Reliability
- ▶ Good cost effectiveness



### SUPPLIERS

- ▶ Fair and reliable business relations
- ▶ Support in the implementation of social and ecological demands



### BANKS

- ▶ Long-term planning and performance
- ▶ Reliability
- ▶ Transparent risk management

## **WE MEASURE VALUE CONTRIBUTIONS THROUGH SUSTAINABILITY**

We want to capture the value contribution of our sustainable corporate activities along the entire value chain. We aim to increase our positive contribution to society and minimize the negative effects. To achieve this, we need to better understand the impact of our actions on the environment. We use the experience we have gained in the sustainability assessment of our products, as well as eco-efficiency analyses prepared jointly with partners. We have prepared the first CHT CO<sub>2</sub> balance for 2021 and are preparing to calculate our product carbon footprints.

## **VALID DATA COLLECTION**

All data in this report is recorded and documented in a reporting system used throughout the group. The reporting system uses a uniform data platform which is available at all CHT sites worldwide. All group-wide data in the areas of ecology and society is collected by locally responsible and access-authorized employees at the various CHT sites. The validity of such data is ensured by a two-stage confirmation process. The tool contains calculation factors, so that all consumptions and emissions can be recorded, calculated, and evaluated centrally.

In addition, CHT has implemented a tool for group-wide management and for ensuring compliance and CSR guidelines. The Managing Directors of the CHT Group evaluate this tool CSA (Control Self-Assessment) which includes the topics of sustainability and UN Global Compact in the context of an explanatory self-disclosure for their CHT company.

**CONTROL SELF-ASSESSMENT**

# SUSTAINABILITY MANAGEMENT

## SUSTAINABILITY STEERING COMMITTEE

### SUSTAINABILITY ON MANAGEMENT LEVEL

The Sustainability Steering Committee is the central steering body of the CHT Group for sustainable development. It consists of members of the RBI management, Heads of Business Fields and functional areas. It is chaired by the CEO of the CHT Group.

### STEERING BOARD

- ▶ Dr. Frank Naumann, CEO
- ▶ Dr. Bernhard Hettich, CTO
- ▶ Dr. Annegret Vester, Chief Sustainability Officer, CSO
- ▶ Jim Cottingham, CEO CHT USA Inc. (withdrawal on 31.12.2021) and Philip McDermott, CTO CHT USA Inc. (new positioning as of 01.03.2022)
- ▶ Dr. Harald Lutz, Manager Sustainability (new positioning as of 01.10.2021)

During 2021, the Sustainability Steering Committee met regularly by video conference. It received quarterly status reports on the progress of the projects and made any necessary decisions. Our sustainability management contributes to risk minimization and opens opportunities in the marketing of sustainable products. We intend to reduce risks in the areas relating to environmental protection, safety, health protection, product responsibility, compliance as well as labor and social standards by globally setting uniform standards. These often go beyond local legal requirements. We check their compliance using internal monitoring systems, such as our CSA Tool, audits, and complaint mechanisms ([codeofconduct@cht.com](mailto:codeofconduct@cht.com)). Our globally valid Code of Conduct, which the management and all employees are committed to observe, creates a binding framework.

**CODE OF CONDUCT**



**OUR SUSTAINABILITY MANAGEMENT MAKES AN IMPORTANT  
CONTRIBUTION TO RISK MINIMIZATION.**

# ETHICS AND INTEGRITY

CODE OF CONDUCT



HUMAN RIGHTS





# ETHICS AND INTEGRITY

## CODE OF CONDUCT

### PROVIDING ORIENTATION

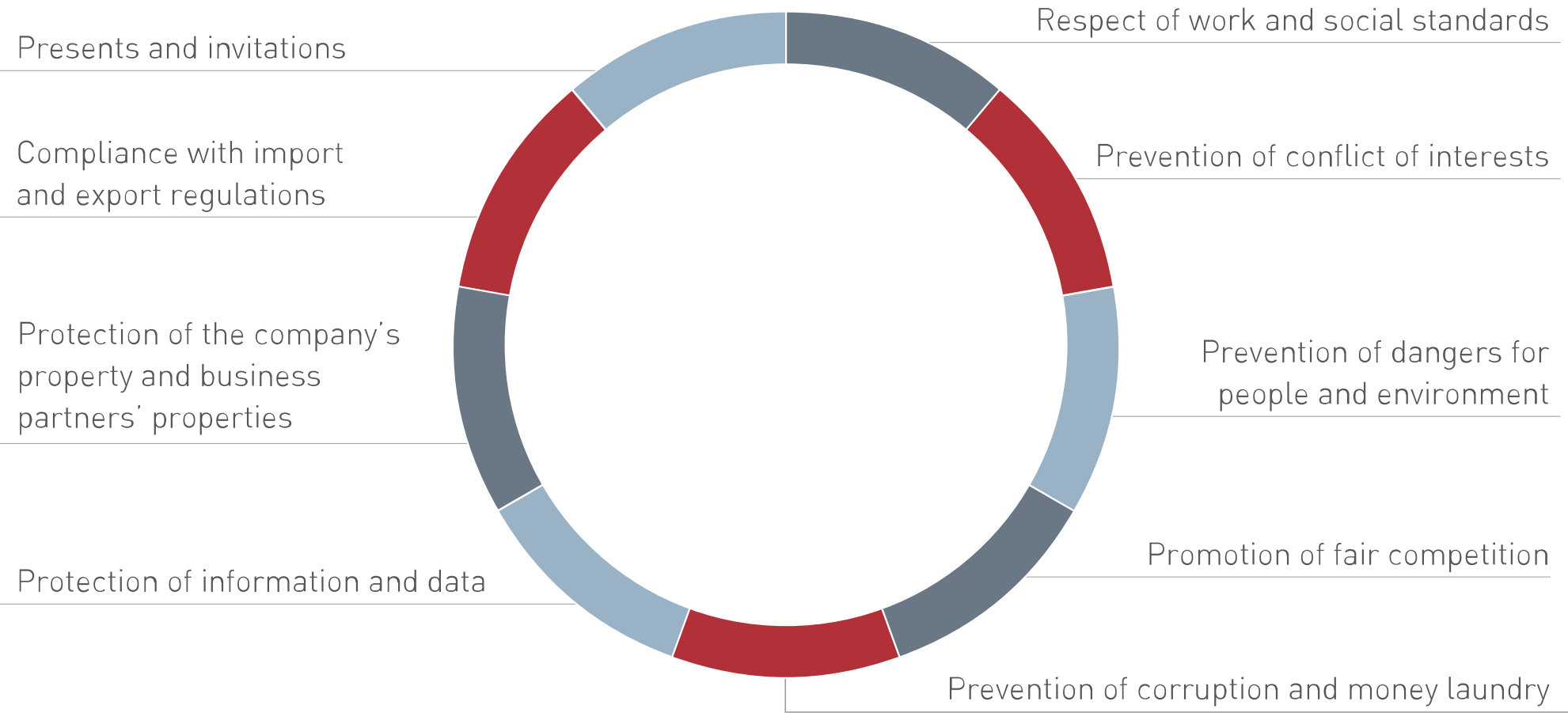
Our group-wide ethics and compliance activities ensure that legal regulations and internal company policies are observed. The mandatory application of compliance standards is the basis of responsible corporate governance. To reinforce this approach, the position of Compliance Manager was filled at the end of 2020, reporting directly to the group management. The Compliance Manager's task is to establish uniform global standards for compliance management and ensure that they are observed.

Our compliance principles are defined in the Code of Conduct of the CHT Group. It describes the conduct we expect from our managers and employees in their day-to-day work. Responsible and lawful behavior with integrity is of utmost importance for our companies' reputation and the confidence of our business partners and of the wider society. The Code of Conduct is based on internationally accepted standards and applies equally to all companies within the CHT Group. The primary goal of the Code of Conduct is to prevent violations. The group management is responsible for its centrally controlled implementation and communication. The Managers worldwide are responsible for ensuring compliance with the Code of Conduct. Mandatory training courses are an essential instrument for avoiding compliance violations.

In 2021, a worldwide compliance awareness training course was held for the complete leadership team as well as for the sales representatives of the CHT Group. In addition, there is an online-based portfolio with training measures on compliance which are conducted individually or as required.

In addition to the Code of Conduct, our business activities and the conduct of all employees are of course also governed by the applicable laws. If there is any hint or indication of a violation of our code rules, the matters must be investigated by the responsible manager and reported without any delay to the group management in Tübingen. In addition, every employee can address violations or questions on these topics directly to [codeofconduct@cht.com](mailto:codeofconduct@cht.com) by email.

# Code of Conduct of the CHT Group



## CONTROL SELF-ASSESSMENT

On a regular basis, the group management conducts a Control Self-Assessment (CSA) with all companies of the group. With our Control Self-Assessments, we pursue the following goals:

- ▶ Review, analyze and document business processes
- ▶ Review the suitability of existing control systems
- ▶ Identify possible risks and necessary improvement measures
- ▶ Ensure compliance with overriding guidelines and processes
- ▶ Ensure local management is in accordance with national law
- ▶ Ensure the implementation of the Code of Conduct
- ▶ Review the management in accordance with the principles of the UN Global Compact

The next CSA is planned for 2022.



### Our Code of Conduct to read

[CODE OF CONDUCT](#)

# ETHICS AND INTEGRITY

## HUMAN RIGHTS

### HUMAN RIGHTS – DEMAND AND RESPECT WORLDWIDE

The CHT Group commits itself to its responsibility to respect human rights. We have anchored this in our Code of Conduct. As an economic player, we rely on numerous partners in global value chains. We demand that they also respect human rights and the associated standards. Criteria for reviewing and observing human rights are integrated into our group companies worldwide, including supplier evaluation, investment and acquisition projects and systems for reviewing labor and social standards.

After the introduction of our compliance directives (Code of Conduct), we have also bound our suppliers and selected customers to observe these directives.

The strict respect of human rights by our business partners is a minimum criterion to establish lasting business relations. We are aware of a site-related residual risk regarding forced and compulsory labor (as well as child labor). Since 2016, the CHT Group has been a member of the UN Global Compact and we want to further intensify our commitment worldwide.



### Our Code of Conduct to read

[CODE OF CONDUCT](#)

### PROTECT FROM DISCRIMINATION

Our staff members reflect our global character and our philosophy of cultural diversity. As an international group with employees from many different nationalities, their protection from discrimination is a top priority. We do not tolerate any discrimination on account of race, ethnic origin, religion, ideology, gender, disability, age, or sexual identity of our employees.

Regular training courses ensure that our employees are familiar with the contents of the General Equal Treatment Act (German AGG) and that they act and comply with these rules. In all parts of our company, and in our relationships with our business partners, equal cooperation values apply. With the mandatory worldwide introduction of the Code of Conduct, we want to ensure equal treatment.

## **NO CHILD LABOR**

We strictly reject all forms of child labor. At our sites, we consistently comply with the local provisions on the minimum age of our employees. Where such rules do not exist, decisions are made in accordance with the ten principles of the UN Global Compact. We are aware of the site-related residual risk, but we know the age of each employee. Considering this and having our suppliers' signature of our Code of Conduct, we aim to reduce this risk.

## **CO-DETERMINATES BY LAW**

We explicitly promote our employees' rights. This includes, within the framework of freedom of association, the right of our employees to join and be represented by trade unions in accordance with applicable national laws. For all our employees, except for the group management, collective agreements are valid. During the report period of 2021 violations of the right to collective agreements and to the freedom of association were not disclosed within the CHT Group.

# ECONOMY

SALES  
DEVELOPMENT



PROFIT SITUATION



INVESTMENTS



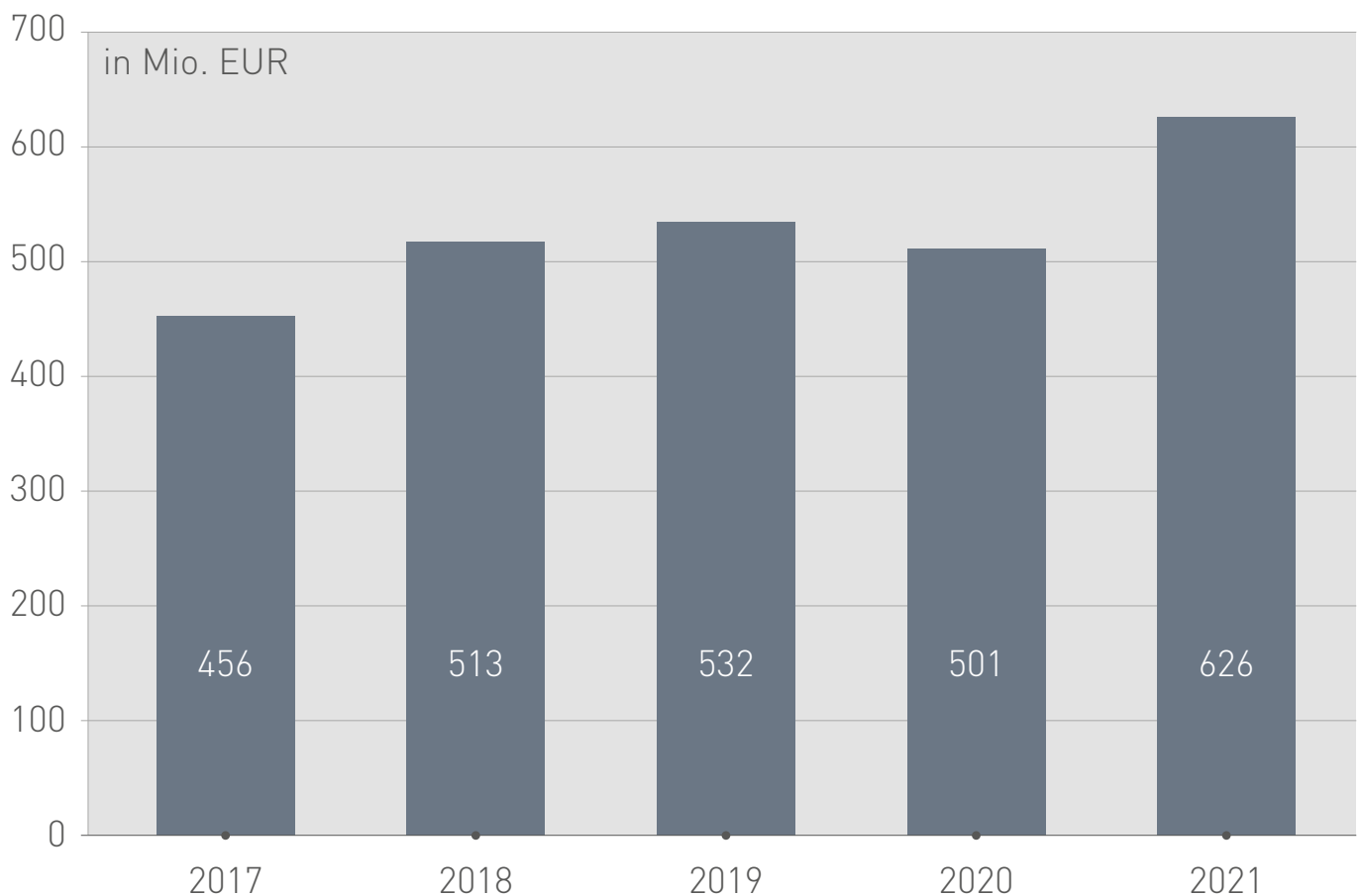
# ECONOMY

## SALES DEVELOPMENT

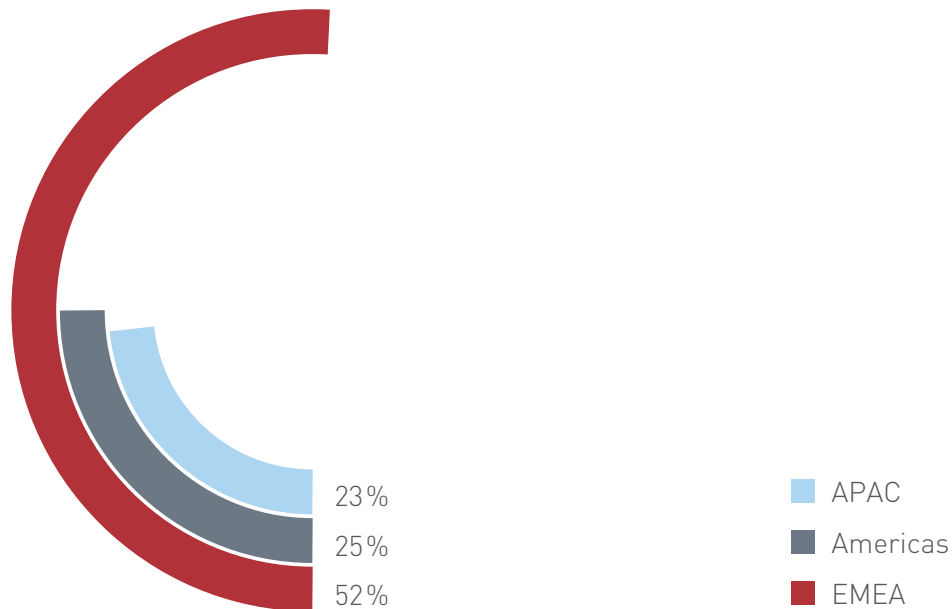
### SUCCESSFUL YEAR FOR THE CHT GROUP

The CHT Group closed fiscal year 2021 with an increase in sales, following the trend in the chemical industry. At 626 million EUR, group sales at the end of 2021 were 25% above the previous year. The fiscal year went better than expected and the CHT Group has already exceeded the pre-corona level.

### Turnover 2017 – 2021 (in million EUR)



## Turnover by region 2021



### TURNOVER BY REGION

Sales in the largest sales region EMEA (52% of total sales) increased by 22% year-on-year in 2021. In the AMERICAS region, sales growth in 2021 was 31% and in the APAC region 26% compared to the previous year.

