

// We take care



2025 Sustainability Report

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Foreword by the Management Board

For the CHT Group, sustainability is no longer just a programmatic goal – it is now measurable, operationalized, and increasingly critical to the business.

Despite a continuing challenging economic environment, we made significant progress in fiscal year 2025, demonstrating that consistent action pays off – environmentally, economically, and socially. Our goal is not only to define sustainability as a guiding principle, but also to systematically integrate it into our processes, decisions, and products.

One visible result of our innovative strength is the awarding of our PIGMENTURA dyeing process with the German Sustainability Award 2026 in the Products category. This example illustrates our approach to developing sustainable chemical solutions that offer both environmental benefits and clear customer value.

Our overall performance in sustainability management was also reaffirmed: With an EcoVadis rating of 81 points and Gold status, we rank among the top 5 % of all the companies in our industry assessed worldwide in 2025. At the same time, we were recognized as a Best Managed Company 2026 as part of a program organized by Deloitte Private, UBS, the Frankfurter Allgemeine Zeitung, and the Federation of German Industries (BDI) – proof that we consistently combine sustainability with business excellence.

A major step forward has been the further systematization of our management processes: By aligning our reporting with ESRS requirements, we are creating transparency, comparability, and a solid foundation for future decisions. Sustainability will thus become an even more integral part of our corporate management.

At the same time, we have significantly expanded and refined our operational measures. The complete transition to renewable electricity at our sites in the UK and Brazil, the expansion of our own energy generation through solar projects in Shanghai and Torreón, and the near-complete decarbonization of individual sites demonstrate that we are actively implementing our climate goals in a site-specific manner. This is complemented by projects such as the biomass-based heating system in Dußlingen which enable immediate emissions reductions.

Another key step is the implementation of automated product carbon footprint calculations using the AllocNow tool. In this way, we are laying the groundwork for making emissions transparent at the product level and reducing them in a targeted manner – both internally and throughout our customers' value chains.

We are also making measurable progress in the social sector: Already today, more than 95 % of our employees worldwide receive compensation above the subsistence wage level. We remain committed to our goal of paying all members of our workforce a living wage by 2030.

These examples represent a fundamental shift: At the CHT Group, sustainability is increasingly evolving from a guiding principle into a controllable, measurable, and scalable system.

At the same time, our goal remains clear: We want to actively support our customers in achieving their own sustainability goals – through high-performance, sustainable chemical solutions and collaborative partnerships.

The progress we've made over the past year shows that we're on the right track. Our goal is to consistently advance sustainability – as a driver of innovation, competitiveness, and the long-term success of the CHT Group.

The Management Board of the CHT Group

Eva Baumann
CEO

Dr. Christian Rink
CFO

Dr. Lorenza Sartorelli
COO

01

About this report



People along the
value chain are
important to us



We are reducing our
ecological impact



We are enabling the
transformation to
sustainability

1. About this report

ESRS 2 BP-1

This report is the 11th sustainability report of the CHT Group. Since 2024, we have been reporting on sustainability in accordance with the European Sustainability Reporting Standards (ESRS). All previous reports have been prepared using the GRI Standard and in accordance with the standards of the Kern Option of the Global Reporting Initiative (GRI) as well as taking into account the reporting requirements of the UN Global Compact as corresponding frameworks. The 2025 Sustainability Report serves as the combined non-financial statement. The switch to the ESRS follows the European Commission's decision to establish the ESRS as the new reporting standard. The reporting period is (unless otherwise stated) January 1, 2025, to December 31, 2025.

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

This integrated report documents the economic, ecological and social performance of the CHT Group in 2025. We demonstrate how we as a company create value for our stakeholders and how sustainability, as an integral part of our corporate purpose and strategy, contributes to the long-term success of the CHT Group.

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

The management report and the sustainability report are still written and published separately, which is why the economic part of this sustainability report has been shortened.

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

ESRS 2 IRO-1

Inclusive language

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

Basis for the preparation

ESRS 2 BP-1, ESRS 2 BP-2

The 2025 Sustainability Report presents our global sustainability commitment – based on the three dimensions of economy, ecology and society – for the year 2025. In 2024, the sustainability dimensions were further sharpened within CHT: The campaign "From now on, sustainability is written with three Ps at CHT" (People, Planet and Performance) was launched to place a stronger focus on the two other dimensions of sustainability in addition to ecology. The conscious decision to choose performance instead of profit as the third P is due to the fact that profit without governance would only very inadequately reflect the principles of sustainability management in the CHT Group.

Reporting does not have to be carried out according to the Taxonomy Principles or the Supply Chain Due Diligence Act, as CHT is still exempt from both reporting requirements. That is why we have also omitted the taxonomy chapter from this report. In light of the recently published Omnibus decisions, we are currently working on the internal data structure used to determine taxonomy classification.

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

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

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

The availability and level of detail of the data along the value chain vary depending on the subject area and the CHT Group's scope of influence. While internal data is available in its entirety, certain external information is based in part on estimates or secondary data.

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

Under the banner of "Sustainable Chemical Solutions", CHT has set itself the task of not only evaluating its product portfolio based on its own assessment criteria, but also managing it. "Sustainable Chemical Solutions" are intended to support and ensure CHT's transformation into a climate-neutral company and, thereby, its long-term viability. For this reason, this topic is of material importance to the CHT Group; it has been included in the sustainability report independently of the ESRS requirements and will continue to be reported on in the future.

We have been reporting new key figures in accordance with ESRS since 2024. For key figures already reported in previous fiscal years, we provide prior-year figures or figures from defined reference years for comparison, using the same methodology. In principle, we adhere to the definition of time horizons specified by the ESRS. When considering our goals and significant actions, we rely on our strategy cycles, which provide a five-year time horizon for goals and actions. Therefore, we deviate from the ESRS time horizon definitions at these points.

The deviation from the time horizons defined by ESRS is due to the company's internally established strategy cycles which enable consistent management of goals and actions. The selected time horizons are consistent with the company's internal planning and ensure a coherent link between strategy, actions, and reporting.

Indirect sources such as approximate values or industry data, as well as the assumptions and estimates in the Scope 3 calculation, are indicated at the relevant point. In 2025, our primary focus

was on improving data quality and collecting primary data so that data based on assumptions and estimates would have less of an impact. Assumptions and estimates are used particularly in areas where data is limited, especially along the value chain. These are clearly identified and will be gradually replaced by primary data as part of our ongoing efforts to improve data quality.

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

Data

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

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

The Neptune tool collects all ecological data from the 27 companies and their 26 production sites once a year. Only the data on purchased goods and products, investments and sold products comes from the SAP 4 HANA system. The cut-off date for all environmental and personnel indicators is December 31.

Where methods or data sources have been adjusted from previous years, these changes are presented transparently to ensure the comparability of the reported information.

Internal controls over sustainability reporting

ESRS 2 GOV-5

Internal controls are designed to ensure the completeness, accuracy, and consistency of the reported information and are an integral part of the CHT Group's overarching governance and risk management systems.

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

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

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

T01

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

ESRS 2 SBM-3

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

02

Our company



27

CHT companies worldwide



26

production sites worldwide



84 %

of sales in 2025 are based
on sustainable chemical
solutions



PEOPLE



PLANET



PERFORMANCE

2. Our company

2.1 The CHT Group

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

The CHT Group stands for a sustainable future, which is why we combine economic success with the protection of the environment and people, as well as with our social responsibility. Around 2,500 employees contribute to the success of the CHT Group. As of July 1, 2025, we have reorganized our operations into the Business Divisions Textile Solutions, Industrial Solutions, and Functional Chemicals. We manage our business activities through the business divisions, taking into account market-specific requirements and the competitive situation.

Strategic responsibility for business development rests with the Business Divisions, which are organized by industry and product. Operational responsibility lies with the 27 CHT companies worldwide. In our financial reporting, we group these into three regions: EMEA, Americas and APAC.

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

Stable ownership structures

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

G01

The corporate structure of the CHT Group



G02

Business activities of the CHT Group 2025

ESRS 2 SBM-1 40-42

BUSINESS DIVISION

Textile Solutions

- ▶ Textile solutions for a responsible and sustainable textile industry
- ▶ Development and marketing of processing aids, functional additives, and textile dyes for the entire textile supply chain

Market focus

- ▶ Apparel industry and home textiles
- ▶ Technical textiles
- ▶ Fiber manufacturers
- ▶ Garment and denim industry

Product and application examples

- ▶ Greater process efficiency (less water/energy), shorter process times
- ▶ Dyeing with the WOW concept
- ▶ Pre-treatment using the VARIOBLEACH 4P concept
- ▶ POLYAVIN bPEN bio-based polyethylene wax
- ▶ PIGMENTURA – a sustainable dyeing process – has won the German Sustainability Award 2026 in the Products category
- ▶ organIQ seek – denim bleaching without potassium permanganate
- ▶ Coatings for textile concrete meshes

Important sites

Dußlingen, Istanbul, Montlingen, Shanghai, Mumbai, São Paulo, Lahore, Torreón, Medellín, Lima

BUSINESS DIVISION

Industrial Solutions

- ▶ High-performance silicone formulations for advanced industrial applications
- ▶ Active ingredients for the personal care industry
- ▶ Process solutions and cleaning concepts for industrial manufacturing processes

Market focus

- ▶ Electronics industry
- ▶ Personal care industry
- ▶ Paper and pulp industry
- ▶ Laminate manufacturers
- ▶ Industrial laundries
- ▶ Plastic recycling

Product and application examples

- ▶ Consumer care products featuring the CHT-BeauSIL™ ECO series
- ▶ Paper processing auxiliaries and Biolay barrier coatings based on renewable raw materials
- ▶ Silicone elastomers for high protection and durability in electronic applications and LEDs
- ▶ Smart Technology washing systems for laundries
- ▶ Innovative solutions for PET recycling
- ▶ ZIAX enzyme technology

Important sites

Oyten, Geretsried, Dußlingen, Cassopolis, Richmond, Bridgwater, Milan, Tianjin, São Paulo, Montlingen

BUSINESS DIVISION

Functional Chemicals

- ▶ Improve formulation performance and industrial processability
- ▶ Innovative application performance for key industries
- ▶ Scalable building blocks for customer formulations

Market focus

- ▶ Paints and coatings industry
- ▶ Leather industry
- ▶ Agrochemicals manufacturers
- ▶ Mining industry

Product and application examples

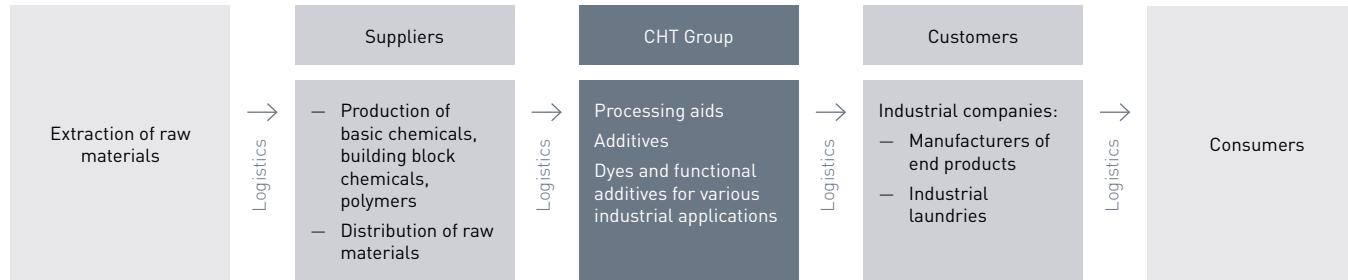
- ▶ Architectural paints: Rheology additives and hydrophobicity, e.g., VARIPHOB AC 5002 (powder-based)
- ▶ Coating applications: Replacing fluorine-based surfactants with silicones
- ▶ Wax additives for the printing ink industry
- ▶ Coatings for textile concrete meshes
- ▶ Silicones for leather finishing
- ▶ Silicones and waxes for the release agent industry
- ▶ Adhesives & sealant additives for improved efficiency

Important sites

Dußlingen, Oyten, Kirchberg, Cassopolis

G03

Value chain



Position in the value chain

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

We work with over 1,500 Tier 1 suppliers worldwide. They supply us with important chemical raw materials, chemicals, capital goods and consumables and provide a wide range of services. 80 % of the global purchasing volume is procured from 270 suppliers. In 2025, 66 % of supplies were sourced from suppliers based in Europe, 15 % from Asia, and 19 % from the Americas.

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

The customers of our Washing Solutions are typically industrial laundries or companies that recycle PET.

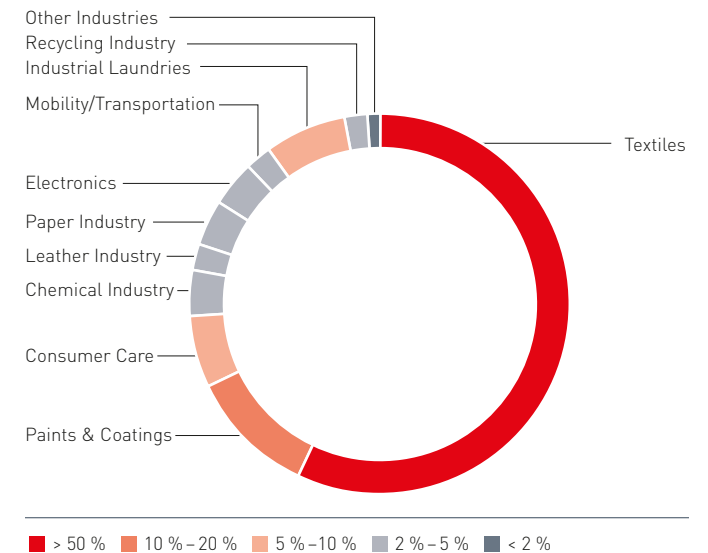
The global textile industry accounted for > 50 % of the CHT Group's business in 2025, underscoring its position as one of the leading suppliers of textile chemicals.