### TURNOVER BY BUSINESS FIELD (BF)

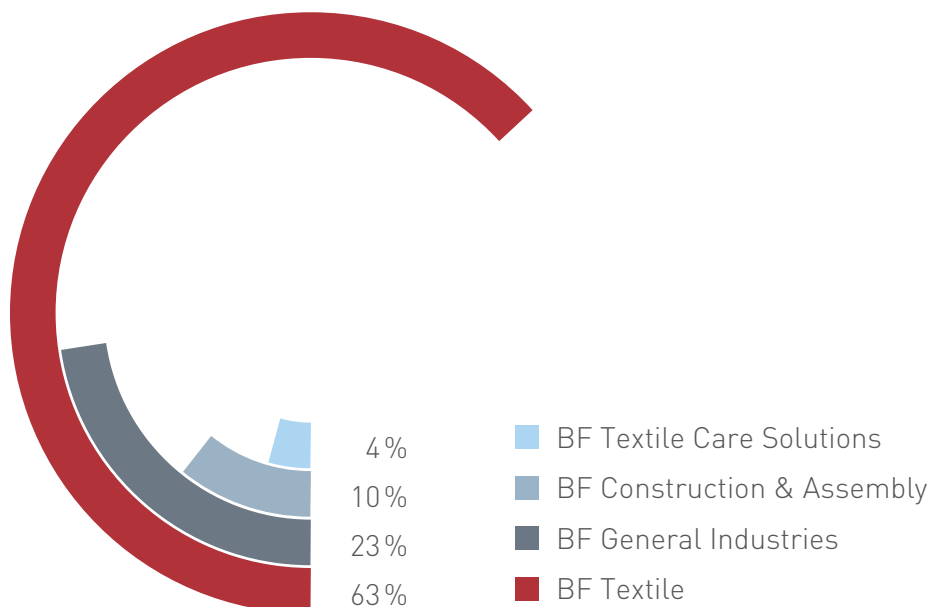
Business Field Textile, which generates the highest sales, achieved the strongest sales growth with an increase of 24% compared to the previous year.

BF General Industries outperformed the previous year with sales growth of 25%.

BF Construction & Assembly again achieved growth in 2021, with sales up 29% from the previous year.

Sales in BF Textile Care Solutions also rose by 19% due to increases in demand and prices.

## Turnover by Business Fields 2021 (in %)





# ECONOMY

## PROFIT SITUATION

Due to higher sales, EBIT was 124% higher than the previous year at 27 million EUR. The EBIT margin rose to 8%, thus meeting the goal set out in Strategy 2025.

# ECONOMY

## INVESTMENTS

Alongside innovations, investments and acquisitions play a key role in achieving our growth targets. In 2021, we have stimulated the development of new products in the Business Fields, such as process aids, additives, and function generators, which are designed to contribute to sustainable development of our customers. In doing so, we intend above all to avoid the use of ecologically questionable chemicals, in line with our corporate vision and our sustainability goals. In total, the CHT Group's investment value in property, plant, and equipment as well as intangible assets amounted to 18 million EUR in the reporting year.

# ECOLOGY

CLEAR ENVIRONMENTAL  
PRINCIPLES



RESPONSIBLE  
USE OF RESOURCES



SUPPLIER  
MANAGEMENT



RAW MATERIALS



CIRCULAR ECONOMY



# ECOLOGY

## CLEAR ENVIRONMENTAL PRINCIPLES

We consistently take responsibility for our actions and minimize the environmental impact associated with our products and services. We give attention to the protection of resources and to the minimization of emissions.

- ▶ An environmental management system certified according to ISO 14001, exists at all production sites of the CHT Group.
- ▶ In 2021, the last outstanding recertification in South Africa was successfully completed.
- ▶ It is our aim to have energy management certified according to ISO 50001 and occupational health and safety certified according to ISO 45001 at all production sites by 2025.
- ▶ In 2021, an energy manager was appointed for each CHT company. In 2021 the CHT companies defined goals and measures in place to achieve the internal environmental goal by 2025 (reduce water consumption, waste generation and energy consumption by 10% each).

### SUSTAINABILITY GOALS

- ▶ We always act responsibly when dealing with raw materials, plants and products to ensure compliance with the Responsible Care® initiative.
- ▶ All employees are given regular environmental training.
- ▶ Our state-of-the-art production plants are operated by responsible, well-trained staff.
- ▶ Regular maintenance and audits ensure safe operation according to our sustainability strategy.

### ENVIRONMENTAL GUIDELINES

## ENVIRONMENTAL RISKS

Despite our high safety standards, potential events such as fire, explosions or the release of substances cannot be entirely excluded. Depending on the type of event, the air, soil, and water may be polluted. Under very unfavorable circumstances, this can also affect people and the environment.

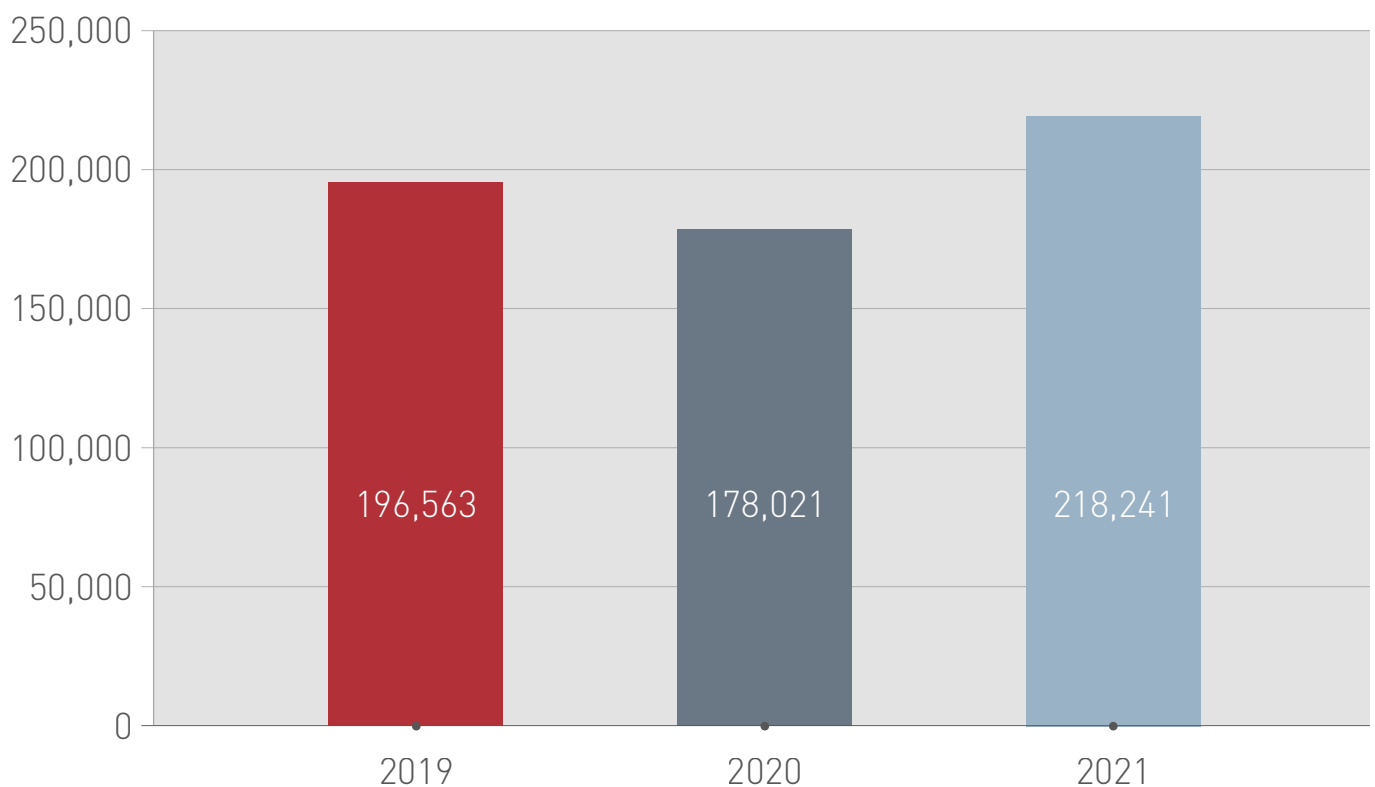
In line with this potential risk, we have taken appropriate safety precautions. Among them there are: action plans, alarm systems, extinguishing systems and collecting devices for fire extinguishing water and leaked chemicals.

In addition, the 42-member fire department of CHT Germany GmbH, which has been in place at the Dusslingen site since 1986, was officially recognized as a fully operational plant fire department on January 1, 2022. The colleagues work in 3 shifts to ensure the shortest possible response times to be able to guarantee hazard prevention, the legally required demand for the highest level of safety at the site and the constantly increasing requirements in fire protection.

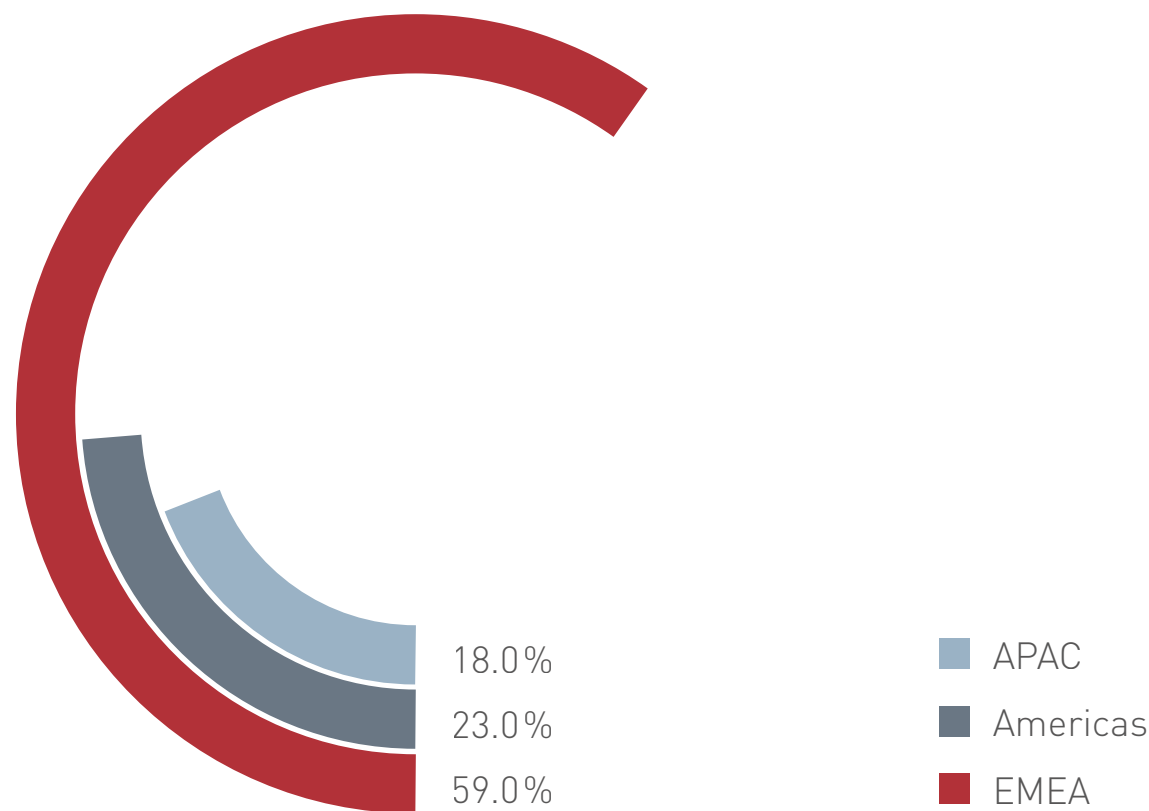
## ENVIRONMENTAL EFFECTS

The production of chemical products and their processes consumes raw materials, energy, and water. Emissions are released into the air, wastewater and waste materials are produced. The systematic recording of all emissions was implemented to determine measures for reducing environmental effects. For evaluation purposes they were recorded in relation to the total production of all ready to use and intermediate products. The total production volume in 2021 amounted to 218,241 metric tons. In comparison to 2019 (196,563 metric tons) the production volume increased by 11%. Since lockdowns occurred worldwide in 2020 in the wake of the Covid 19 pandemic, resulting in at least a partial shutdown of production facilities and industrial operations, we decided to make all 2021 assessments in comparison with 2019. In 2021, the CHT Group benefited significantly from the catch-up effect across a wide range of industries. Nevertheless, global logistics bottlenecks and raw material shortages prevented us from being able to meet all demands.

### Production quantity 2019 – 2021



# Production by region 2021 in %



## PROTECTED AREAS

We pay attention to sensitive ecosystems and protected areas which are in the sphere of influence of our facilities. Our site in Piracaia, Brazil, is located within a water protection area, we therefore only manufacture products whose production is approved there, and which will not have a negative impact on the water quality in the surrounding area. Thus, the water from the production area is completely cleaned, treated, and returned to the water circuit of the production plant. CHT Group also practices this in other locations, such as Pakistan and India, where it primarily supports national “Zero Discharge” efforts.

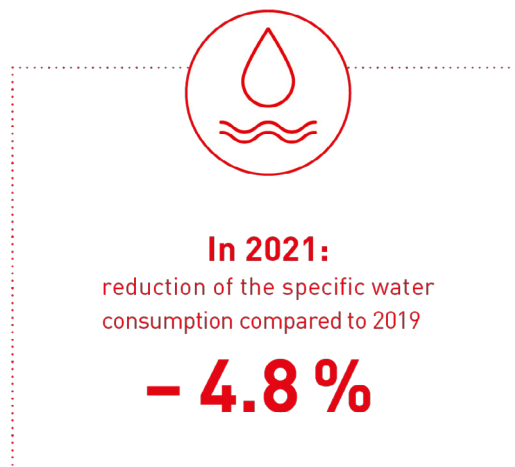
# ECOLOGY

## RESPONSIBLE USE OF RESOURCES

### RESPONSIBLE USE OF WATER

Water is used at our sites in versatile ways: as a rinsing and cleaning agent during production, as a raw material in products, as well as in sanitary facilities and as a heat transfer medium in cooling processes and for steam production. Mostly water is used as solvent in our products. Since 2021, when reporting water consumption, we have distinguished between process water and water used as a raw material in products. As a result, water consumption in 2021 is only comparable with the previous year's reports to a limited extent.

Our goals are to reduce water consumption and keep the amount of wastewater produced to a minimum, to comply with the legal requirements for wastewater quality and, in addition, to further reduce the share of harmful impurities contained in it. To this end, we have defined suitable consumption-related measures for the sites in our environmental program to further reduce water consumption. Examples of these measures are closed water cycles and optimized product processes. As part of "Strategy 2025", we have set the goal of reducing specific water consumption by 10% by 2025 compared with the base year 2019.



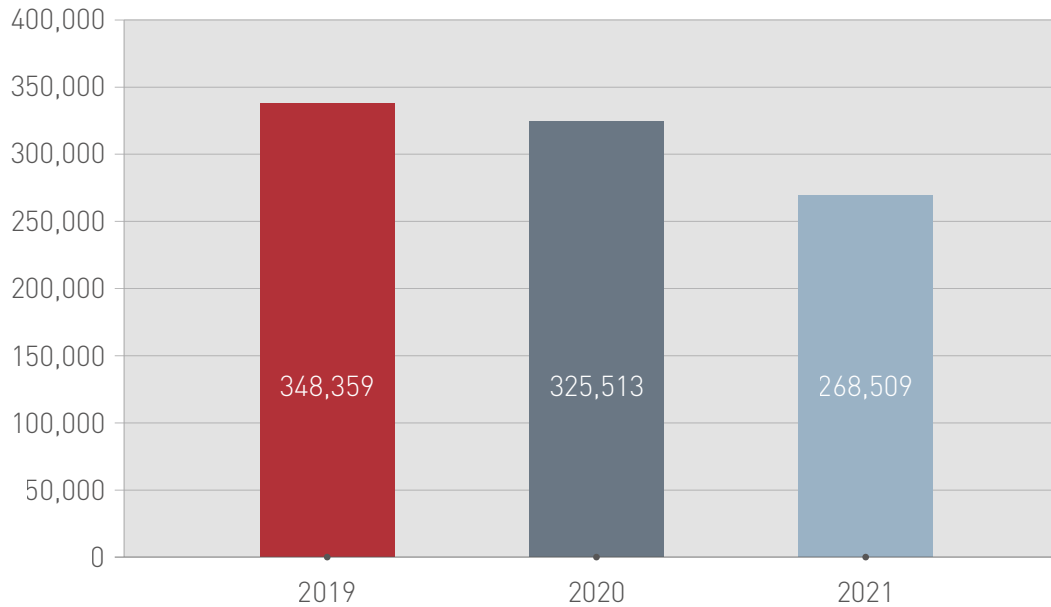
### WATER DEMAND

In 2021, the total water consumption of the entire group of companies was 367,769 m³. Compared to 2019, this is an increase by 2.0%. The total water demand includes 99,260 m³ of water used as raw material. As of 2021, the total water consumption has been evaluated and reported without raw material water, therefore a comparison with previous years is not possible.

If the specific water consumption is evaluated in relation to the production volume, a significantly lower amount of water (-4.8%) was consumed in 2021 than in 2019. Due to the Covid-19 pandemic, we do not consider the 2020 figure base comparable, therefore water consumption was also evaluated and compared with 2019.

The reduction in specific water consumption compared with 2019 is evidence that successful water-saving measures have been implemented worldwide, e.g. improved monitoring of water flows, elimination of leakages, investment in water-saving boiler cleaning and container washing systems, as well as investment in closed-loop cooling systems and consistent recycling of rinse water.

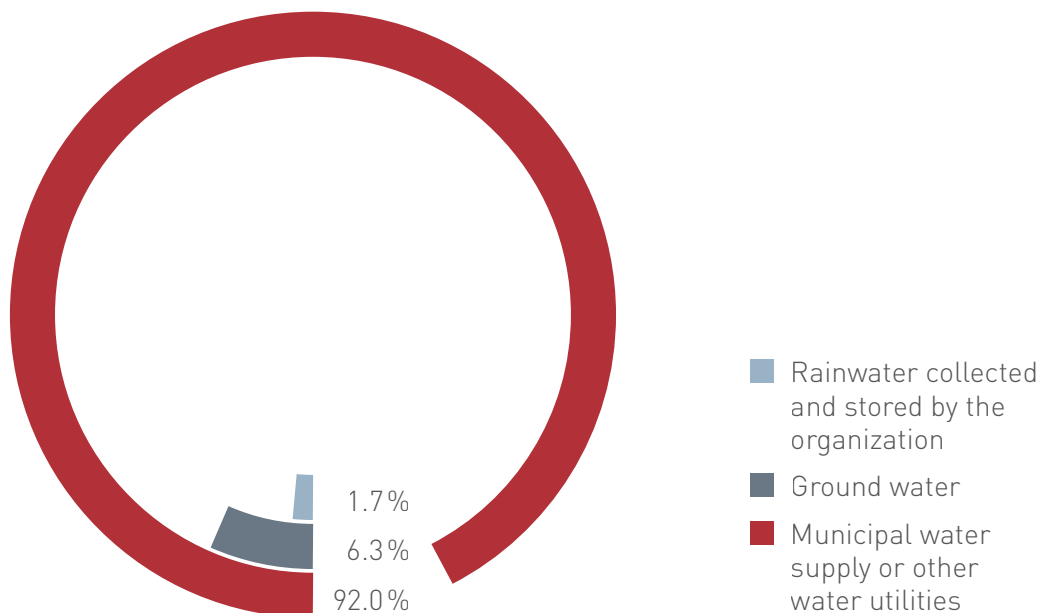
### Water consumption 2019 – 2021 (in m<sup>3</sup>)



2021\*: Werte sind nicht vergleichbar mit 2020 und 2019, da ab 2021 der Gesamtwasserverbrauch abzüglich des als Rohstoff eingesetzten Wassers betrachtet wird.