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

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

G04

Customer industries



Global positioning and sites

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

The CHT Group's research and development (R&D) is organized on a global scale and serves as a key driver of sustainable innovation and technological competitiveness. Since July 1, 2025, R&D has been consolidated within the group-wide Technology & Innovation Management (TIM), which, as a global center of excellence, ensures strategically aligned and consistent innovation efforts across all locations all sites.

TIM is responsible for developing new materials, formulations, and processes, as well as for the global rollout of innovative solutions. A key focus is on the systematic integration of sustainability, including the reduction of critical substances, the use of sustainable alternatives, and compliance with environmental and regulatory requirements throughout the entire life cycle.

In addition, TIM develops and maintains global analytical standards and ensures consistent data quality worldwide through harmonized methods and international performance testing. Working closely with operations, regulatory affairs, and other departments, it plays a material role in the CHT Group's sustainable transformation and in achieving its long-term environmental and innovation goals.

Together with the Business Divisions, the new TIM organization is tasked with pooling our corporate group's technological and market strengths and supporting global business development through new technologies. The Business Divisions are responsible for providing technical support to customers. This structure enables us to continuously develop innovative products, applications, or processes.

Procurement

The CHT Group's purchasing department is organized globally and includes direct purchasing (raw materials and merchandise) and indirect purchasing (logistics, packaging materials, and the procurement of goods and services). Since July 1, 2025, logistics has been the global responsibility of supply chain management. In procurement, in addition to availability and price, we prioritize process efficiency, sustainability, compliance, and the leveraging of purchasing synergies.

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

The year 2025 was characterized by generally good availability of raw materials, packaging materials and logistics services, with prices remaining largely stable.

In 2025, raw materials, merchandise, technical goods and services, energy and other operating resources worth EUR 408 million were imported from around 50 countries. The majority of the CHT Group's procurement expenditures were incurred in Europe (approximately 62%), with another 25% in Asia and 13% in the Americas.

Other factors influencing our business

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

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

2.2 Strategy and values

Our strategic principles

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

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

Our strategy

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

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

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

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

Our values

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

Respect

We are respectful to one another.

Responsibility

We are responsible for our actions.

Reliability

We stand to our agreements.

Credibility

We keep our word.

Commitment:

We give our best.

Courage

We shape our future.

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

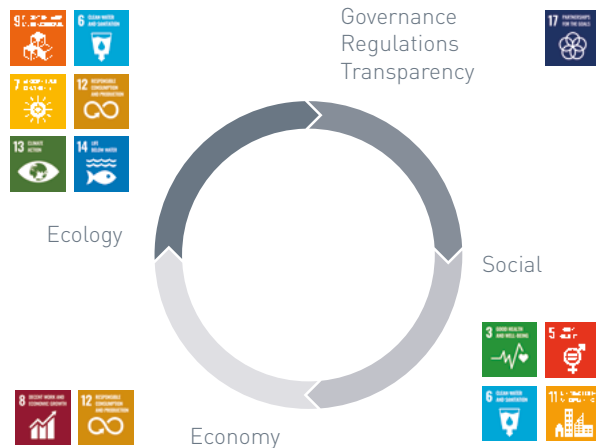
The current Strategy 2025 aims to continue the profitable growth path and places even greater emphasis than before on customer business and sustainable value creation.

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

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

G05

United Nations development goals relevant to CHT



G06

CORPORATE GOALS of the Strategy 2025 with associated SDGs

FINANCIAL GOALS

Growth to EUR 750+ million in sales with ROS of 8 % by 2025



Increasing sales in Asian markets by EUR 64+ million



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



NON-FINANCIAL GOALS

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



Implementation of energy management on all production sites



Reduction in global work-related accidents



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



* ECO Ranges = ECO TOP products + ECO Performer products

CULTURAL GOALS

Gain a competitive advantage by cultural transformation towards “ONE winning team”



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



Deliver strong results through strong leadership: Rethinking leadership



With its **Strategy 2030+**, the CHT Group is now taking the next logical step. The goal is to further refine the company's long-term strategy while strengthening its ability to execute across the entire group. The Strategy 2030+ combines a clear strategic vision with a binding framework for implementation, management, and measurement – across all functions, business areas, and regions.

The focus remains on the three strategic pillars: **People, Planet, and Performance**. Aligned with the three dimensions of sustainability, they are intended to work together to enable balanced and holistic corporate development.

They define not only what the CHT Group stands for, but also how sustainable business success is ensured in the long term. People are the foundation of this: as employees, customers, partners, and members of society.

The responsible use of natural resources and the development of sustainable chemical solutions reflect our commitment to acting in the best interests of both current and future generations.

Economic strength and excellent processes, in turn, create the conditions necessary to invest in innovation, sustainability, and competitiveness over the long term.

A key feature of the Strategy 2030+ is its clear focus on **implementation and impact**. Strategic ambitions are systematically translated into specific goals, measurable progress, and verifiable results. In this way, the CHT Group fosters transparency, accountability, and a shared strategic direction for all organizational units. The strategy is not a static vision, but rather a dynamic framework that is continuously reviewed, refined, and adapted to changing conditions.

In this way, the Strategy 2030+ ensures that sustainability, innovation, and economic success remain firmly intertwined even in an increasingly complex and challenging environment, and that the CHT Group consistently lives up to its commitment to being a responsible, forward-looking specialty chemicals company.

Our work in associations and initiatives

Through our memberships of various industry associations, we aim to contribute to improving the protection of people and the environment. We are a member of the German Chemical Industry Association (VCI) and are committed to being a partner in the chemical industry's Responsible Care initiative. In addition, we participate in the sustainability initiative Chemie³ of the Chemical Industry Association (VCI) the Industrial Union of Mining, Chemicals and Energy (IG BCE) and the Federal Employers' Association of the Chemical Industry (BAVC). In addition to our long-standing membership of TEGEWA and ETAD, we have also been active at the European level in CEFIC (European Chemical Industry Council) and Silicones Europe (Silicone Manufacturers' Association) since 2022.

 Further information:

www.cht.com/en/cht-group/service-areas/product-safety

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

 Further information:

www.cht.com/en/sustainability/climate-protection-sbti

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

 Further information:

www.cht.com/en/sustainability/global-compact

03

Economic report



567 million

EUR total sales in 2025



51 %

of sales in EMEA



57 %

of sales in Business Field
Textile



PEOPLE



PLANET



PERFORMANCE

3. Economic report

Economic framework conditions

The global economic environment in 2025 remained marked by a high degree of uncertainty. Global economic growth remained stable despite trade-related uncertainties. The pull-forward effects on exports to the USA provided particular support to Europe and Asia. Global gross domestic product rose by 2.9% in 2025, and global industrial production increased by 2.9%. Global chemical production grew by 3.6%. While chemical production in China increased significantly, it continued to decline in Europe. Energy and commodity prices showed mixed trends in 2025; in particular, there continued to be a significant difference between European and American energy prices.

According to current market assessments, global chemical production showed mixed regional trends: In China, the world's largest chemical market, production rose by about 7.0% according to official statistics. In contrast, the chemical industry in the USA posted only moderate growth of about 1.3% due to persistently weak industrial demand. In the European Union, following a temporary increase in production at the beginning of the year, there was a significant decline later in the year, which was attributable to subdued demand.

According to the German Chemical Industry Association (VCI), the economic situation in the German chemical and pharmaceutical industries remained tense at the end of 2025. Production, prices, and sales all declined. Capacity utilization at the chemical plants reached approximately 72.5% in the fourth quarter of 2025, remaining below the economic break-even point. In addition, producer prices were about 0.6% lower than the previous year's level on a year-over-year basis. Industry sales declined by about 2.8% during the same period. The weak industrial economy, along with persistently high import pressure and intense price competition, had a particularly negative impact.

Business performance of the CHT Group

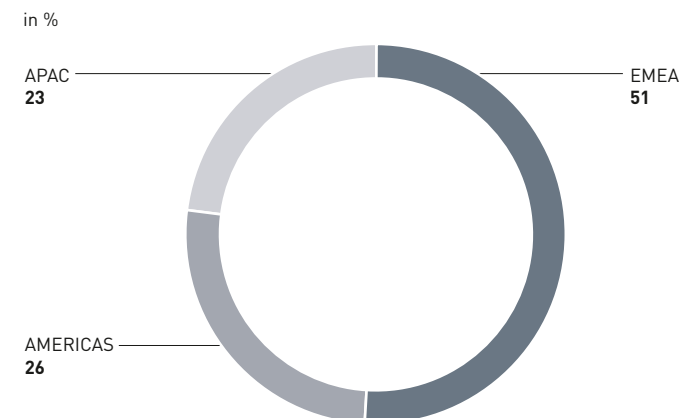
With a 7% decline in sales in fiscal year 2025, the CHT Group followed the trend in the European chemical industry. At the end of 2025, Group sales amounted to EUR 567 million, EUR 52 million or 8.4% lower than the previous year, thus falling short of the 2025 sales plan, which envisaged higher sales growth. The decline is attributable to volume, price, and product mix effects, which are primarily the result of weak demand stemming from global economic conditions. In addition, exchange rate effects resulting from currency translation – due to the CHT Group's high degree of internationalization – had a negative impact on sales, particularly in connection with the depreciation of the Brazilian real and the Mexican peso. As a result of the decline in sales, EBIT decreased, resulting in a loss of EUR -3 million in 2025. Overall, against the backdrop of a challenging economic environment for the global economy, the chemical industry, and the CHT Group, the fiscal year did not turn out as well as originally expected.

Sales by region

Sales in the largest sales region, EUROPE & AFRICA (51% of total global sales), declined by EUR 20.8 million, or 6.7%, to EUR 290.9 million in fiscal year 2025. The Americas region reported a decline in sales of EUR 17.6 million, or 10.9%, to EUR 144.4 million in 2025. In the Asia & Australia (APAC) region, sales fell by EUR 13.2 million, or 9.1%, to EUR 131.9 million. When considering regional classifications, it is important to note that Bahrain was reclassified from EMEA to APAC during 2025; as a result, year-over-year comparisons at the regional level are only partially comparable. In all regions, both declining sales volumes and an unfavorable price and product mix had a negative impact on sales growth.

G07

Sales by region 2025



15

Sales by Business Fields

(by Business Divisions starting in 2026)

Business Field Textile, which has the highest sales volume, generated sales of EUR 324 million in the current financial year. This represents a decrease of EUR 30 million, or 9%. A decline in sales was recorded in both auxiliaries and dyes.

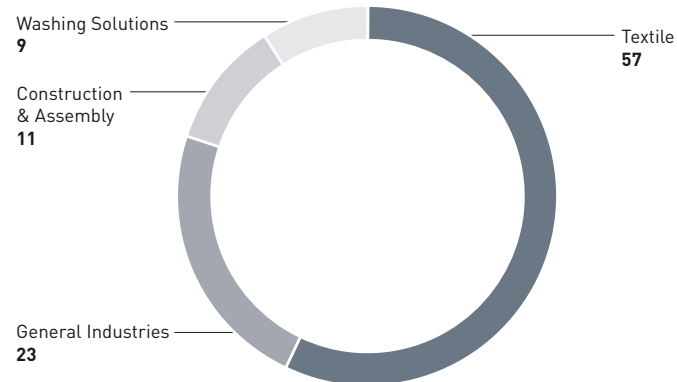
Business Field General Industries generated sales of EUR 133 million in fiscal year 2025, which was 6% lower than the previous year. A material driver was the decline in certain application areas, particularly in the silicone elastomers segment.

Business Field Construction & Assembly closed fiscal year 2025 with sales of EUR 64 million. This represents a decrease of EUR 3 million, or 4 %, compared with the previous year.

G08

Sales 2025 by Business Fields 2025

in %



Business Field Washing Solutions generated sales of EUR 51 million in fiscal year 2025. Compared to the previous year, this represents a decrease of EUR 1 million, or 3 %. Other sales remained constant at the previous year's level in fiscal year 2025, at EUR 1 million.

Financial performance

At EUR 3 million, EBIT was EUR 22 million lower than the previous year. The EBIT margin remained well below the target set out in Strategy 2025.

Investments

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

The CHT Group's total investment volume in fixed assets and intangible assets amounted to EUR 20.8 million in the reporting year. Of this amount, EUR 20.1 million was attributable to property, plant, and equipment, and EUR 0.7 million to intangible assets.

Investing in innovation

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

In 2025, we stimulated the development of new products in our Business Fields, such as processing aids, additives and function generators, which are intended to contribute to sustainable development for our customers. Above all, we intend to avoid the use of environmentally harmful chemicals, in line with our corporate vision and our sustainability goals. Innovation costs amounted to EUR 16 million in the fiscal year.

04

General sustainability information



96 %

of all employees receive
more than the living wage



Top 5 %

Gold Award from EcoVadis.
CHT ranks among the top
5 % of the companies rated
in 2025



100 %

of suppliers have signed
the Code of Conduct



PEOPLE



PLANET



PERFORMANCE

4. General sustainability information

4.1 Sustainability at CHT

Taking responsibility

ESRS S2 SBM-1

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

Setting guidelines for sustainable action

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

already included job security, family-friendly working hours models and corporate social responsibility (CSR).