2021\*: Values are not comparable with 2020 and 2019, as starting in 2021 total water consumption less water used as raw material has been considered.

### Water consumption by source 2021



### INVESTMENT FOR THE SUSTAINABLE HANDLING OF WATER

The CHT Group has invested in an automatic cleaning system for the production area of paste products which previously required a lot of cleaning. Before this investment was made, the boilers had to be extensively boiled out, today this is done by a mobile automatic cleaning device which can be individually programmed depending on the system requirements or degree of soiling.

This ensures optimum cleaning performance. The cleaning process is efficient in terms of time and energy consumption, but above all, approx. 60% of the water can be saved compared to the previously used cleaning process by boiling out. In addition to a reduction in water consumption from 2,590 metric tons to 1,036 metric tons (-60%), the new process ensures energy efficiency and reduces the previous energy requirement by 34% with a simultaneous time saving of around 33%.

### WATER EMISSION

The CHT Group complies worldwide with the legal regulations regarding wastewater quality. 15 of our 23 production sites worldwide have their own water treatment plant or sewage treatment plant. In 2021, the wastewater quantity<sup>1</sup> amounted to a total volume of 181,947 m³. Compared to 2019, approx. 11% less wastewater was emitted and in relation to the production volume, 19.8% less wastewater was emitted. A total volume of 164,460 m³ (90%) of pre-treated wastewater was discharged into municipal and public wastewater treatment plants and 15,072 m³ directly into a water body. Around 1% of the wastewater volume remains in local recycling at the site.

<sup>1</sup> Up to now, only part of the wastewater has been measured at CHT, namely those which have been subject to a calculation. At some sites for example part of the water is used as sanitary water, which is not included in the calculation of the wastewater.

### WASTE

Preventing waste is of major importance for CHT. That is why we regularly train our staff in handling and preventing waste. Unavoidable waste is recycled wherever possible. All non-recyclable waste is subject to proper disposal. Furthermore, the legal requirements and local standards of the specific countries are considered for waste disposal.



**In 2021:**  
the specific waste volume compared  
to 2019 increased by

**+ 19.5%**



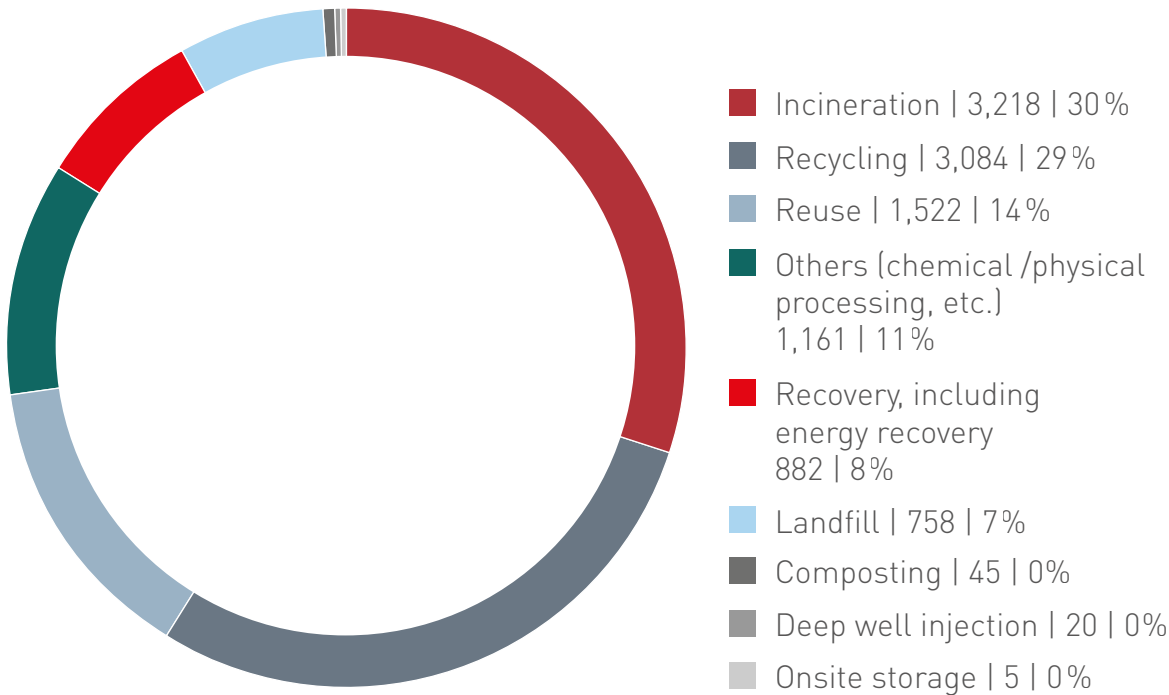
In 2021, the total amount of waste<sup>2</sup> for the entire group was 10,700 metric tons. The comparison with 2019 (7,996 metric tons) in absolute terms shows that the total volume of our waste has risen by 34%.

<sup>2</sup>Looking at waste volume in relation to production volume, our specific waste volume increased by 19.5% as many subsidiaries carried out significant inventory cleanups in 2021.

The evaluation of the waste volume in 2021 is the focus of a separate project of the production managers, as we are even further away from the targeted reduction of specific waste volume by 10% by 2025.

Hazardous waste accounted for 45% of total waste in 2021. The total amount increased by 17% compared to 2019, mainly due to the reclassification of raw materials as SVHC substances. All hazardous waste is disposed of at CHT in accordance with the highest environmental protection standards.

### Waste by type and disposal method 2021



### ENERGY MANAGEMENT

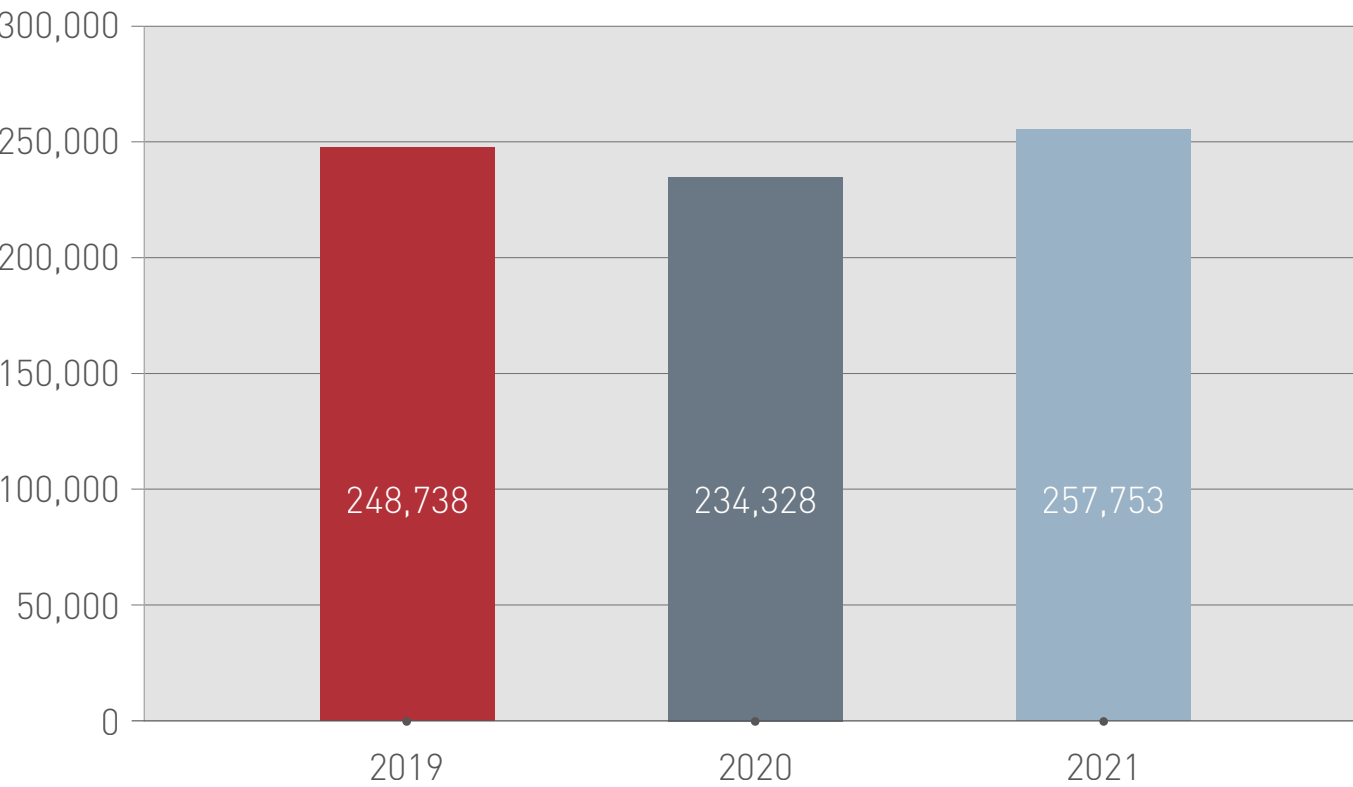
For the manufacture of chemical products energy in different forms is needed. We purchase it in the form of electricity, oil, natural gas, liquid gas (LPG), wood pellets as well as local and district heating. Energy is used for operating our production plants and for heating our company buildings. During recent years we have been able to successfully implement different measures for energy savings, and to consistently enhance our energy efficiency.



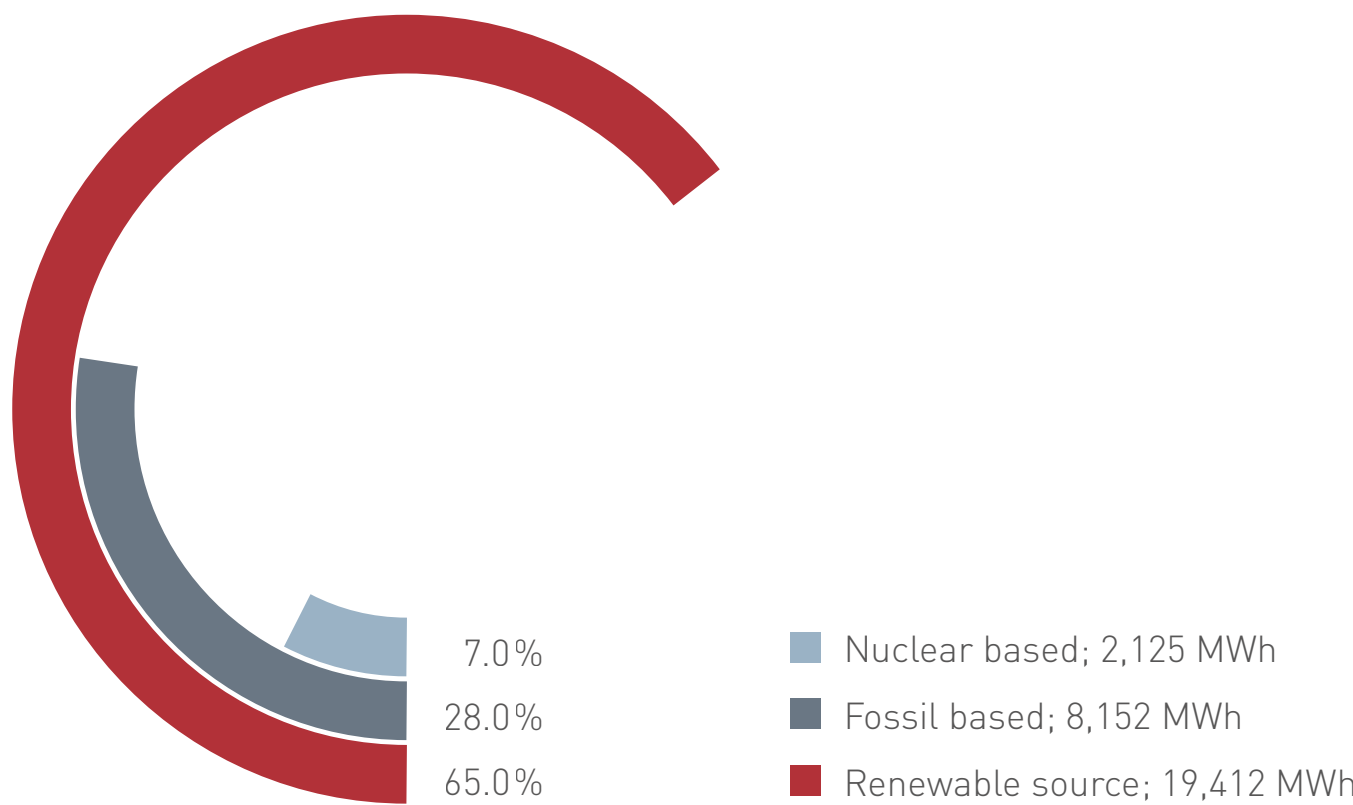
**In 2021:**  
renewable energy sources  
supplied a share of  
**71,561 GJ**

- ▶ The following sites have an energy management system in accordance with ISO 50001: all German sites, Istanbul (Turkey) and Lahore (Pakistan). At the Montlingen site in Switzerland, energy efficiency is certified according to a Swiss standard.
- ▶ The rollout of the energy management system and certification are planned for 2022 at the following sites: Taloja (India), Sestro Ulteriano (Italy) and Bridgwater (UK).
- ▶ Based on specific energy consumption in 2019, a 10% reduction by 2025 was agreed as a goal for all production sites. In 2021, specific energy consumption could be reduced by 7% compared to 2019.
- ▶ Energy policy is an integral part of our "We take care" sustainability initiative. As part of our sustainability commitment, we intend to increase our energy efficiency over the long term at all CHT sites worldwide.
- ▶ We aim at permanently increasing the share of renewable energies within the entire group of companies. In 2021, 28% of total energy demand were already covered by renewable energy sources.
- ▶ In 2021, 65% of electricity in the entire CHT Group was supplied by renewable energy sources. Compared to 2019, this is an increase of 58%.
- ▶ In 2021, CHT's own photovoltaic systems supplied the following shares of the local electricity demand: Switzerland 12%, Austria 66%, Pakistan 43%, Australia 31%, Tunisia: >1%, South Africa: installation of the PV system
- ▶ Our biogas-powered external cogeneration plants generate steam and hot water at our German site in Oyten. The Tübingen site has been supplied by district heating since 2021, which has led to reduction in oil consumption by approx. 70%.

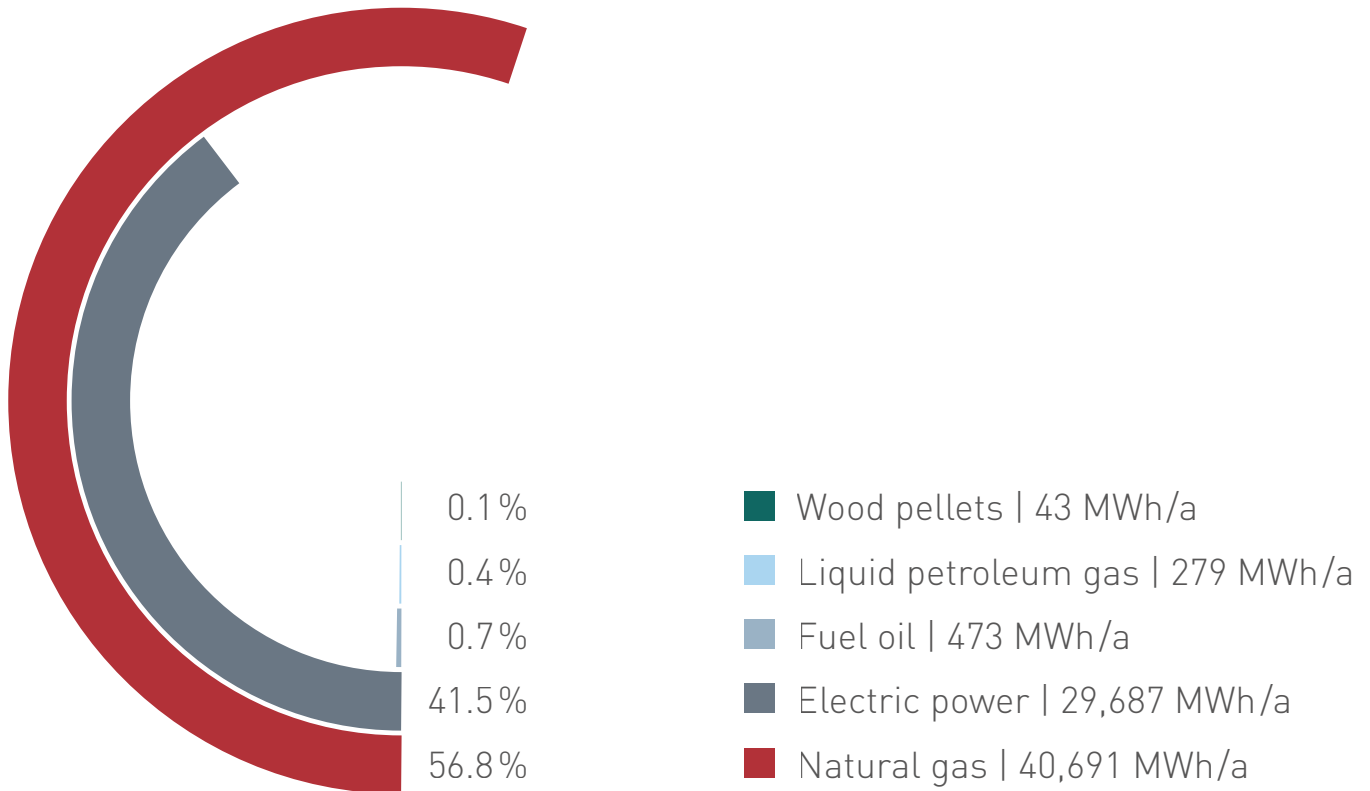
Total energy consumption 2019 – 2021 (in GJ)



Electric power by source



## Energy sources 2021



The worldwide energy consumption of the CHT Group amounted to 257,753 GJ in 2021. In direct comparison to 2019, the absolute energy consumption decreased by 4%. However, compared with 2019, specific energy consumption per metric ton of production volume has decreased by 7% in 2021. This reduction can largely be attributed to the introduction of energy management officers worldwide and the implementation of measures to increase energy efficiency which are already showing initial effects. However, at other sites we have an increasing vertical integration and the resulting longer occupancy times of reaction boilers, which lead to significantly higher energy demands. These changes in the product mix and aggregate mix must be evaluated separately.