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

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

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

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

The strategy includes the following elements:

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

Stakeholder involvement

Our involvement of stakeholders

ESRS S 2 SBM-2

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

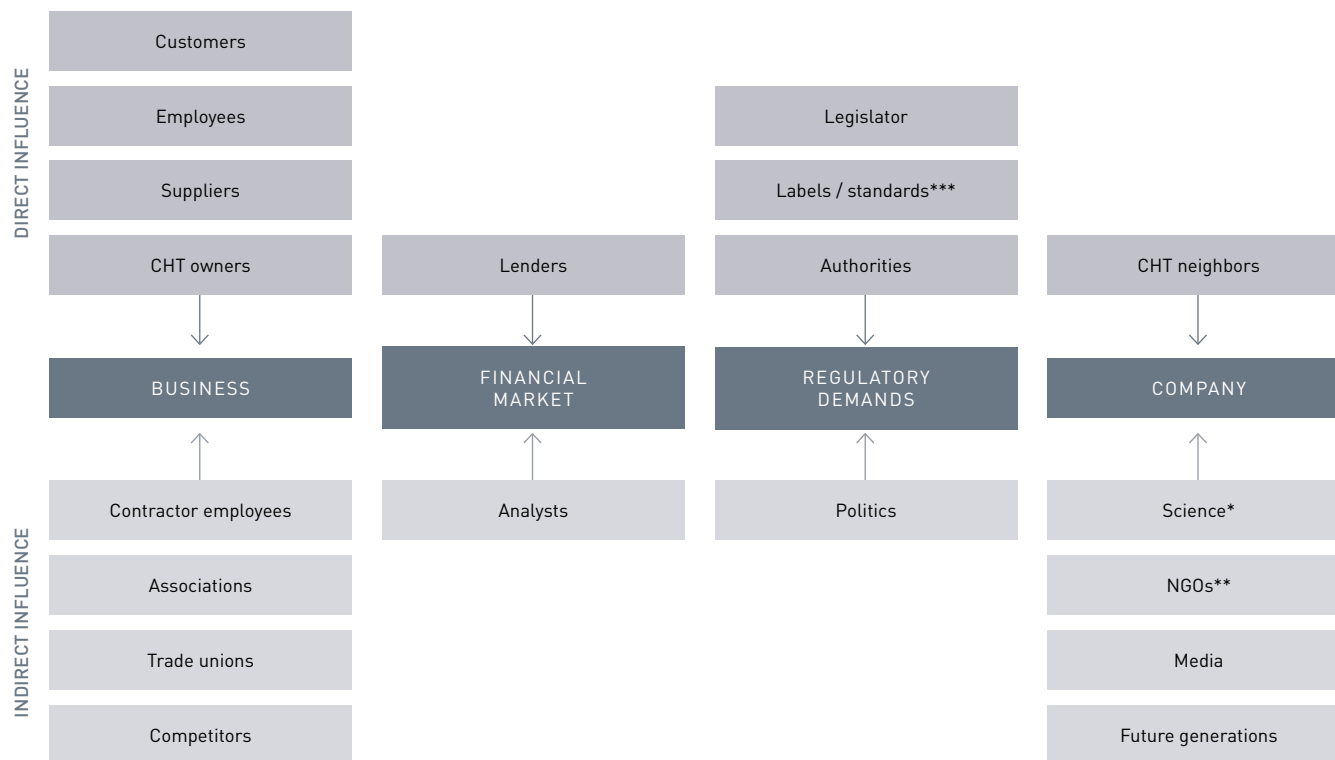
Our commitment to sustainability is characterized by a trusting and open dialogue with our stakeholders. These include our company owners, our employees, but also external stakeholders such as our customers, suppliers, associations, universities, research institutions and NGOs. By engaging with them,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

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

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

G09

Stakeholders and their influence on the CHT Group



* We have integrated nature as a silent partner in science

** NGOs: non-governmental organizations

*** Labels / standards: e.g., bluesign®, GOTS

T02

Stakeholder involvement 2025 – stakeholders' needs and expectations of CHT

Stakeholder group	Key topics	Examples of involvement
Employees	- Safe workplace - Attractive and fair employer - Development opportunities - Co-determination - Diversity and equal opportunities - Protection of health - Responsible corporate management	- Involvement and information regarding the RISE Project 2025 - Global implementation of the ONE VOICE employee survey - Regular Q&A sessions and town hall meetings with management - Global mandatory training program on occupational safety and compliance - Employee involvement in the risk assessment of psychological stress - Internal social media community
Customers	- Innovative and sustainable solutions - Combating climate change - Responsibility in the supply chain / human rights - Circular economy - Good value for money - Product Stewardship	- Customer discussions about product carbon footprint, circular economy - Answering sustainability questionnaires - Information about sustainable supplier management - Sustainability presentations at customer symposiums - Certification of products with recognized sustainability labels
Owners	- Responsible and sustainable management - Combating climate change - Profitable business expansion with sustainable portfolio transformation - Risk minimization (supply chain and cybersecurity)	- Regular meetings and monitoring of developments within the framework of important topics - Involvement in the RISE Project - Participation in annual internal management conference - Involvement in the preparation of Strategy 2030+
Suppliers	- Fair and reliable business relationships - Responsibility in the supply chain / human rights - Combating climate change - Transformation of the chemical industry	Sustainability roundtable meetings with strategic suppliers on sustainability topics such as product carbon footprint, portfolio transformation through mass balance and ensuring human rights in the supply chain
Lenders	- Responsible and sustainable management - Combating climate change - Sustainable portfolio transformation - Investments in green energy	Linking credit conditions to sustainability performance

The results of the stakeholder dialogue are not only incorporated into the materiality analysis but are also taken into account in strategic decision-making processes.

Feedback from customers and industry associations on regulatory developments, as well as on requirements for product transparency and chemical safety, has helped us further develop the Group-wide classification process for sustainable chemical solutions and take additional hazard characteristics into account at an early stage. Feedback from discussions with employees and employee representatives was also incorporated into the further development of occupational safety and health programs, as well as into the annual review of material social issues.

G10

How do we enter into exchanges with our immediate stakeholders?

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

* Virtual or face-to-face meetings

Our material sustainability topics

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

At the beginning of 2024, we updated our 2020 materiality analysis. When identifying and prioritizing topics, we followed the principle of double materiality in the first place. This approach has been required by regulatory demands since 2024. We used 2025 to revise the results of the double materiality analysis from 2024 and refine the wording.