**In 2021:**  
Reduction of the specific energy  
consumption compared to 2019

**- 7.1 %**

## CLIMATE PROTECTION IN THE CHT GROUP

Climate change is one of the greatest challenges of the 21st century. Rapid and decisive action is needed to achieve the goals agreed in the Paris Climate Agreement. Products and innovations from the chemical industry will play a key role in driving the transformation in many places.

We want to make our contribution to reduce global warming to 1.5°C to support our society actively and responsibly. For this reason, we have been a member of the Chemistry4Climate (C4C) climate protection platform since mid-2020 which is a unique initiative of companies, NGOs and the German government. The aim of C4C is to develop joint recommendations for action on climate protection from the perspective of the participating chemical and energy sectors in the years up to mid-2023. CHT is one of the few medium-sized companies involved in C4C and is a member of the "Circular Economy and Raw Materials Supply" working group.

Climate protection is anchored as an important goal in our Strategy 2025. For this reason, the CHT Group decided to support the Science Based Targets initiative (SBTi) at the end of 2021. The CHT Group has voluntarily committed to meeting the 1.5°C goal of the Paris Climate Agreement and setting a climate neutrality goal, achieving net zero emissions by 2045.

### OUR GLOBAL CLIMATE PROTECTION GOALS:

- ▶ -15% reduction of our greenhouse gas emissions by 2025 compared with 2021 (Scope 1 and 2)
- ▶ Net zero greenhouse gas emissions by 2045 (Scope 1 and 2)

### AS PART OF OUR COMMITMENT TO CLIMATE PROTECTION, WE HAVE IDENTIFIED FOUR STRATEGIC LEVERS:

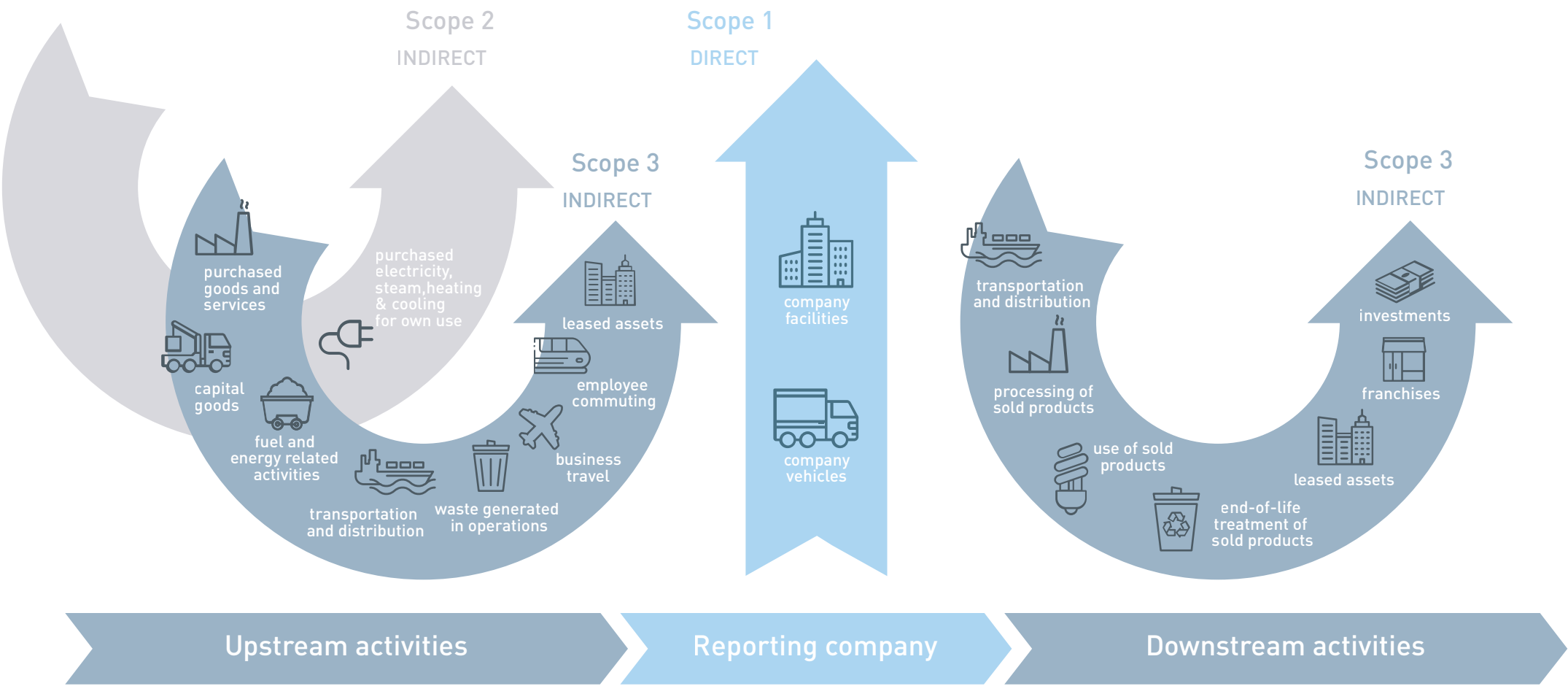
- ▶ We are increasingly meeting our electricity demand without fossil fuels
- ▶ We are reducing our specific energy consumption by 10% by 2025 while increasing the energy and process efficiency of our internal processes
- ▶ We are increasingly replacing fossil raw materials with bio-based or recycled raw materials
- ▶ We develop products and processes that consume less energy in customer applications

## CARBON FOOTPRINT OF THE CHT GROUP

It is our goal to determine the carbon footprint along the entire value chain of CHT. In addition, we want to establish the emissions of raw materials and pre-products per activity for our own production and determine the use of the end products we produce. For the year 2021, we will report here the carbon footprint of the CHT Group for Scope 1 + 2 and describe the materiality analysis performed for Scope 3 including the selected Scope 3 categories. In the following year, we will perform an initial calculation for the categories identified as Relevant. The carbon footprint 2021 of the CHT Group includes all 26 companies including all production sites and offices.

The preparation of the carbon footprint follows exactly the Greenhouse Gas Protocol standards and the sector-specific standard for the chemical industry published in 2013.

EMISSIONS ALONG THE VALUE CHAIN



## GREENHOUSE GAS EMISSIONS ALONG THE CHT VALUE CHAIN

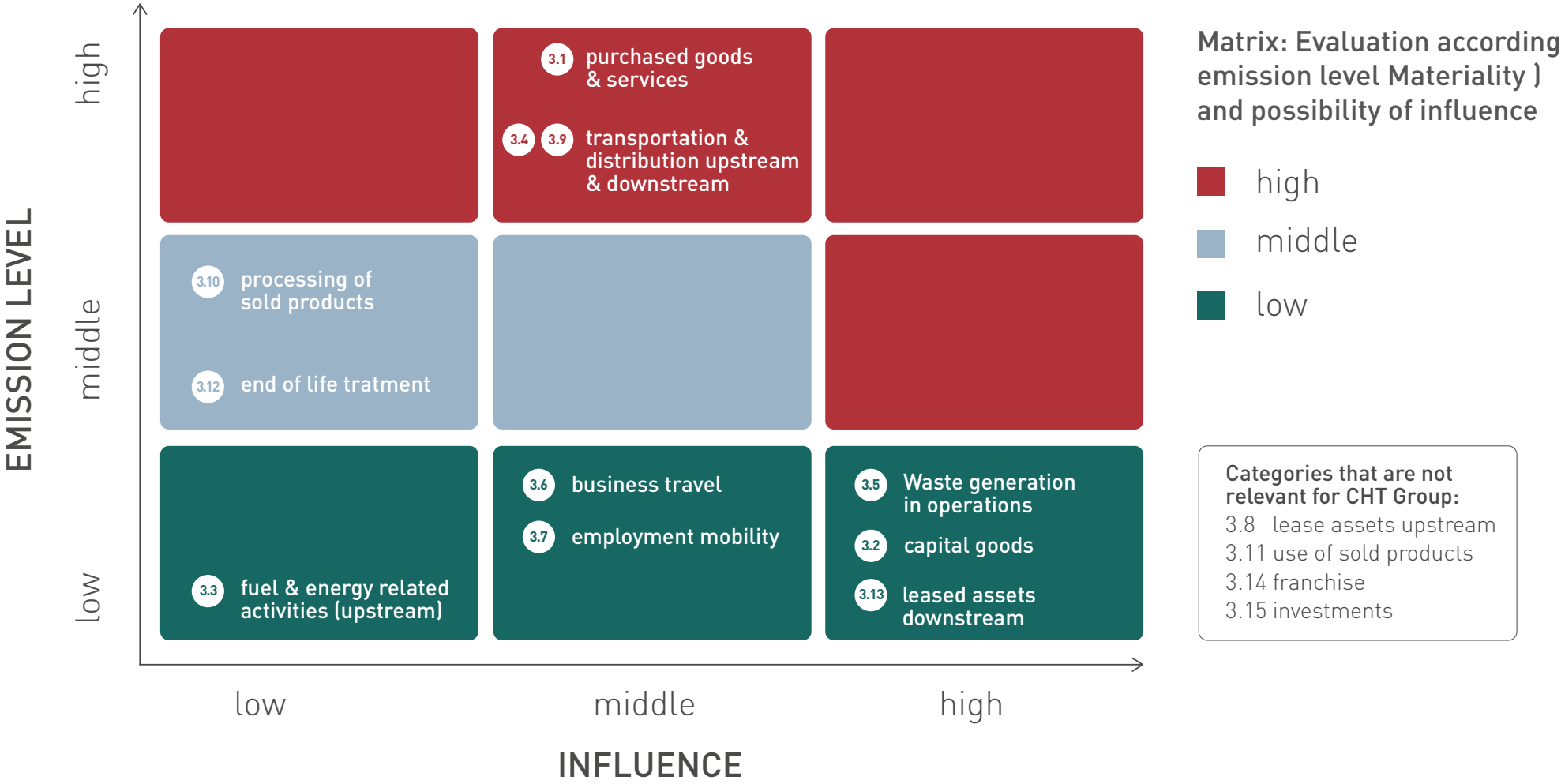
The balance distinguishes between three emission areas, the so-called Scopes:

- ▶ Scope 1 covers direct CO<sub>2</sub> emissions. They originate from emission sources at CHT sites. These include, for example, our own production facilities and facilities for steam generation.
- ▶ Scope 2 relates to indirect CO<sub>2</sub> emissions arising from our suppliers in the generation 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 in relation to the activities of the CHT Group. We identified categories 3.5, 3.6 and 3.7 with low emission levels, but very good influenceability, and therefore classified them as Relevant. We identified categories 3.1, 3.4, and 3.9 with high emissions as Relevant and assigned them the highest priority level. We decided to report on these 7 categories first. We identified category 3.10 with a medium level of emissions but low influenceability and therefore decided to conduct further analysis regarding available data before making a final decision to report. We report on Scope 3.3 to show the upstream value chain emissions from Scope 1 & 2, even though the category has been classified as Slightly Relevant. We identified the remaining Scope 3 categories (3.2, 3.8, 3.11, 3.12, 3.13, 3.14, 3.15) as Irrelevant.

# SCOPE-3-MATERIALITY ANALYSIS





## GREENHOUSE GAS EMISSIONS IN THE CHT GROUP (GHG PROTOCOL SCOPE 1 & 2)

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

| <b>GHG INVENTORY MARKET BASED METHOD IN CO<sub>2</sub>E (T/A)</b> | <b>2021</b>   |
|---|---------------|
| <b>Total emission Scope 1&amp;2</b>                               | <b>18,035</b> |
| <b>Scope 1: direct emission</b>                                   | <b>12,251</b> |
| Energy consumption  | 10,235        |
| Fuel oil  | 151           |
| Natural gas   | 10,006        |
| LPG   | 77            |
| Wood pellets  | 1             |
| Company cars  | 2,016         |
| <b>Scope 2: indirect emission</b>                                 | <b>5,784</b>  |
| Electrical power  | 5,484         |
| District heating  | 300           |

Scope 1 emissions of the CHT Group were captured from operating records and using financial accounting data.

Scope 1 emissions do not capture direct emissions of volatile gases, as these emissions are not generated in CHT's production processes. An analysis of the cooling systems operated throughout the group has shown that emissions of the cooling agents in use occur to an undetectable extent due to continuous leakage checks.

Scope 1 emissions cover the entire CHT Group vehicle fleet including trucks and forklifts; both leased and purchased vehicles were included.

Scope 2 emissions were determined in 2021 using both the location-based method with emission factors from Ecoinvent and the market-based method based on location data. The carbon footprint for Scope 1+2 using the location-based method resulted in emissions of 23,399 metric tons of CO<sub>2</sub>(e) for 2021. We have decided to use the carbon footprint based on the market-based approach as the standard for the CHT Group (see table above).

The year 2021 is set as the base year for the CHT Group's climate reporting. Data was collected globally with an internal online tool and converted to CO<sub>2</sub>(e) emissions using independent, standardized emission factors. The complete greenhouse gas balance was reviewed and approved by the sustainability and climate consulting company sustainable AG. sustainable AG has made recommendations for action that will be implemented in the 2022 carbon footprint.

A change in the calculation standard or a recalculation of the baseline carbon footprint is only recalculated on the basis of subsequent climate data if decisive structural changes, such as acquisitions, divestments or mergers, take place as part of M&A projects.

CHT offers numerous products that make a positive contribution to greenhouse gas emission savings in their applications – compared to conventional alternatives. Some of these products are described below for application in the textile industry.

A balancing of the emissions avoided by the products has not yet taken place, but will be discussed anew as part of the preparation of the climate strategy.

#### PRODUCTS AND PROCESS EXAMPLES OF BF TEXTILE WHERE CHT SUPPORTS CLIMATE PROTECTION AT THE CUSTOMER'S SITE

##### SMART TEXTILE SOLUTIONS

- ▶ **Cold bleach** instead of pad-steam bleach in continuous pre-treatment
- ▶ Efficient pre-treatment with the new **Comb Polymer Technology CPT** to achieve good cleaning effects even at low liquor conditions and thus less water to be heated up.

##### CHT POLYMER TECHNOLOGY | TOP LEVEL IN PRETREATMENT

- ▶ **4 SUCCESS process** with VARIO BLEACH 3E, SARABID MIP/SPIDER, COTOBLANC SEL and BEZAKTIV GO where up to 20% energy can be saved during pre-treating and dyeing cotton.

##### SUSTAINABLE BLEACHING AND DYEING

- ▶ **TIME BOOST** (with BEMACRON HP-LTD dyes), a process for rapid polyester dyeing processes that leads to significant energy savings of up to 30% per dyeing process due to the elimination of pre-washing and reduced heating and migration times.

##### TIMEBOOST | FOR QUICK POLYESTER DYEING PROCESSES

- ▶ **SHORT CUT** for shorter process runtimes and energy savings of up to 20% per dyeing process when dyeing polyamide

- ▶ **organIQ EMS Jeans system** with organIQ BIOPOWER, BLEACH and SEEK, which enables jeans finishing with state-of-the-art fogging technology and lowest liquor ratios, as well as a reduced application temperature compared to standard processes.

**ORGANIQ EMS JEANS | THE BENCHMARK FOR SUSTAINABLE JEANS FINISHING**

- ▶ Gentle **low temperature fixation** in easy care finishing
- ▶ Use of polymer binders such as **ARRISTAN CPU** which do not require thermal fixation.

**ELASTIC AND VERSATILE POLYURETHANE FOR TEXTILE FINISHING**

- ▶ **SCREEN-2-SCREEN** with PRINTPERFEKT S2S, a textile printing system which allows a wet-on-wet printing technology avoiding energy-intensive intermediate dryings.

**PRINTPERFEKT S2S | SCREEN 2 SCREEN PRINTING**

# ECOLOGY

## SUPPLIER MANAGEMENT

### DEMANDING AND PROMOTING SUSTAINABILITY

Our aim is to secure competitive advantages for our group through a professional purchasing organization. Our suppliers are also an important part of our value chain. Together with them, we aim to further expand our commitment to sustainability and minimize risks. We count on reliable suppliers who provide us with high-quality raw materials at competitive prices. Our aim is to make our suppliers' contribution to sustainability transparent and to create a uniform, global program for responsible procurement and for improving environmental and social standards at suppliers.

### SUSTAINABLE PROCUREMENT



**The Ecovadis Sustainability Audit 2021 determined a score of 60 for the CHT Group's sustainable procurement management.**

The CHT evaluation process is simplified by a globally standardized questionnaire.

In 2021, Keim Additec Surface GmbH (CHT KAS) was fully integrated into the supplier evaluation management system. As a result, a total of 18 relevant CHT companies (with production facilities) now form the basis of our observation and evaluation.

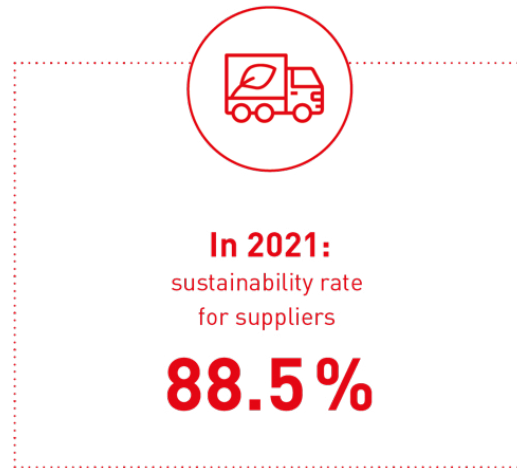
In 2021, a total of 490 suppliers were evaluated. They cover a purchasing volume for raw materials of approximately 275 million EUR and thus the main part of the total raw material demand of the CHT Group.

In 2021, 315 suppliers were evaluated as sustainable according to the CHT criteria, a decrease of 10% compared to the previous year. We support suppliers where we identify a need for improvement to further develop their sustainability. After a defined timeframe, we conduct a reassessment.

Suppliers are informed that CHT reserves the right to terminate the cooperation in the event of particularly serious deviations and if no improvement is identified. In 2021, this was not necessary in any case.

The current sustainability rate at the end of 2021 was 88.5%. This means that the average targeted value of 88% set for 2021 was exceeded for all companies.

In addition to the above-mentioned performance criteria for quality management and requirements in the EHS (Environment, Health, Safety) area, the location of the supplier is also considered in the case of our suppliers in the services and MRO (Maintenance, Repair, Operations) area. Local suppliers are preferred for reasons of shorter transport distances (reduction of emissions).



## ECOLOGY

### RAW MATERIALS

In 2021, the CHT Group purchased worldwide raw materials worth more than 260 million EUR from more than 1,000 suppliers

#### SUSTAINABILITY ASSESSMENT OF RAW MATERIALS

As part of our commitment to sustainability, all raw materials in use are assessed against the defined criteria. If one of the above criteria is met, the raw material will be marked "red" or in the case of the CoRAP criterion "yellow" and thus becomes a critical raw material regarding sustainability within the company.

#### CHT CRITERIA FOR THE SUSTAINABILITY ASSESSMENT OF RAW MATERIALS:

- ▶ CMR substance (substance, which is carcinogenic, mutagenic or toxic to reproduction)
- ▶ toxic, category 1 to 3
- ▶ sensitizing
- ▶ target organ toxic
- ▶ environmentally hazardous, class 1 and 2
- ▶ SVHC
- ▶ CoRAP (Community Rolling Action Plan) list

# ECOLOGY

## CIRCULAR ECONOMY

### IMPLEMENTATION OF CIRCULAR ECONOMY IN THE CHT GROUP

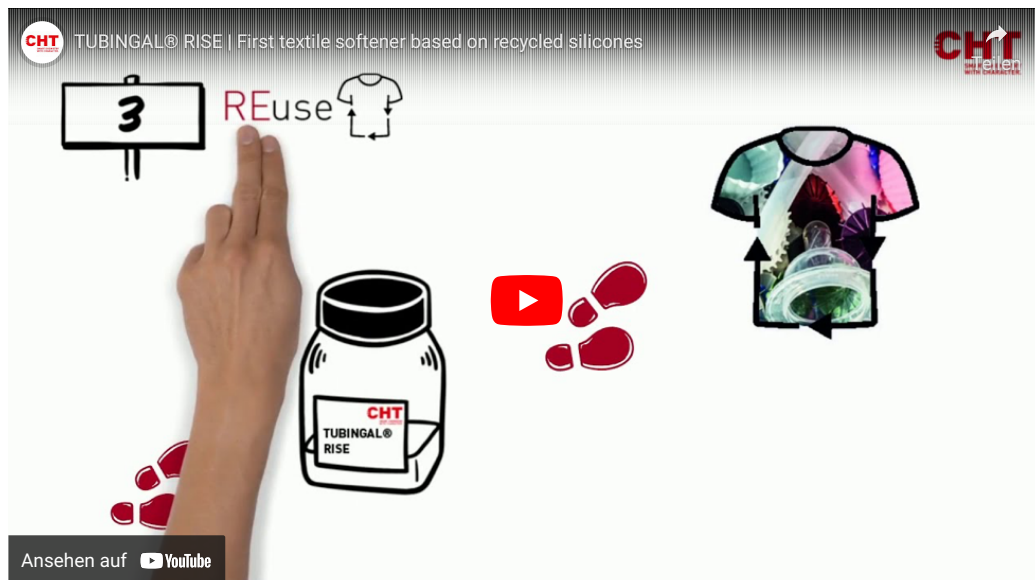
- ▶ Circular economy is anchored in our Strategy 2025 as part of the Roadmap Sustainability
- ▶ Circular economy is an important pillar on the way to climate neutrality
- ▶ Circular economy is a component of the EU Green Deal

### 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 inhibit subsequent recycling
- ▶ Achievement of a Cradle to Cradle (C2C) Material Health Certificate for selected textile auxiliaries and textile dyes

### TUBINGAL RISE

With TUBINGAL RISE, CHT has successfully introduced the first textile softener based on recycled silicones and emulsifiers from renewable raw materials to the market. Its silicone oil consists of used silicone materials that have been converted into a recycled silicone oil via a complex treatment and cleaning process. The hydrophilic silicone softener can be applied to all textiles and provides a special core softness. Used on recycled fibers, the textile can be completely recycled again after use.



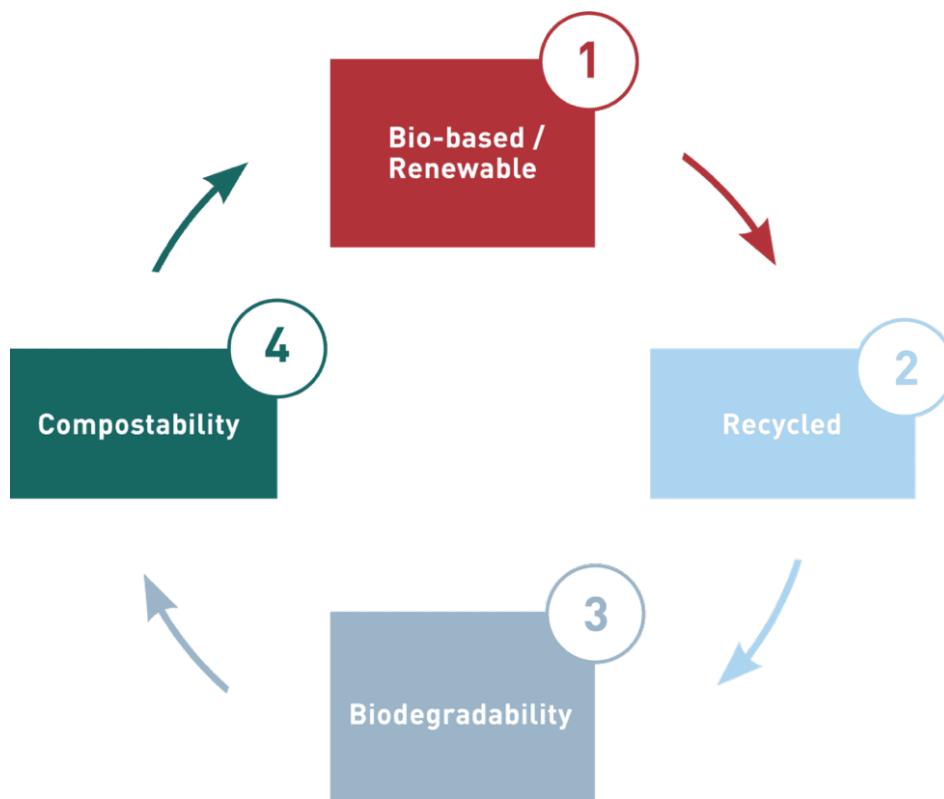
## CHT-BEAUSIL RE-AMO

As an additive for the care industry, silicones in hair care ensure good combability, shine and softness. With CHT-BeauSil Re-AMO, a common silicone raw material has not only been modified using natural sugar variants, but it also consists of more than 90 percent recycled silicone raw materials.



As a manufacturer of silicone specialties, the CHT Group now supplies some of the recycled silicone raw materials itself. Common silicone raw materials contain silicone cyclenes – known as D4, D5 and D6 for short – from the preliminary processes and are largely removed by distillation. This distillate is not disposed of as waste but is used as a raw material in CHT's silicone synthesis. In 2021, around 150 metric tons of raw materials were obtained in this way and ergo waste was avoided.

Below you can see the CHT terminology and test criteria defined for the most important topics in the context of the circular economy.



1

Bio-based products are derived from plants, animals and other renewable agricultural, marine and forestry materials. CHT aims to use raw materials from sustainable cultivation.

**Figures: percentage (C14 mass) of bio-based materials in the product.**

2

Recycled materials are products, materials or substances which are derived from waste. Waste is either recycled for the original purpose or up-cycled/down-cycled.

► Material recycling

**Specification: percentage (mass) of recycled materials in the product.**

3

Biodegradability is defined as the fact that a material can be biologically degraded in aqueous systems under anaerobic or aerobic conditions. Depending on the environmental conditions CO<sub>2</sub>, H<sub>2</sub>O, methane, biomass, and mineral salts are released in this process. Test criteria OECD 302B (aerobic) (elimination and mineralization). Criteria are fulfilled if more than 70% are decomposed within 28 days.

► Yes/No criteria

**Criteria for anaerobic degradation will be added if available.**

4

Compostability describes the degradation process of organic materials via a microbial digestion by soil organisms for transforming these materials into compost.

**CHT recommends testing compostability according to DIN CertCo.**



DIN CertCo test criteria in accordance with DIN EN 13432 on final products such as e.g. T-shirts, coated paper, laminate floors, etc. All four criteria must be fulfilled:

- ▶ Degradation of 90% after 6 months (DIN ISO 14855:1999)
- ▶ Max. sieve fraction of 10%, more than 2 mm after 3 months
- ▶ Control of damage growth on compost, germination rate and vegetable biomass more than 90% in comparison to blank compost
- ▶ Low heavy metal content and other toxic and dangerous substances (Zn <150 ppm; Cu <50 ppm; Ni <25 ppm; Cd <0.5 ppm; Pb <50 ppm; Hg <0.5 ppm; Cr <50 ppm; Mo <1 ppm; Se <0.75 ppm; As <5 ppm; F <100 ppm)

### **VCI GUIDE TO CIRCULAR ECONOMY**

High resource consumption, raw material scarcity and climate change require a rethinking of economy and society. A central part of the solution can be seen in the circular economy.

The chemical-pharmaceutical industry in particular, which is the starting point for many other industries, can lead the way here with sustainable products and processes.

Against this backdrop, the Chemie<sup>3</sup> 2021 sustainability initiative has drawn up a guide to circular economy. This is intended to provide strategic and operational assistance to companies in the sector in order to switch to a circular economy.

CHT was a participating company in the development of the industry guide for circular economy and we are also represented in the guide with our approach in the area of silicones as a best-case example.

**LEITFADEN KREISLAUFWIRTSCHAFT | CHEMIE<sup>3</sup> (CHEMIEHOCH3.DE)**

# SOCIETY

OUR EMPLOYEES



CORPORATE AND  
LEADERSHIP CULTURE



DIVERSITY



WORK-LIFE BALANCE



LIFELONG LEARNING



SOCIAL ISSUES



SAFETY  
MANAGEMENT



PRODUCT  
RESPONSIBILITY



CERTIFICATIONS



# SOCIETY

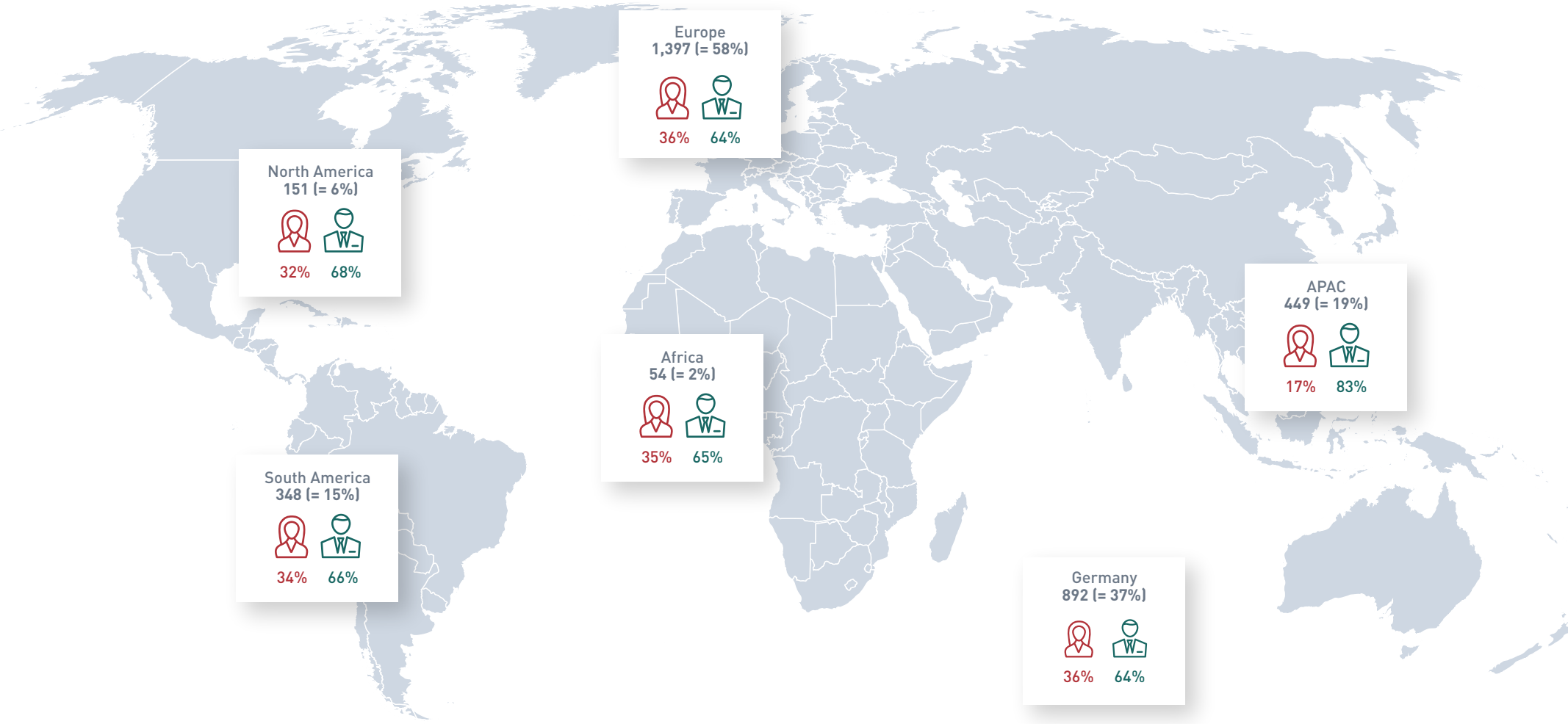
## OUR EMPLOYEES

### **"MANY PEOPLE WITH STRONG CHARACTERS"**

In recent years, the CHT Group has continued to develop, new markets are being entered and the product portfolio is becoming more and more diverse. Therefore, the demand for highly qualified and well-trained staff to meet future challenges has increased.

Employees are also the most important stakeholders of a company. We not only offer interesting assignments to potential applicants but also attractive working conditions and opportunities for further personal development. Within our personnel management we motivate our staff to show self-initiative and to take on responsibility. Managing personnel on a group-wide basis, CHT is not only able to fulfill personnel requirements globally in a targeted manner but can also offer young talents working internationally the opportunity to develop and advance at an early stage. An extensive package of social benefits, apprenticeships, and further education opportunities as well as long term staff development is part of our worldwide targeted personnel policy.

BY REGION



## STAFF NUMBERS

During the fiscal year of 2021 the global number of employees of our group of companies increased by 6.1%. Thus, the total number of employees adds up to 2,400 (compared to 2,261 in the previous year). In the largest company, CHT Germany GmbH (4 sites in Germany), 799 people are employed (+35 compared to the previous year).

We educate well-trained and qualified junior staff based on a needs-oriented human resources strategy. In 2021, 95 young people were apprenticed in the CHT Group (+ 1 compared to the previous year).

# SOCIETY

## CORPORATE AND LEADERSHIP CULTURE

In a world that is changing ever faster, a company's ability to reflect on and develop its corporate culture and leadership in a strategy-led manner is becoming one of the decisive factors for success. Today, we are creating the culture and leadership style that will keep us competitive and effective tomorrow, for both customers and employees. We see having a strong common culture as a prerequisite for being a meaningful value-oriented company. For us, it is both the starting point and the framework for shaping the leadership style and creating trust among all our employees. CHT therefore consistently pursues the targeted development and implementation of the cultural vision and supports managers and employees in its implementation.

### "ONE WINNING TEAM"

The "ONE Winning Team" cultural vision is anchored throughout the CHT Group. All 2,400 employees worldwide were able to engage with the new cultural vision in more than 100 workshops and reflected together on how ONE Winning Team can be lived in their daily work. In the areas COLLABORATE, CREATE, WIN and FOCUS, various measures were identified that support the teams and the organization to develop further in line with the cultural vision.

Several questions in the ONE Voice global employee survey also aimed to shed light on the current situation regarding the embedding of ONE Winning Team. The results of both the workshops and the employee survey will be incorporated into the next phase of the culture development process.

Overall, it has been shown that there is a strong team spirit within the CHT Group and a strong sense of community. Soon, the focus will be on further strengthening cooperation and communication across departmental and company boundaries and systematically following up on the implementation of the derived measures.



2025

# ONE WINNING TEAM

OUR CULTURE OF TODAY  
DETERMINES OUR SUCCESS OF TOMORROW



**CHT**  
SMART CHEMISTRY  
WITH CHARACTER.

BIKABLO © 2015  
FOTO J. J. J. J.

## GLOBAL EMPLOYEE SURVEY 2021

The focus of corporate culture is on employees. Their feedback makes a significant contribution to the success of a company if, for example, it is used to systematically embed a feedback culture, improve employee retention, promote collaboration, and strengthen trust within the company.

Against this backdrop, CHT's first global employee survey, entitled "ONE Voice," was conducted in November 2021. The 56 questions related to employee satisfaction, the "ONE Winning Team" cultural vision, collaboration within the teams and with the respective managers, as well as topics that are strategically important for CHT: sustainability, digitalization, and innovation.

With a high participation rate of 77% and a commitment index of 86%, the result achieved was very positive in comparison to external benchmarks. CHT will not rest on its laurels, however, but rather sees it as an incentive to ensure that this remains the case in the future. Measures were derived and targeted dialog opportunities created through consistent communication of the results and a systematic, global follow-up. To further advance the continuous development of CHT, the global employee survey is to take place at regular intervals in the future.