Materiality analysis process

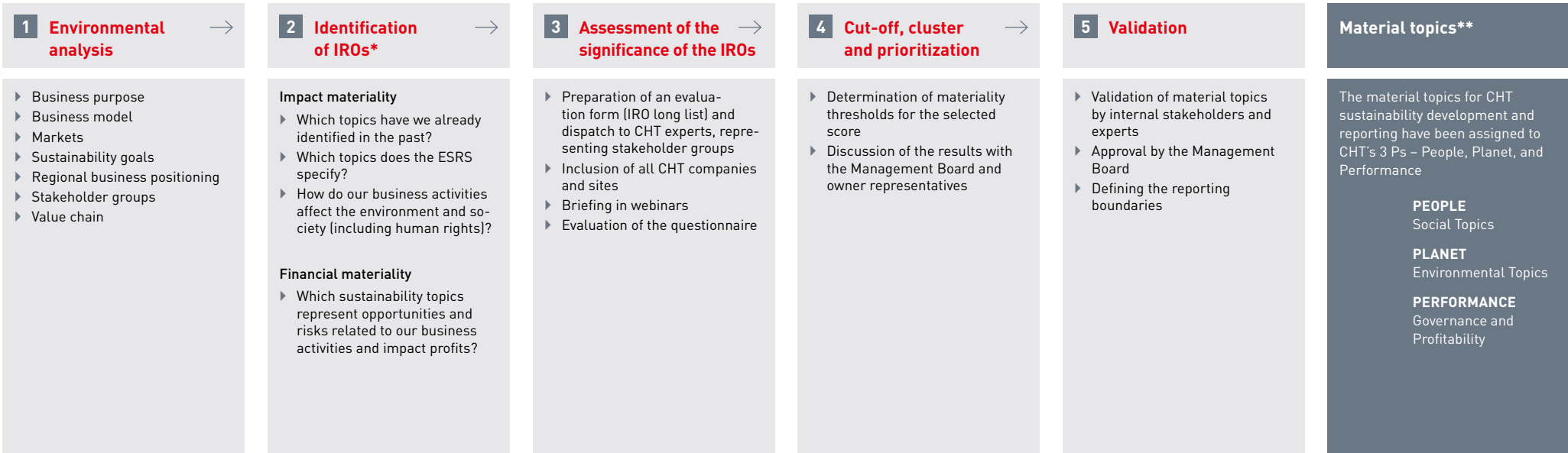
ESRS 2 IRO-1
For identification, we examined the topics from the ESRS standard and included all business areas and CHT companies. This enabled us to identify issues on which we have potentially positive or negative impacts (inside-out perspective) through our business activities along the value chain, and which could have a positive or negative impact on our company's success (outside-in perspective).

1 Analysis of business activities / description of the environment

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

G11

Our double materiality analysis comprised five process steps:



* IROs (outside-in and inside-out perspectives)
** See table T04 "IROs and material topics of the CHT Group"

2 Identification of the IROs

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

- ▶ Information from the context analysis such as business activities, entire value chain and already established risk management and due diligence processes
- ▶ In-house and subject-related expert knowledge in occupational safety, environmental management, product development and energy management
- ▶ Collection of industry-standard IROs from the Chemie³ Practical Guide to Sustainability Reporting as well as secondary data such as GRI Standards and UN Global Compact

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

3 Assessment of the significance of the IROs

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

The IROs were assessed using different criteria and scales. The impact materiality assessment was based on the criteria of magnitude, extent, irreversibility and probability of occurrence specified by the ESRS. Financial materiality was assessed based on the expected financial impact, the time horizon, and the expected probability of occurrence using a five-point scoring system ranging from minimal = 0 to critical = 5.

4 Cut-off, clustering and prioritization

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

As a result of this process step, we obtained the overall scope of the material IROs in both categories (impact and financial materiality). By clustering the IROs, we then obtained the material topics. The material topics identified in this way were then re-examined in the context of company-specific and external conditions. This is why we have included the topic of sustainable chemical solutions in our range of topics

related to product responsibility, even though the ESRS do not specifically address this issue.

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

5 Validation of material topics

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

T03

Material topics of the CHT Group

Dimension	Goal	Material topics	Reference to SDGs
PEOPLE 	People along the value chain are important to us	▶ Occupational safety and health protection ▶ Human and labor rights ▶ Product responsibility ▶ Basic and continuing vocational training ▶ Diversity, inclusion and equality in the workplace	
PLANET 	Reduction of ecological impacts	▶ Sustainable chemical solutions – sustainable transformation of the portfolio ▶ Climate protection ▶ Waste & circular economy ▶ Energy ▶ Water and wastewater	
PERFORMANCE 	Enabling the transformation to sustainability	▶ Business ethics & compliance ▶ Financial independence ▶ Long-term profitability ▶ Responsibility in the supply chain	

Review of the materiality analysis

ESRS 2 IRO-1

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

As a result of our participation in the Chemistry³ Working Group on the Practical Guide to Sustainability Reporting and the peer discussions held within that framework, the results of the double materiality analysis from 2024 were revised again during 2025, and additional topics were included.

“Sustainable chemical solutions – sustainable portfolio transformation” was added as previously described, and the topics “Occupational safety” and “Plant safety” were combined into “Occupational safety and health protection.”

The current materiality analysis was reviewed using a GAP analysis to verify compliance with the ESRS requirements

through the following steps. In 2025, the IROs were expanded to include the subtopics, to ensure that our IROs cover all the topics specified in the ESRS. The IROs were then examined with regard to their inside-out and outside-in mode of action. The time horizons of the IROs were considered and their impact along the value chain was re-examined. All IROs that had fallen out of materiality due to the defined threshold of < 2.5 were reviewed again to determine whether we can maintain this level of materiality based on our current perspective and relevance for sustainability. In addition, after discussions with external consultants, we made a distinction between whether negative impacts were potentially real or had already occurred. In addition, we mapped our IROs to our internal ESG logic according to People, Planet and Performance.

The IROs aggregated into material topics which resulted from this process define the structure and content of our 2025 Sustainability Report. They are assigned to the chapters General information, Environmental information, Social information and Governance information specified by ESRS.