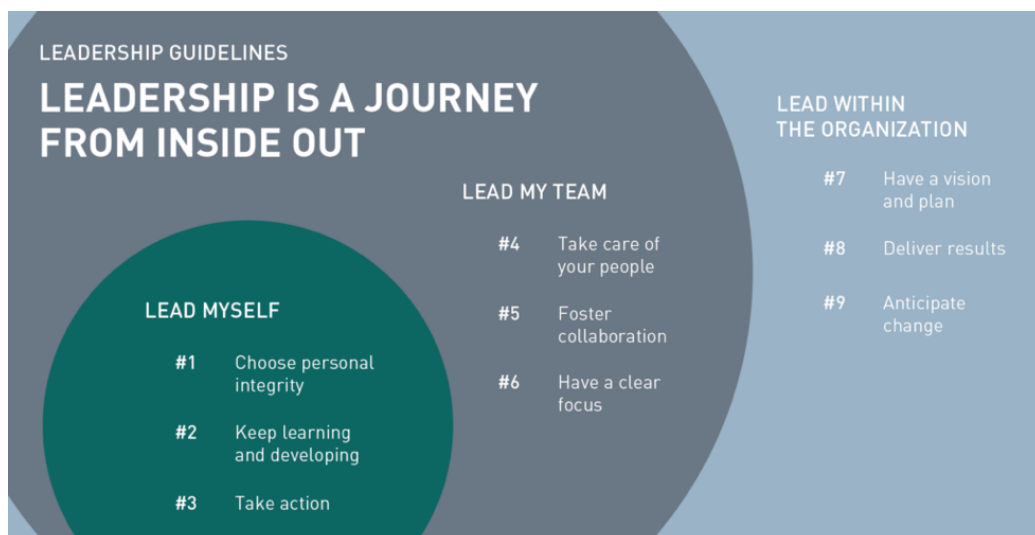
## CHT LEADERSHIP GUIDELINES

The performance of companies, employees and teams largely depends on leadership. Good leadership is not only a prerequisite for the successful design and realization of corporate goals, but also contributes significantly to employee satisfaction.

Against this background, new "CHT Leadership Guidelines" have been developed and have been communicated worldwide as of March 2020. A total of nine guidelines are intended to convey the importance of good leadership to both managers and employees. They also help to translate the CHT cultural vision of "One Winning Team" into concrete leadership actions and thus provide orientation.

The Leadership Guidelines follow three dimensions: Lead Myself, Lead My Team and Lead Within The Organization. The guidelines include continuous learning and development, the promotion of a collaboration, focus and results orientation.

The guidelines were implemented by means of numerous communication and dialog formats and a targeted link to performance management. To further anchor the Leadership Guidelines in the company, new and further development of the management development programs is planned.



# SOCIETY

## DIVERSITY

### PROMOTING DIVERSITY ON AN EQUAL FOOTING

The globalization of our markets brings together many different cultures. We also reflect this diversity in our workforce. Our values form the central foundation for our international cooperation. They reflect the common ground of all employees in the CHT Group from more than 30 nationalities serving customers from over 100 countries worldwide. This diversity also has multiple implications for the CHT Group:

- ▶ Unique talents: recognition and appreciation of each unique talent and the way of thinking of each employee.
- ▶ Gender: equal respect of men and women with the offer of equal opportunities in the CHT Group.
- ▶ Nationality/Culture: recognition of the nationality and culture of each employee.
- ▶ Age/Generation: appreciation and use of the leverage effect of difference in age and generation.
- ▶ We promote English as a corporate language by offering online English courses available worldwide.

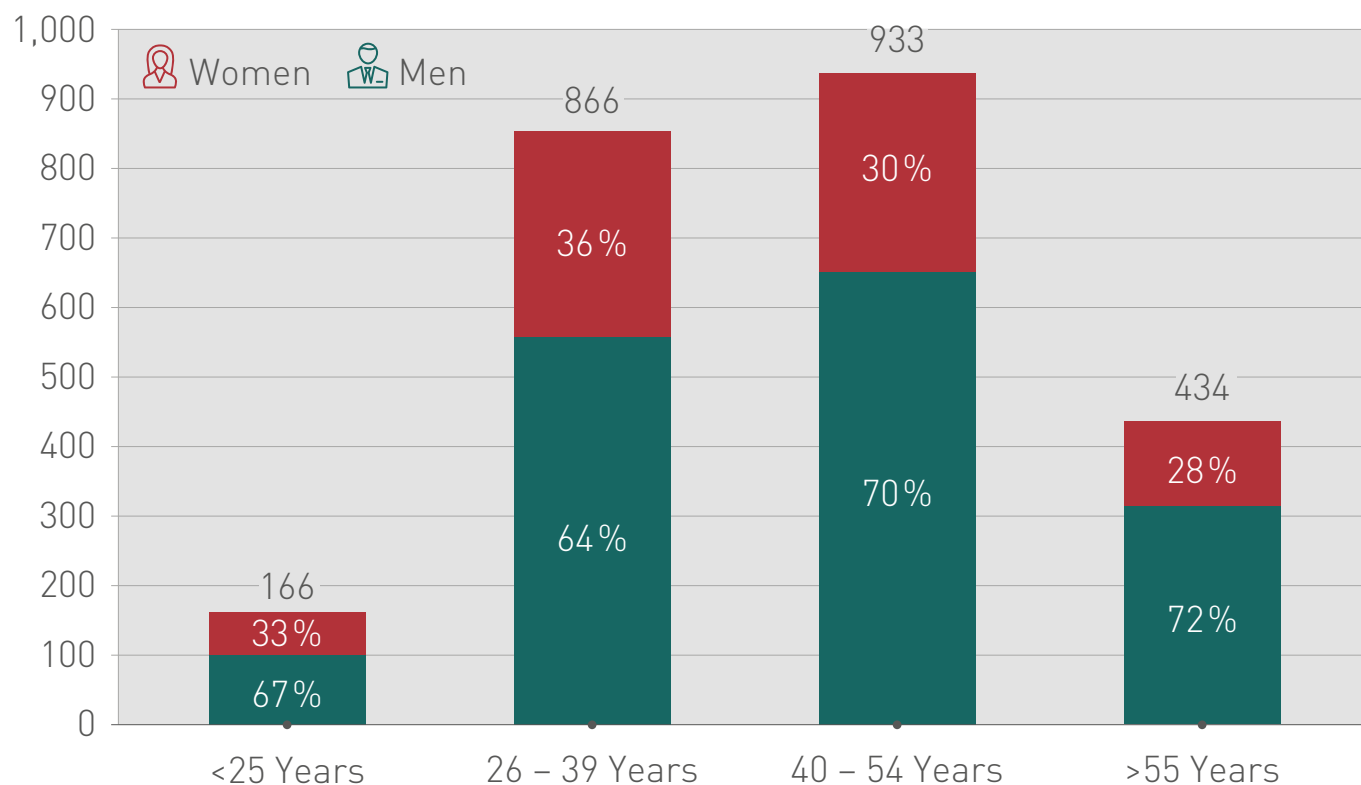
Diversity also refers to the demographic situation at our company. Within the CHT Group this varies greatly from region to region. The common goal is to maintain the ability of our employees to work in all phases of life and to ensure the availability of skilled workers in the long term. Teams of mixed ages can also benefit from linking different skills and perspectives.

The following measures were implemented to take account of the demographic situation.

- ▶ Flexible working time models: There are more than 80 different working time models across the CHT Group.
- ▶ Individual opportunities for further education: Each employee can be individually trained.
- ▶ Occupational health management: Internal sports programs, various preventive health measures and social counseling.
- ▶ Succession and substitute planning: To ensure that positions are always adequately filled, CHT locations in Germany have a succession and substitute planning system, which is always drawn up as a five-year plan.
- ▶ Global succession and substitute planning ensures that the tasks of key strategic positions can be carried out continuously and that there is a constant exchange of knowledge with the substitute or successor.
- ▶ Age development scenarios: They are also developed at all German sites every 5 – 10 years.



## Age structure of employees of CHT Group



We also promote diversity in management development. As a matter of principle, women and men have identical application and career opportunities with us and receive equal access to further education and training measures. In this way, we also seek to further increase the proportion of women at our management levels. In 2021, the proportion of female employees in the group worldwide was 31%. The proportion of women in management positions is to be increased to 30% within the CHT Group by 2025.



**In 2021:**  
The share of women in  
CHT management positions was

**28 %**

# SOCIETY

## WORK-LIFE BALANCE

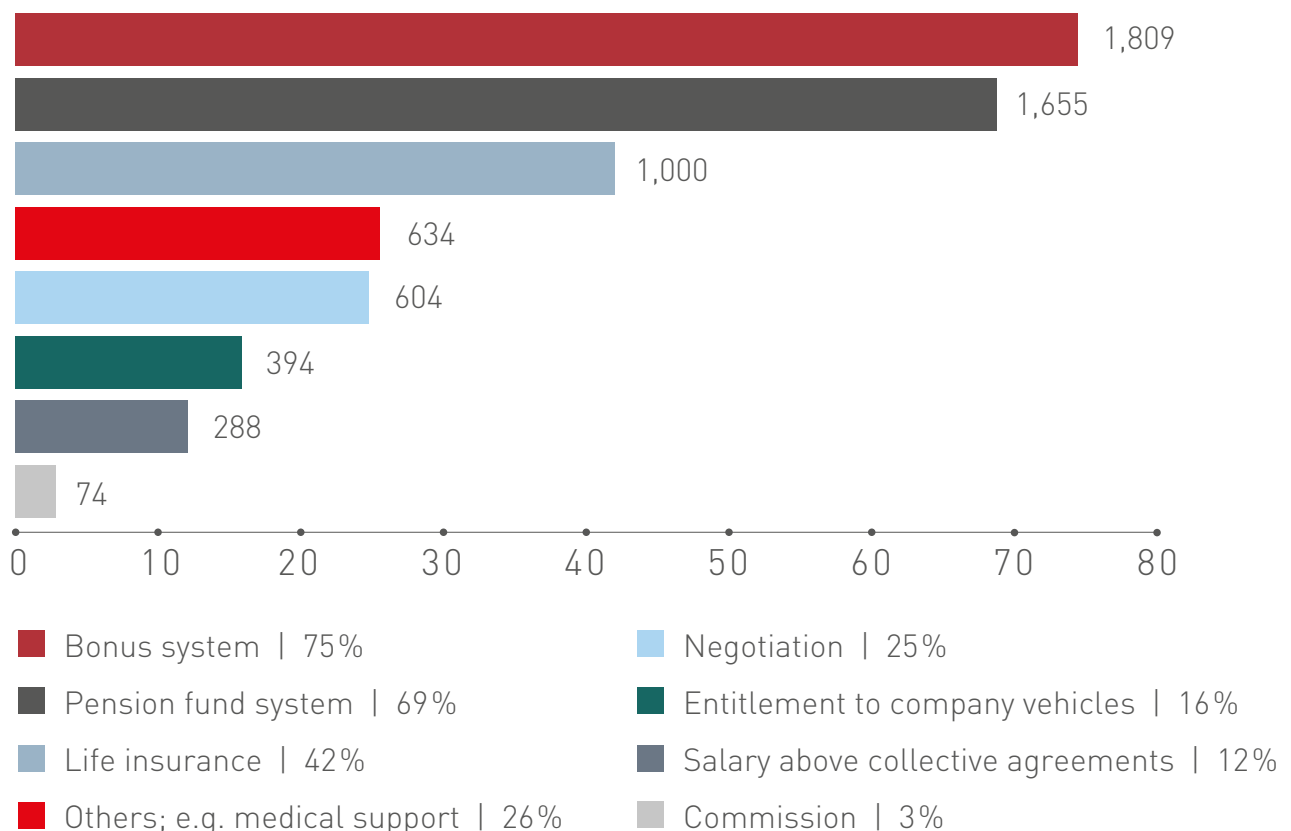
### WORK AND FAMILY BALANCE

A good work life balance provides for permanently and highly committed employees at their workplace. We feel obliged to provide the corresponding conditions for our staff to facilitate a good balance between work, family, and leisure time. Therefore, there are various work life balance offers at some sites of the CHT Group which range from support in childcare via sports and leisure activities to health promotion and social counseling.

### PERFORMANCE-RELATED REMUNERATION AND SOCIAL BENEFITS

"Performance must be worthwhile." CHT sees this motto worldwide as the basis for fair remuneration for its employees. In the CHT Group, neither gender nor origin play a role in determining remuneration, but rather exclusively the responsibility, function and performance of the respective employee. Entrepreneurial thinking and action as well as an above-average willingness to perform are additionally rewarded with a target agreement system for executives in management as well as a success-oriented bonus system for our tariff employees. This reflects our conviction that our employees are an important part of our economic success.

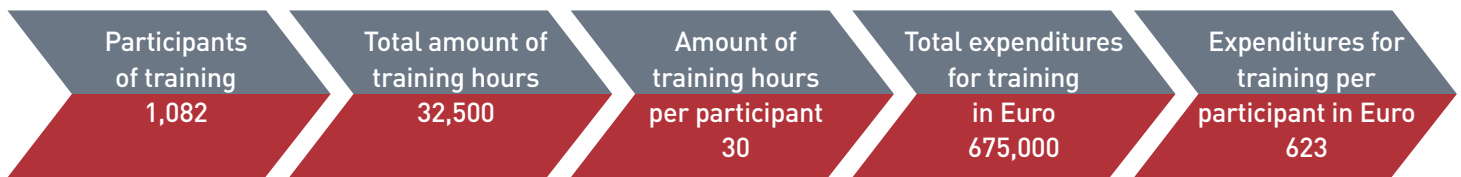
## CHT employees who were entitled to payment and fringe benefits in 2021 (in %)



# SOCIETY

## LIFELONG LEARNING

Learning and personal development are essential success factors for a positive corporate culture. The skills and competencies of our employees are crucial for profitable growth and lasting success. For this reason, we want to further modernize the learning culture and promote self-directed learning even more strongly. Therefore, the CHT Group invested 675,000 EUR into further education development in 2021. For the targeted and individual promotion of all skills we offer versatile measurements and tools for the further development and education of our staff:



## DIGITAL LEARNING FORMATS

With our digital offerings, we enable our employees to independently develop within the company, regardless of whether they are at their company workplace, in their home office, or traveling. The offering includes a wide range of self-learning modules on personal development and methodological skills, in-house and external online seminars, and exchange formats. In this way, qualification in technical topics, the further development of employees and the implementation of legal requirements can also be ensured.

A key objective here is to continue to promote learning in the group and to maintain social contacts. At the same time, it is important to promote acceptance of new learning media and formats among the workforces. The new virtual offerings are in high demand. The central learning platform of the global HCM system Workday provides an overview of the learning offerings.

For the future, the aim is to further promote the acceptance of digital learning offerings and to expand the use of innovative eLearning formats and media. CHT is convinced that the targeted use of new media in combination with classroom formats will create even better conditions for tailored and individualized learning paths.

In the annual employee interview, the "CHT DIALOG", an assessment of the current situation is carried out and the evaluation of personal performance and further development opportunities are discussed. The development offering is diverse and ranges from on-the-job support to customized personnel development programs.

### Further offers include:

- ▶ Internal and external qualifications and further education measures: We promote technical, methodical, and social competences on the basis of targeted measures.
- ▶ Measures to promote cooperation and team development

## **WELL INFORMED**

The CHT Global News Portal gives employees easy access to all information related to the group, in a modern and targeted way. The dashboard can be made interactive with surveys and video messages and is linked to all digital applications and work environments.

# **SOCIETY**

## **SOCIAL ISSUES**

### **DIALOG WITH EMPLOYEE REPRESENTATIVES**

Trust and cooperation with employee representatives are essential parts of our corporate culture. Through an open and continuous exchange of information, we create the conditions for reconciling the interests of the company and the employees, even in challenging situations.

### **CREATING TRUST**

To us economic successes are only possible if we clearly commit to our sites. This refers to the local environment, the region and the people who live there.

### **DOING GOOD FROM THE BEGINNING**

A strong social commitment is synonymous with the name of our company founder Reinhold Beitlich. In 1983, the Beitlich couple contributed a large share of their assets to the charitable Reinhold Beitlich Foundation. This foundation underpins our social responsibility as a company and the financial independence of the CHT Group.

### **REINHOLD BEITLICH FOUNDATION**

The Reinhold Beitlich Foundation holds almost 90% of the share capital of the asset holder Beitlich GmbH, the holding company and the parent company of the Group of companies. According to the ownership structure the foundation receives earnings from the operative business and by law finances projects for children and youths.

### **FOUNDATION PURPOSE**

The purpose of the foundation is to promote training and education, youth care and youth welfare as well as to provide culture and sports for young people. The foundation offers among other things training grants and scholarships, covers treatment and therapy costs, supports cultural and environmental groups as well as science and research and finally supports orphanages and day care centers.

# SOCIETY

## SAFETY MANAGEMENT

### OCCUPATIONAL HEALTH AND SAFETY

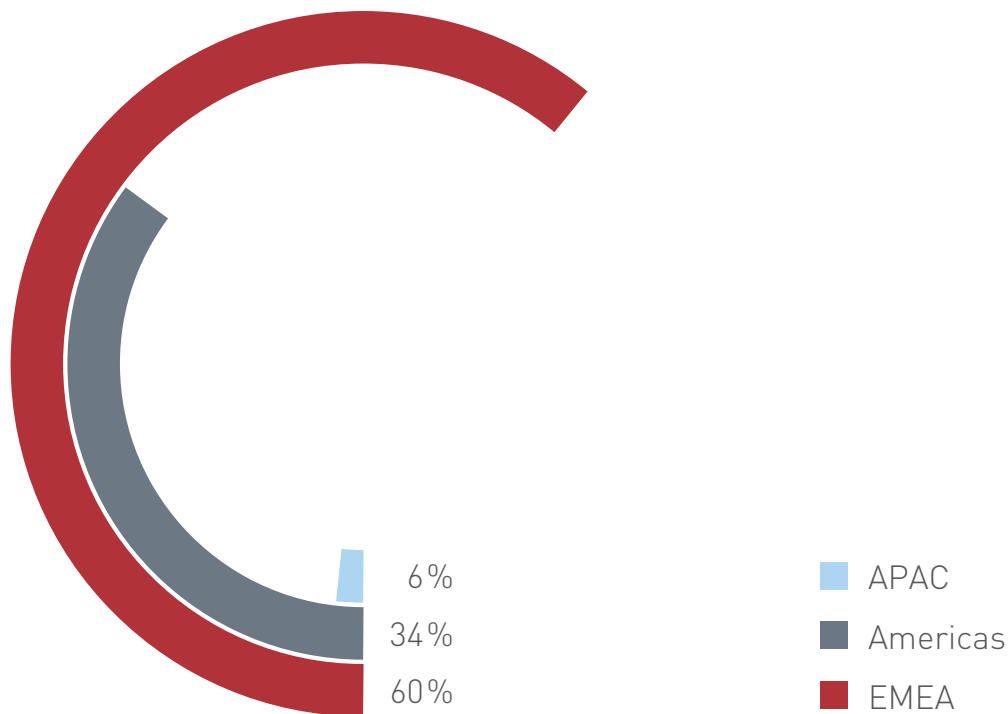
The safety and health of our employees are of utmost importance. To guarantee protection in the workplace and safety at our sites and their environments, high standards apply for the CHT Group.