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

T04

IROs and material topics of the CHT Group

Company-specific impacts: Positive or negative impacts of the company on the environment or people	Mode of action	Impact materiality > threshold value	Opportunity	Risk	Financial materiality > threshold value	S	M	L	Actual / Potential	Focus on the value chain	Material topic
By continuing to develop sustainable chemical products, CHT reduces negative environmental impacts along the downstream value chain, particularly with regard to climate change and resource use.	positive		x			x	x	x	actual	CHT, D	Sustainable chemical solutions
Through the development and use of low-carbon chemical products, CHT helps reduce the climate impacts caused by greenhouse gas emissions for customers along the downstream value chain.	positive	x	x		x	x	x	x	actual	CHT, D	
Development of new business opportunities through sustainable chemical solutions and products.	positive		x			x	x	x	actual	CHT, D	
CHT sales decline due to changing consumer behavior.	negative			x		x	x	x	potential	CHT	
The use of CHT products enables customers to reduce environmental impacts – particularly greenhouse gas emissions and resource consumption – in their production processes.	positive		x			x	x	x	actual	D	
Stronger customer loyalty due to sustainable chemical solutions and products.	positive		x			x	x	x	potential	CHT	
Direct greenhouse gas emissions from CHT's production processes contribute negatively to global warming. CO ₂ pricing leads to rising production costs.	negative	x		x	x	x	x	x	potential	CHT	Climate protection & energy
Emissions from the use of fossil fuels in CHT's vehicle fleet have a negative impact on the climate. This is expected to result in higher costs for taxes and fuel.	negative	x		x	x	x	x	x	actual	CHT	
Purchasing electricity, heat, and steam generated from fossil fuels (Scope 2) increases emissions intensity and, in the long term, leads to higher prices and higher CO ₂ taxes.	negative	x		x	x	x	x	x	actual	U, CHT	
Indirect GHG emissions along the value chain (Scope 3) increase with production volumes. Long-term cost risks due to regulatory requirements and dependence on suppliers.	negative	x		x	x	x	x	x	actual	U, CHT, D	
Digitalization and process optimization reduce energy consumption and the associated greenhouse gas emissions.	positive	x	x		x	x	x	x	actual	CHT	
The limited availability of renewable electricity leads to a higher share of fossil fuel sources and, consequently, to increased climate-related emissions.	negative	x		x	x	x	x	x	actual	U, CHT	
Risk of water pollution due to improper treatment of wastewater and the associated costs of fines or cleanup.	negative	x		x	x	x	x	x	potential	CHT	Water & wastewater
Increased water consumption at CHT production sites in water-stressed areas is exacerbating local water shortages.	negative	x		x	x	x	x	x	potential	CHT	
Water shortages jeopardize continuous production and lead to production downtime and sales losses.	negative	x		x	x	x	x	x	potential	CHT	

T04

IROs and material topics of the CHT Group

Company-specific impacts: Positive or negative impacts of the company on the environment or people	Mode of action	Impact materiality > threshold value	Opportunity	Risk	Financial materiality > threshold value	S	M	L	Actual / Potential	Focus on the value chain	Material topic
The release of chemicals (hazardous substances) into the environment as a result of accidents during production or transport may harm the environment and human health. There would be a risk of remediation costs and penalties.	negative			x	x	x	x	x	potential	CHT	Occupational safety and health care
Damage to CHT's production facilities caused by inadequate safety measures (internal) may harm the environment and human health.	negative			x	x	x	x	x	potential	CHT	
Damage to CHT's production facilities caused by external factors may harm the environment and human health.	negative			x	x	x	x	x	potential	CHT	
An increase in serious accidents among CHT Group employees leads to high costs due to absence rates.	negative			x	x	x	x	x	potential	CHT	
High sickness-related absence rates among CHT employees.	negative	x		x		x	x		potential	CHT	
Increase in stress and mental illness among CHT employees.	negative	x		x		x	x	x	potential	CHT	
Impacts on the environment and/or human health caused by hazardous chemicals such as SVHCs or CMR substances, involving the risk of liability for damages or compensation for pain and suffering, as well as costs associated with remedying environmental damage.	negative			x	x	x	x	x	potential	CHT, D	Product responsibility
Replacement of SVHCs in CHT products – implementation of R&D criteria and guidelines leads to sales protection and business growth.	positive	x	x		x	x	x	x	potential	CHT	
Securing the portfolio by replacing SVHCs in the supply chain, increasing customer demands.	positive		x		x	x	x	x	potential	U, CHT	
Reducing health risks in subsequent stages of the value chain (product responsibility) by focusing on sustainable chemical solutions (product portfolio).	positive	x	x		x	x	x	x	potential	CHT, D	
Potential loss of biodiversity due to land use change.	negative			x			x	x	potential	CHT	Biodiversity
Risk of loss of biodiversity and soil degradation due to increased industrial production of bio-based raw materials (e.g., palm oil).	negative			x				x	potential	U, CHT	
Expanding the circular economy and fostering related business growth through product development and innovative, sustainable chemical solutions.	positive	x	x		x	x	x	x	potential	CHT, D	Waste & circularity
Potential pollution from microplastic waste derived from CHT packaging materials which break down into microplastics if disposed of improperly.	negative			x	x		x	x	potential	CHT	
The circular economy reduces the use of primary raw materials and the amount of waste generated.	positive	x	x		x	x	x	x	potential	CHT	
Risk of environmental pollution resulting from waste disposal in landfills or improper waste treatment practices, and the associated fines.	negative	x		x	x	x	x	x	potential	CHT	
The unavailability of renewable or recycled raw materials for production at CHT results either in extremely high raw material costs or in the inability to generate potential sales, and possibly in sales losses.	negative	x		x	x	x	x	x	potential	CHT	

T04

IROs and material topics of the CHT Group

Company-specific impacts: Positive or negative impacts of the company on the environment or people	Mode of action	Impact materiality > threshold value	Opportunity	Risk	Financial materiality > threshold value	S	M	L	Actual / Potential	Focus on the value chain	Material topic
Increased cases of discrimination within the CHT Group.	negative	x		x		x	x		potential	CHT	Human and labor rights, diversity, education
Potential inequality between men and women within the corporate hierarchy and in pay.	negative	x		x		x	x		potential	CHT	
Promoting basic training and continuing vocational education within CHT as an investment in the future.	positive	x	x			x	x	x	actual	CHT	
Improved recruitment and employee retention through diversity and equal opportunities.	positive		x					x	potential	CHT	
The CHT Group's successful recruitment and retention of skilled workers leads to lower costs and increased productivity.	positive		x		x	x	x	x	actual	CHT	
Unfilled positions due to a shortage of skilled workers lead to an overburdened workforce and the risk of sales losses.	negative	x		x	x		x	x	potential	CHT	
Low productivity within the CHT Group due to a lack of employee satisfaction.	negative	x		x	x	x	x		potential	CHT	
High turnover rate among new employees, combined with high recruiting costs.	negative	x		x	x	x	x		potential	CHT	
Human rights violations by the CHT Group.	negative			x		x	x		potential	CHT	Business ethics & compliance
Compliance violations by the CHT Group (bribery, corruption, antitrust violations, money laundering, tax violations) pose a risk of business losses and damage to the company's reputation.	negative	x		x	x	x	x	x	potential	CHT	
The loss of customer data due to cyberattacks may lead to financial outflows or sales losses due to a loss of customer trust.	negative	x		x	x	x	x	x	potential	CHT, D	
Loss of the CHT Group's intellectual property due to cyberattacks or human error.	negative	x		x	x	x	x	x	potential	CHT	
Environmental violations (air, water, or soil pollution) by CHT suppliers.	negative	x		x		x	x	x	potential	U	Sustainable supply chain
Human rights violations by suppliers (especially child and/or forced labor).	negative	x		x		x	x	x	potential	U	
Lack of transparency in the CHT Group's supply chain.	negative	x		x		x	x	x	potential	U, CHT	
Compliance violations by CHT suppliers (bribery, corruption, antitrust violations, money laundering, tax violations) result in fines and sales losses due to the loss of customers.	negative	x		x		x	x	x	potential	U	
Financial independence of the CHT Group to ensure the sustainable orientation of the company and jobs.	positive	x	x			x	x	x	actual	CHT	Economic performance
Investments in sustainability and sustainable technologies support the transformation of the CHT Group.	positive	x	x		x	x	x	x	actual	CHT	