- ▶ Within the framework of the Integrated Management System, we are establishing an occupational health and safety management in the companies worldwide and are preparing for certification according to ISO 45001. The CHT companies in Switzerland, Pakistan, Turkey, and Germany were successfully certified.
- ▶ All worldwide employees are familiar with the instructions informing them of what to observe and what to do in cases of emergency. Regular training and exercises are carried out. The present legal provisions determine the content of these instructions reflecting the identified risks at the workplaces.
- ▶ We provide appropriate working clothes and protective equipment to all employees worldwide.
- ▶ At all sites managers and trained specialists such as occupational safety specialists and safety officers ensure that the occupational safety requirements are implemented.
- ▶ Potential safety-relevant events are uniformly systematically registered in a uniform way and evaluated to improve the working conditions and preventive measures being put in place.
- ▶ Suppliers and service providers are obliged in writing to comply with the safety regulations applicable in the respective plants before the contract is awarded; compliance with these regulations is monitored during the execution of the contract. Our visitors may only move around our company premises together with employees of the CHT Group who are familiar with the safety precautions at the respective sites.

### REQUESTED PREVENTION AND INFORMATION

In 2021, the incident rate (RIR) within the group of companies was 1.6, unchanged from the previous year (1.6). No continuing pattern of incident causes could be discerned in the tracing of occupational incidents. All incidents at work with an absence of at least one day are included. Most of the injuries were predominantly non-chemical, industry-unspecific injuries such as bruises, sprains, cuts, and the like. In the 2021 reporting period, there were no fatalities due to operational reasons. The following graphs show the work-related incidents of CHT employees by region and rate (subject to reporting according to the OSHA regulations (RIR)\*:

## Incidents by region 2021 (in %)



\*Calculated using OSHA's Recordable Incident Rate (RIR) method = (number of recorded incidents x 200,000/number of hours actually worked). The hours worked of 4,318,200 are calculated by multiplying 1,800 hours worked per year per employee by CHT's 2,400 FTEs during the 2021 reporting period.

On the base of this development, we are going to increase our international measures for occupational health and safety and further promote our staff's training in this field. The long-term goal of the CHT Group is to continue to reduce the number of incidents in the workplace and to halve absences from work worldwide by 2025.

### PLANT SAFETY

CHT products are manufactured in modern chemical plants which are state-of-the-art in terms of safety and control. When manufacturing our products, we respect the prerequisites for quality, the environmental protection, occupational health and safety as well as the energy-efficient use of our plants. To ensure these requirements are met, we maintain an integrated management system that is already fully certified to ISO 9001, ISO 14001, ISO 45001 and ISO 50001 at various sites.

Our goal of certifying all manufacturing sites to ISO 9001 and ISO 14001 was achieved at the end of 2021.

- ▶ All plants and processes are continually optimized and technologically advanced worldwide.
- ▶ Regular servicing and preventive maintenance guarantee safe operation and compliance with the applicable legal regulations and approvals.
- ▶ Maintenance and repair work are only carried out by trained specialists.
- ▶ All employees are continuously trained depending on their workplace. At the German sites apprenticeships and further education complies with the prerequisites of the professional associations which are supplemented by an HR development plan.

- ▶ Training on plant operation and instructions for correct safety and environmental conduct are regularly carried out.
- ▶ As a general conclusion for all sites, we can say that in 2021 the safe operation of the plants according to group-internal requirements and local regulations was guaranteed. All incidents were handled in line with defined reporting systems and procedures including the necessary measures.

In case of incidents in plant safety, appropriate corrective actions were initiated immediately. This showed that the procedures for alert and emergency response and the cooperation with authorities and public institutions as well as the fire departments function reliably.

# SOCIETY

## PRODUCT RESPONSIBILITY

### RESPONSIBILITY WITHIN THE VALUE CHAIN

We check our products along the entire value chain starting with the development through to production, in customer applications all the way up to product disposal. In this way we can identify possible health and environmental risks at a very early stage and reduce or in an ideal case remove them.

As part of our product responsibility, we work together with our suppliers, customers, research institutes and associations to continually improve the performance and sustainability of our products along the entire value chain.

### SUPPORTED STANDARDS AND QUALITY LABELS

The major share of our products already comply with the requirements of the following quality labels:

- ▶ Oeko-Tex® Standard 100 (Textile, Textile Care)
- ▶ bluesign® (Textile, Textile Care)
- ▶ ZDHC (Textile, Leather)
- ▶ Global Organic Textile Standards (GOTS) (Textile, Textile Care)
- ▶ Cradle-to-Cradle® (EPEA) (Textile, Textile Care)

We are working on the following quality labels and have products to be rated and certified:

- ▶ EU Eco label (Construction, Paper)
- ▶ Coop Schweiz (Textile Care)
- ▶ Support of brands and retailers (among others Inditex, H&M, Lidl, Tesco)

**MORE INFORMATION ON THE COOPERATION OF CHT WITH BLUESIGN® AND ZDHC**

## CERTIFICATION TARGET 2022

| CERTIFICATION TARGET 2022                                       | 2021 | 2022 TARGET |
|---|------|-------------|
| bluesign®<br>number of all products bluesign® approved          | 1645 | >1680       |
| Inditex<br>number of certified products                         | 1610 | 1600        |
| ZDHC Gateway number of certified products                       | 2218 | >2250       |
| GOTS 6.0 since 03/2020 number of certified products             | 799  | >740        |
| C2C number of certified products                                | 165  | >170        |
| Reach® European chemistry standard number of certified products | 15   | >1680*      |

\* total number of REACH-registered substances

Moreover, we are checking additional established quality labels and certifications. As a chemical company taking our responsibility seriously, we actively contribute to practical, target-oriented sustainability initiatives wherever it is possible to improve the protection of humans and the environment.

## FOCUS ON PRODUCT SAFETY

As a globally operating company for specialty chemicals, product safety is a key element of our product responsibility. Our products and production processes meet the highest safety requirements. In addition to high standards in process and work safety, our comprehensive product information and the avoidance of potentially critical substances are among the main aspects of our product range.

## UNIFORM PRINCIPLES. NO RISKS.

Complying with international laws and chemical regulations is a fundamental obligation for us. We operate within the guard rails of global requirements and specifications, taking up initiatives for responsible action and sustainability that the chemical industry has set itself as a goal worldwide. As an international group, we always consider our activities on a global scale: All over the world, we refrain from using products with AEEA and APEO although these substances are still permitted in some countries.

## REACH

As a company with headquarters in the EU, we support its initiatives for chemicals legislation. We are actively supporting developments related to the European Green Deal and the transition to a modern, resource-efficient, and competitive economy. In this context, we are participating in the implementation of the REACH regulation and the development of the Chemicals Strategy For Sustainability together with other European chemical companies, the European Chemicals Agency (ECHA) and our customers. In addition to registering new substances and updating existing REACH dossiers, we as a company are closely monitoring the more far-reaching REACH developments regarding substance evaluation (CoRAP process and SVHC candidate list) in an ongoing process that also aligns our corporate strategy.



In connection with the objectives of the EU's "Green Deal", the topic of "sustainability of materials and processes" will become even more important in our company in the future.

## SUSTAINABLE PRODUCTS 2021

Products and process solutions contributing to a sustainable development are an integral part of our product range. Our declared aim is to continuously increase the share of sustainable products within our offer and in sales.

### SHARE OF SUSTAINABLE PRODUCTS OF ALL SALES 2020 – 2025 (CHT GROUP)

| BUSINESS FIELD             | 2020              | 2021 | 2022* | 2023* | 2024* | 2025*             |
|----------------------------|-------------------|------|-------|-------|-------|-------------------|
| BF Textile                 | 67%               | 70%  | 73%   | 75%   | 80%   | >80%              |
| BF Construction & Assembly | 76% <sup>1)</sup> | 31%  | >40%  | >60%  | >70%  | 76% <sup>1)</sup> |
| BF General Industries      | 53% <sup>2)</sup> | 61%  | >60%  | >65%  | >70%  | >70%              |
| BF Textile Care Solutions  | 73%               | 75%  | 80%   | 80%   | 80%   | 80%               |
| Total                      | 62%               | 65%  | 67%   | 70%   | 75%   | 80%               |

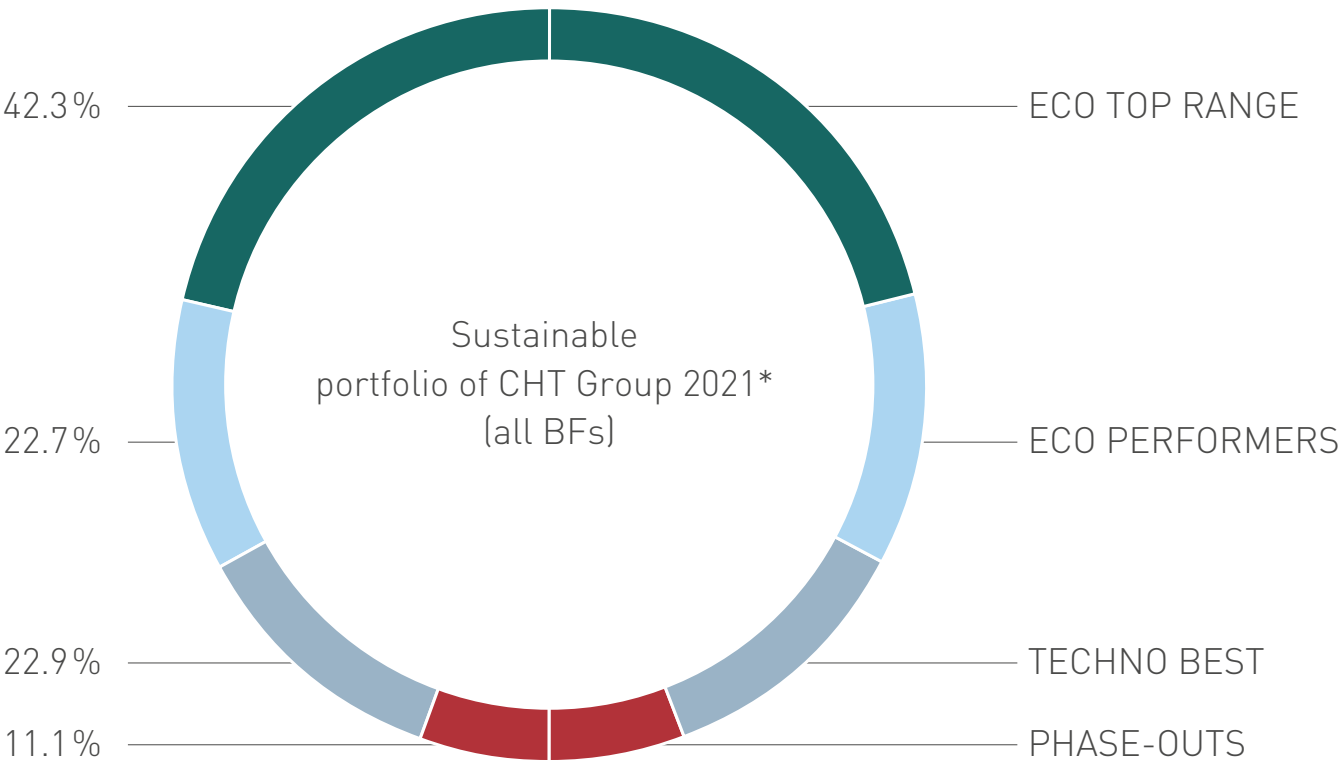
As part of "Strategy 2025", portfolio management based on the sustainability performance of CHT products takes on a more significant role within the entire CHT Group.

In our "Strategy 2025", we have set ourselves the goal of achieving an 80% share of sales with Eco Range products by 2025. In 2021, the sustainability assessment for the entire product range had been carried out uniformly using the criteria listed below, and a 65% share of sales was achieved with sustainable products. Reclassifications of SVHC substances and CoRAP listings have made this goal a major challenge.

Uniform criteria for the Eco Ranges:

|   |   |  |
|---|---|--|
| <b>ECOLOGICAL CRITERIA, E.G.</b> <ul style="list-style-type: none"> <li>▶ No CMR-substance</li> <li>▶ No SVHC listing</li> <li>▶ Substitution of halogens, AOX, heavy metals, formaldehyde</li> <li>▶ Bio-degradable</li> <li>▶ VOC-free</li> <li>▶ &lt;0.1% D4, D5, D6</li> <li>▶ No critical classification in the material data sheet</li> </ul> | <b>SUSTAINABILITY PERFORMANCE IN CUSTOMER PROCESS, E.G.</b> <ul style="list-style-type: none"> <li>▶ Product reduces waste water production</li> <li>▶ Reduction of resources usage in customer processes</li> <li>▶ Listed: bluesign, ZDHC, oeko-tex, blue angel</li> <li>▶ Product reduces / substitutes the use of solvents in customer processes</li> </ul> | <b>SUSTAINABILITY PERFORMANCE IN MANUFACTURING PROCESS, E.G.</b> <ul style="list-style-type: none"> <li>▶ Product is produced with energy savings</li> <li>▶ Product is produced with water savings</li> </ul> |
|---|---|--|

# Sustainable Portfolio Management Tool 2021/2022



\* +1% not classified

We intend to further increase sales of our ECO Range products to a share of 80% by 2025. The focus of activities will be on the global ECO Top Core Ranges, supplemented by locally developed or adapted ECO Performer Ranges. The same sustainability criteria apply to both Ranges. TECHNO BEST comprises the range of products that do not meet the CHT Group's strict sustainability criteria but are state-of-the-art and cannot currently be replaced either technologically or in terms of their performance. In the case of the TECHNO BEST products, the challenges under which the products can become sustainable have been identified and development projects have already been initiated in some cases. The PHASE OUT Range is expected to be reduced to less than 10% of sales by 2025.

# SOCIETY

## CERTIFICATIONS

### ECOVADIS CERTIFICATION

EcoVadis is a sustainability rating platform for global supply chains. The objective is promoting environmental and social practices of companies through CSR performance monitoring within the supply chain and supporting companies in improving sustainability. The CHT Group has set itself the goal of further improving its sustainability performance by 2025 and achieving a score of 80% in the EcoVadis certification.

The CHT Group received 65 out of 100 points in 2021 and thus a silver level for sustainability performance. The categories were environment, labor and human rights, ethics, and sustainable procurement. CHT Group belongs to the 10% of the best rated chemical companies. Among other things, the comprehensive sustainability management including clearly defined goals and pursuit within the CHT Group as well as the linking of the activities to the development goals of the United Nations (SDGs) were emphasized.

### CHECKING CUSTOMER SATISFACTION

For successful additional expansion of business relationships with our customers, we rely on an open and trusting dialog. Although we did not conduct a comprehensive customer satisfaction survey in the 2021 reporting period, we do receive a great deal of feedback and suggestions in daily dialog with our customers worldwide. The corresponding customer surveys of recent years have also confirmed that our customers are very satisfied and loyal and appreciate the high level of expertise of our team as well as the good service and high levels of reliability. In addition, we regularly carry out customer satisfaction analyses with the help of external consultants.

### FAIRNESS FIRST

Free competition characterizes global business life. This benefits us and all our companies worldwide. A competition characterized by fairness and respect is a key prerequisite for this: We consider it a matter of course to comply with laws, regulations, standards, and codes of conduct towards customers, partners, suppliers, and competitors – just as we expect the same vice versa. It is important to us that we emphasize our strength without discrediting competitors. Thus, no cases were reported in 2021 in which our company had infringed the competition rules or failed to comply with the law.

# PRINCIPLES

GRI STANDARDS



# PRINCIPLES

## GRI STANDARDS

### 102 GENERAL INFORMATION

|                               |
|-------------------------------|
| + ORGANIZATIONAL PROFILE      |
| + STRATEGY                    |
| + ETHICS AND INTEGRITY        |
| + CORPORATE GOVERNANCE        |
| + INVOLVEMENT OF STAKEHOLDERS |
| + REPORTING APPROACH          |

### 200 ECONOMY

|                                 |
|---------------------------------|
| + 201 ECONOMIC PERFORMANCE      |
| + 202 MARKET PRESENCE           |
| + 204 PROCUREMENT PRACTICES     |
| + 205 ANTI-CORRUPTION           |
| + 206 ANTI-COMPETITIVE BEHAVIOR |

### 300 ECOLOGY

|   |
|---|
| + 301 MATERIALS                             |
| + 302 ENERGY                                |
| + 303 WATER                                 |
| + 304 BIODIVERSITY                          |
| + 305 EMISSIONS                             |
| + 306 WASTEWATER AND WASTE                  |
| + 307 ENVIRONMENTAL COMPLIANCE              |
| + 308 ENVIRONMENTAL ASSESSMENT OF SUPPLIERS |

## 400 SOCIETY

|   |
|---|
| <b>+ 401 EMPLOYMENT</b>                                       |
| <b>+ 402 EMPLOYEE-EMPLOYER RELATIONSHIP</b>                   |
| <b>+ 403 OCCUPATIONAL SAFETY AND HEALTH PROTECTION</b>        |
| <b>+ 404 EDUCATION AND TRAINING</b>                           |
| <b>+ 405 DIVERSITY AND EQUAL OPPORTUNITIES</b>                |
| <b>+ 406 ANTI-DISCRIMINATION</b>                              |
| <b>+ 407 FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b> |
| <b>+ 408 CHILD LABOR</b>                                      |
| <b>+ 409 FORCED OR COMPULSORY LABOR</b>                       |
| <b>+ 414 SOCIAL ASSESSMENT OF SUPPLIERS</b>                   |
| <b>+ 416 CUSTOMER HEALTH AND SAFETY</b>                       |
| <b>+ 419 SOCIO-ECONOMIC COMPLIANCE</b>                        |

## 102 GENERAL INFORMATION

| — ORGANIZATIONAL PROFILE |  |                                      |
|--------------------------|--|--------------------------------------|
| 102-1                    | Name of the organisation                   | The CHT group                        |
| 102-2                    | Activities, brands, products, and services | The CHT group                        |
|                          |  | Business fields                      |
| 102-3                    | Location of headquarters                   | The CHT group                        |
| 102-4                    | Location of operation                      | Location of operation                |
| 102-5                    | Ownership and legal form                   | Ownership                            |
| 102-6                    | Markets served                             | The CHT group                        |
| 102-7                    | Scale of the organization                  | CHT Sustainability Report            |
| 102-8                    | Information on employees and other workers | Our Employees                        |
| UNGC Principle no.6      |  | CHT Sustainability Report            |
| 102-9                    | Supply chain                               | Supplier Management                  |
| 102-11                   | Precautionary principle or approach        | Principles Environmental Policy      |
| 102-12                   | External initiatives                       | Work in Associations and Initiatives |
|                          |  | Quality Labels                       |
| 102-13                   | Membership of associations                 | Work in Associations and Initiatives |
|                          |  | Quality Labels                       |

## — STRATEGY

|        |                                       |                                     |
|--------|---------------------------------------|-------------------------------------|
| 102-14 | Statement from senior decision-maker  | Preface                             |
| 102-15 | Key impacts, risks, and opportunities | Our Comprehension of Sustainability |

## — ETHICS AND INTEGRITY

|        |   |                     |
|--------|---|---------------------|
| 102-16 | Values, principles, standards, and standards of conduct | Vision and Mission  |
|        |   | Strategy and Values |

## — CORPORATE GOVERNANCE

|        |                       |   |
|--------|-----------------------|---|
| 102-18 | Governance structure  | Preface                                     |
|        |                       | Constant Ownership Structure                |
|        |                       | Corporate Sustainability Steering Committee |
| 102-35 | Remuneration policies | Performance related Remuneration            |

## — INVOLVEMENT OF STAKEHOLDERS

|                      |  |                         |
|----------------------|--|-------------------------|
| 102-40               | List of stakeholder groups             | Involvement Stakeholder |
| 102-41               | Collective bargaining agreements       | Human Rights            |
| UNGC Principle no. 3 |  | Involvement Stakeholder |
| 102-42               | Identifying and selecting stakeholders | We take Responsibility  |
| 102-43               | Approach to stakeholder engagement     | Involvement Stakeholder |
| 102-44               | Key topics and concerns raised         | Strategy                |
|                      |  | We take Responsibility  |

## — REPORTING APPROACH

|        |  |                        |
|--------|--|------------------------|
| 102-45 | Entities included in the consolidated financial statements | The CHT group          |
| 102-46 | Defining report content and topic boundaries               | About this Report      |
| 102-47 | List of material topics                                    | Corporate Goals        |
|        |  | We take Responsibility |
| 102-50 | Reporting period   | About this Report      |
| 102-51 | Date of latest report                                      | About this Report      |
| 102-52 | Reporting cycle  | About this Report      |
| 102-53 | Contact point for questions regarding the report           | Imprint                |
| 102-54 | Claims of reporting in accordance with the GRI Standards   | About this Report      |
| 102-55 | GRI content index  | GRI content index      |

## 200 ECONOMY

### — 201 ECONOMIC PERFORMANCE

|       |  |                                      |
|-------|--|--------------------------------------|
| 103   | MANAGEMENT APPROACH                                |                                      |
| 103-1 | Explanation of the material topic and its boundary | The CHT group                        |
|       |  | Vision and Mission                   |
|       |  | Strategy and Values                  |
| 103-2 | The management approach and its components         | The CHT group                        |
|       |  | Vision and Mission                   |
|       |  | Strategy and Values                  |
|       |  | Work in Associations and Initiatives |
|       |  | Sustainability Goals                 |
| 103-3 | Evaluation of the management approach              | Sustainability Goals                 |

### — 202 MARKET PRESENCE

|                            |  |                      |
|----------------------------|--|----------------------|
| 103                        | MANAGEMENT APPROACH  |                      |
| 103-1                      | Explanation of the material topic and its boundary             | The CHT group        |
|                            |  | Strategy and Values  |
|                            |  | Business fields      |
| 103-2                      | The management approach and its components                     | Strategy and Values  |
| 103-3                      | Evaluation of the management approach                          | Sustainability Goals |
|                            |  | Strategy and Values  |
| TOPIC SPECIFIC DISCLOSURES |  |                      |
| 202-2                      | Proportion of senior management hired from the local community | Our Employees        |
|                            |  | Leadership Culture   |

### — 204 PROCUREMENT PRACTICES

|       |  |                     |
|-------|--|---------------------|
| 103   | MANAGEMENT APPROACH                                |                     |
| 103-1 | Explanation of the material topic and its boundary | Supplier Management |
| 103-2 | The management approach and its components         | Supplier Management |
| 103-3 | Evaluation of the management approach              | Supplier Management |



## — 205 ANTI-CORRUPTION

|                                  |  |                      |
|----------------------------------|--|----------------------|
| 103                              | MANAGEMENT APPROACH  |                      |
| 103-1                            | Explanation of the material topic and its boundary                       | Sustainability Goals |
|                                  |  | Ethics and Integrity |
| 103-2                            | The management approach and its components                               | Ethics and Integrity |
| 103-3                            | Evaluation of the management approach                                    | Ethics and Integrity |
| TOPIC SPECIFIC DISCLOSURES       |  |                      |
| 205-1<br>UNGC Principle no. 1, 2 | Operations assessed for risks related to corruption                      | Code of Conduct      |
| 205-2<br>UNGC Principle no. 10   | Communication and training about anti-corruption policies and procedures | Ethics and Integrity |
| 205-3<br>UNGC Principle no. 10   | Confirmed incidents of corruption and actions taken                      | Code of Conduct      |

## — 206 ANTI-COMPETITIVE BEHAVIOR

|                            |   |          |
|----------------------------|---|----------|
| 103                        | MANAGEMENT APPROACH   |          |
| 103-1                      | Explanation of the material topic and its boundary                              | Fairness |
| 103-2                      | The management approach and its components                                      | Fairness |
| 103-3                      | Evaluation of the management approach   | Fairness |
| TOPIC SPECIFIC DISCLOSURES |   |          |
| 206-1                      | Legal actions for anti-competitive behavior, anti-trust, and monopoly formation | Fairness |

## 300 ECOLOGY

### — 301 MATERIALS

|                               |  |                              |
|-------------------------------|--|------------------------------|
| 103                           | MANAGEMENT APPROACH                                |                              |
| 103-1                         | Explanation of the material topic and its boundary | Environmental Policy         |
|                               |  | Responsible use of Resources |
| 103-2                         | The management approach and its components         | Environmental Policy         |
|                               |  | Responsible use of Resources |
| 103-3                         | Evaluation of the management approach              | Environmental Policy         |
|                               |  | Responsible use of Resources |
| TOPIC SPECIFIC DISCLOSURES    |  |                              |
| 301-1<br>UNGC Principle no. 7 | Materials used by weight or volume                 | Raw Materials                |
| 301-2                         | Recycled input materials used                      | Raw Materials                |

## — 302 ENERGY

|                                  |  |                   |
|----------------------------------|--|-------------------|
| 103                              | MANAGEMENT APPROACH  |                   |
| 103-1                            | Explanation of the material topic and its boundary         | Energy management |
| 103-2                            | The management approach and its components                 | Energy management |
| 103-3                            | Evaluation of the management approach                      | Energy management |
| TOPIC SPECIFIC DISCLOSURES       |  |                   |
| 302-1                            | Energy consumption within the organization                 | Energy management |
| 302-3                            | Energy intensity   | Energy management |
| 302-4<br>UNGC Principle no. 8, 9 | Reduction of energy consumption                            | Energy management |
| 302-5                            | Reductions in energy requirements of products and services | Energy management |

## — 303 WATER

|                            |  |                              |
|----------------------------|--|------------------------------|
| 103                        | MANAGEMENT APPROACH                                |                              |
| 103-1                      | Explanation of the material topic and its boundary | Responsible use of Resources |
| 103-2                      | The management approach and its components         | Responsible use of Resources |
| 103-3                      | Evaluation of the management approach              | Responsible use of Resources |
| TOPIC SPECIFIC DISCLOSURES |  |                              |
| 303-1                      | Interactions with water as shared resource         | Responsible use of Resources |
| 303-2                      | Management of wastewater-related impacts           | Water emission               |
| 303-3                      | Wastewater recovery and reuse                      | Water emission               |
| 303-4                      | Wastewater   | Water emission               |
| 303-5                      | Water consumption                                  | Water emission               |

## — 304 BIODIVERSITY

|                               |   |                       |
|-------------------------------|---|-----------------------|
| 103                           | MANAGEMENT APPROACH   |                       |
| 103-1                         | Explanation of the material topic and its boundary  | Environmental Policy  |
| 103-2                         | The management approach and its components  | Environmental Policy  |
| 103-3                         | Evaluation of the management approach   | Environmental Policy  |
| TOPIC SPECIFIC DISCLOSURES    |   |                       |
| 304-1<br>UNGC Principle no. 8 | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas |                       |
| 304-2<br>UNGC Principle no. 8 | Significant impacts of activities, products, and services on biodiversity   | Environmental effects |

## — 305 EMISSIONS

|                                  |   |                          |
|----------------------------------|---|--------------------------|
| 103                              | MANAGEMENT APPROACH   |                          |
| 103-1                            | Explanation of the material topic and its boundary                              | CO <sub>2</sub> emission |
| 103-2                            | The management approach and its components                                      | CO <sub>2</sub> emission |
| 103-3                            | Evaluation of the management approach   | CO <sub>2</sub> emission |
| TOPIC SPECIFIC DISCLOSURES       |   |                          |
| 305-1<br>UNGC Principle no. 7, 8 | Direct greenhouse gas emissions   | CO <sub>2</sub> emission |
| 305-1<br>UNGC Principle no. 7, 8 | Indirect greenhouse gas emissions (Scope 2)                                     | CO <sub>2</sub> emission |
| 305-7<br>UNGC Principle no. 7, 8 | Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions |                          |

## — 306 WASTEWATER AND WASTE

|                               |  |                |
|-------------------------------|--|----------------|
| 103                           | MANAGEMENT APPROACH                                |                |
| 103-1                         | Explanation of the material topic and its boundary | Waste          |
| 103-2                         | The management approach and its components         | Waste          |
| 103-3                         | Evaluation of the management approach              | Waste          |
| TOPIC SPECIFIC DISCLOSURES    |  |                |
| 306-1                         | Wastewater discharge by quality and destination    | Water emission |
| 306-2                         | Waste by type and disposal method                  | Waste          |
| 306-3<br>UNGC Principle no. 8 | Significant spills                                 |                |
| 306-4<br>UNGC Principle no. 8 | Transport of hazardous waste                       |                |

## — 307 ENVIRONMENTAL COMPLIANCE

|                               |  |  |
|-------------------------------|--|--|
| 307-1<br>UNGC Principle no. 8 | Non-compliance with environmental laws and regulations |  |
|-------------------------------|--|--|

## — 308 ENVIRONMENTAL ASSESSMENT OF SUPPLIERS

|                               |  |                     |
|-------------------------------|--|---------------------|
| 103                           | MANAGEMENT APPROACH  |                     |
| 103-1                         | Explanation of the material topic and its boundary                   | Supplier Management |
| 103-2                         | The management approach and its components                           | Supplier Management |
| 103-3                         | Evaluation of the management approach                                | Supplier Management |
| TOPIC SPECIFIC DISCLOSURES    |  |                     |
| 308-1<br>UNGC Principle no. 8 | New suppliers that were screened using environmental criteria        | Supplier Management |
| 308-2                         | Negative environmental impacts in the supply chain and actions taken | Supplier Management |

## 400 SOCIETY

### — 401 EMPLOYMENT

|                               |  |                                  |
|-------------------------------|--|----------------------------------|
| 103                           | MANAGEMENT APPROACH  |                                  |
| 103-1                         | Explanation of the material topic and its boundary                                   | Vision and Mission               |
|                               |  | Our Employees                    |
| 103-2                         | The management approach and its components   | Strategy and Values              |
|                               |  | Our Employees                    |
| 103-3                         | Evaluation of the management approach  | Our Employees                    |
| TOPIC SPECIFIC DISCLOSURES    |  |                                  |
| 401-1<br>UNGC Principle no. 6 | New employee hires and employee turnover   | Staff numbers                    |
| 401-2                         | Benefits provided to full-time employees but not to temporary or part-time employees | Equality                         |
|                               |  | Performance-related Remuneration |

## — 402 EMPLOYEE-EMPLOYER RELATIONSHIP

|                               |  |                    |
|-------------------------------|--|--------------------|
| 103                           | MANAGEMENT APPROACH                                  |                    |
| 103-1                         | Explanation of the material topic and its boundary   | Leadership Culture |
|                               |  | Work life balance  |
|                               |  | Lifelong learning  |
| 103-2                         | The management approach and its components           | Leadership Culture |
|                               |  | Work life balance  |
|                               |  | Lifelong learning  |
| 103-3                         | Evaluation of the management approach                | Leadership Culture |
|                               |  | Work life balance  |
|                               |  | Lifelong learning  |
| TOPIC SPECIFIC DISCLOSURES    |  |                    |
| 402-1<br>UNGC Principle no. 3 | Minimum notice periods regarding operational changes | Well informed      |

## — 403 OCCUPATIONAL SAFETY AND HEALTH PROTECTION

|                            |  |                   |
|----------------------------|--|-------------------|
| 103                        | MANAGEMENT APPROACH  |                   |
| 103-1                      | Explanation of the material topic and its boundary                 | Safety Management |
| 103-2                      | The management approach and its components                         | Safety Management |
| 103-3                      | Evaluation of the management approach                              | Safety Management |
| TOPIC SPECIFIC DISCLOSURES |  |                   |
| 403-1                      | Hazard identification, risk assessment, and incident investigation | Prevention        |

## — 404 EDUCATION AND TRAINING

|                               |  |                   |
|-------------------------------|--|-------------------|
| 103                           | MANAGEMENT APPROACH  |                   |
| 103-1                         | Explanation of the material topic and its boundary                                   | Lifelong learning |
| 103-2                         | The management approach and its components   | Lifelong learning |
| 103-3                         | Evaluation of the management approach  | Lifelong learning |
| TOPIC SPECIFIC DISCLOSURES    |  |                   |
| 404-1<br>UNGC Principle no. 6 | Average hours of training per year per employee                                      | Lifelong learning |
| 404-2                         | Programs for upgrading employee skills and transition assistance programs            | Lifelong learning |
| 404-3<br>UNGC Principle no. 6 | Percentage of employees receiving regular performance and career development reviews | Lifelong learning |

## — 405 DIVERSITY AND EQUAL OPPORTUNITIES

|                               |  |                    |
|-------------------------------|--|--------------------|
| 103                           | MANAGEMENT APPROACH                                |                    |
| 103-1                         | Explanation of the material topic and its boundary | Leadership Culture |
| 103-2                         | The management approach and its components         | Leadership Culture |
| 103-3                         | Evaluation of the management approach              | Leadership Culture |
| TOPIC SPECIFIC DISCLOSURES    |  |                    |
| 405-1<br>UNGC Principle no. 6 | Diversity of governance bodies and employees       | Equality           |

## — 406 ANTI-DISCRIMINATION

|                               |  |                             |
|-------------------------------|--|-----------------------------|
| 103                           | MANAGEMENT APPROACH                                      |                             |
| 103-1                         | Explanation of the material topic and its boundary       | Human Rights                |
| 103-2                         | The management approach and its components               | Ethics and Integrity        |
| 103-3                         | Evaluation of the management approach                    | Human Rights                |
| TOPIC SPECIFIC DISCLOSURES    |  |                             |
| 406-1<br>UNGC Principle no. 6 | Incidents of discrimination and corrective actions taken | Protect from discrimination |

## — 407 FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

|                               |   |                   |
|-------------------------------|---|-------------------|
| 103                           | MANAGEMENT APPROACH   |                   |
| 103-1                         | Explanation of the material topic and its boundary  | Work life balance |
| 103-2                         | The management approach and its components  | Work life balance |
| 103-3                         | Evaluation of the management approach   | Work life balance |
| TOPIC SPECIFIC DISCLOSURES    |   |                   |
| 407-1<br>UNGC Principle no. 3 | Operations and suppliers where the right to freedom of association and collective bargaining may be at risk | Human Rights      |

## — 408 CHILD LABOR

|                               |   |                 |
|-------------------------------|---|-----------------|
| 103                           | MANAGEMENT APPROACH   |                 |
| 103-1                         | Explanation of the material topic and its boundary                          | No child labour |
| 103-2                         | The management approach and its components                                  | No child labour |
| 103-3                         | Evaluation of the management approach                                       | No child labour |
| TOPIC SPECIFIC DISCLOSURES    |   |                 |
| 408-1<br>UNGC Principle no. 5 | Operations and suppliers with significant risk for incidents of child labor | No child labour |

#### — 409 FORCED OR COMPULSORY LABOR

|                               |  |                      |
|-------------------------------|--|----------------------|
| 103                           | MANAGEMENT APPROACH  |                      |
| 103-1                         | Explanation of the material topic and its boundary   | Human Rights         |
| 103-2                         | The management approach and its components   | Ethics and Integrity |
| 103-3                         | Evaluation of the management approach  | Ethics and Integrity |
| TOPIC SPECIFIC DISCLOSURES    |  |                      |
| 409-1<br>UNGC Principle no. 4 | Operations and suppliers with significant risk for incidents of forced or compulsory labor | Ethics and Integrity |

#### — 414 SOCIAL ASSESSMENT OF SUPPLIERS

|                               |  |                     |
|-------------------------------|--|---------------------|
| 103                           | MANAGEMENT APPROACH                                    |                     |
| 103-1                         | Explanation of the material topic and its boundary     | Supplier Management |
| 103-2                         | The management approach and its components             | Supplier Management |
| 103-3                         | Evaluation of the management approach                  | Supplier Management |
| TOPIC SPECIFIC DISCLOSURES    |  |                     |
| 414-1<br>UNGC Principle no. 2 | New suppliers that were screened using social criteria | Supplier Management |

#### — 416 CUSTOMER HEALTH AND SAFETY

|                            |   |                |
|----------------------------|---|----------------|
| 103                        | MANAGEMENT APPROACH   |                |
| 103-1                      | Explanation of the material topic and its boundary                            | Product Safety |
| 103-2                      | The management approach and its components                                    | Product Safety |
| 103-3                      | Evaluation of the management approach   | Product Safety |
| TOPIC SPECIFIC DISCLOSURES |   |                |
| 416-1                      | Assessment of the health and safety impacts of product and service categories | No Risks       |

#### — 419 SOCIO-ECONOMIC COMPLIANCE

|                            |  |  |
|----------------------------|--|--|
| TOPIC SPECIFIC DISCLOSURES |  |  |
| 419-1                      | Non-compliance with laws and regulations in the social and economic area |  |

# IMPRINT

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