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

Impact of material issues on the business model and value creation

ESRS 2 SBM-1

The material sustainability issues identified as part of the double materiality analysis are directly related to the CHT Group's business model. They influence both the strategic direction and key value drivers along the value chain. In particular, the sustainable transformation of the product portfolio will have an impact on sales structure, innovation priorities, and market positioning in the medium to long term. Measures in the areas of climate protection, resource efficiency, and sustainable supply chains also influence cost structures, investment decisions, and the resilience of operational processes.

The systematic integration of material sustainability issues into strategic, investment, and management processes helps reduce regulatory risks, unlock growth opportunities, and ensure the CHT Group's long-term competitiveness.

Opportunity and risk management

As a globally active company, the CHT Group is exposed to a wide range of external and internal factors throughout the entire value chain which present both risks and opportunities for the company's sustainable development. In addition to economic considerations, these increasingly involve environmental, social, and governance-related issues, including climate, environmental, supply chain, and compliance risks.

Sustainability risk management is an integral part of the CHT Group's Group-wide, standardized risk management system. In the 2025 reporting year, this system was redesigned and further developed in terms of methodology, organization, and processes. The goal of this realignment is to identify risks in a

comprehensive, transparent, and comparable manner across all companies, to assign clear responsibilities, and to ensure the early management of opportunities and risks. Sustainability and environmental considerations are systematically integrated into all phases of the risk management process.

The risk management process follows a standardized, Group-wide binding approach based on ISO 31000 and includes context analysis, risk identification, analysis, assessment, and treatment, as well as continuous monitoring and reporting. Risks are identified at least once a year and as needed, and are assessed based on their likelihood of occurrence and potential impact – including financial, legal, reputational, and sustainability-related effects. The assessment is conducted both on a gross basis and by taking into account existing and planned risk mitigation measures (net assessment).

To date, the CHT Group's risk management has focused primarily on economic risks arising from its business activities, particularly in the areas of raw material procurement, market and demand trends, bad debt, production and supply chain risks, as well as risks stemming from crisis situations or geopolitical developments. In addition, digital security and cybersecurity risks are becoming increasingly important and are continuously monitored.

As part of the realignment of risk management, environmental, climate, and sustainability risks are also systematically identified and integrated into the overall risk profile. These include, among other things, regulatory changes (e.g., in chemical and environmental law), climate risks, risks related to energy and resource availability, environmental and EHS risks, as well as risks related to supply chains, human rights, and sustainable business models. Taking an aggregate view of these risks enables

sound management and supports the CHT Group's long-term resilience, future viability, and sustainable transformation. In addition to risks, the material sustainability issues also present strategic opportunities for the CHT Group. These focus in particular on the further development of sustainable chemical solutions, the expansion of innovative technologies, and the strengthening of long-term customer relationships. Adapting the product portfolio early on to regulatory requirements and customer needs opens up opportunities for market growth, differentiation, and new areas of application. At the same time, investments in resource efficiency, climate protection, and sustainable supply chains help improve operational efficiency and increase resilience to external factors.

In 2024, sustainability aspects were included as an additional criterion for the risk assessment of investments > EUR 100,000 in tangible assets. Projects with a value of > EUR 100,000 must additionally be reviewed and approved by the Management Board. The criteria to be examined are business relevance, country, customer relevance, CHT resources and competencies, profitability and sustainability. Criteria have been defined for sustainability to support the transformation of the CHT Group. In addition, the sustainability assessment considers and evaluates the risks arising from changes in regulatory demands, politics, technology and site-specific environmental risks.

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

Climate risk management – physical climate risks

ESRS E1.IRO-2, ESRS E1.SBM, ESRS E1-2/E1-7

Process for identifying and assessing physical climate risks

The CHT Group conducts a structured, location-specific assessment of physical climate risks in order to identify potential impacts of climate change on employees, facilities, production processes, and business continuity at an early stage and to develop appropriate adaptation measures. The process is based on recognized scientific principles (including those of the IPCC and the World Bank) and supports the requirements of the CSRD.

Steps in the physical climate risk analysis:

1 Identification of relevant risks

Five material physical climate risks have been identified for the CHT Group:

- ▶ Floods
- ▶ Droughts
- ▶ Extreme heat / heat waves
- ▶ Forest fires
- ▶ Extreme winds, storms, and cyclones

2 Site-specific risk assessment

Between late 2024 and February 2026, a survey was conducted at all relevant production sites as well as at the headquarters in Tübingen; sites that were purely office locations were excluded. The evaluation was conducted by local technical experts under the supervision of production managers.

The probability of the risks occurring was rated on a scale from 0 (< 20%) to 5 (already occurred). For risks with a rating of ≥ 2, existing and additional necessary risk mitigation measures were documented. Regardless of the risk level, the existing insurance coverage against climate-related

damage or production losses was also reviewed. Measures that have already been implemented (e.g., flood protection or structural reinforcements) were taken into account in the risk assessment.

3 Central validation and consolidation

The site assessments were reviewed and consolidated by Global Sustainability Management and documented in standardized physical climate risk maps for each site. The analysis is updated every three years on a regular basis or as needed in the event of significant changes; the next scheduled review is planned for late 2028 / early 2029.

Results of the physical climate risk analysis

The analysis shows that exposure to physical climate risks varies depending on site and region. While many sites have only a low probability of occurrence, certain production sites face increased risks, particularly with regard to

- ▶ floods (e.g., Brazil, Colombia),
- ▶ extreme heat and heat waves (e.g., Southern Europe, China, Pakistan),
- ▶ drought and water scarcity (e.g., Turkey, Brazil, Mexico),
- ▶ extreme winds, storms, and cyclones (e.g., Latin America, Asia).

At most of the sites, technical, organizational, and infrastructural measures are already in place, including structural flood and storm protection, building and infrastructure safeguards, emergency and evacuation plans, employee training, heat-related adjustments to work organization, and site-specific water and energy measures.

Most of the sites are covered by a global insurance policy against natural disasters; in some countries, however, insurance coverage is currently limited, a fact that is taken into account in risk management.

Material risk mitigation measures

Additional measures have been defined for sites with increased risks. Key areas of focus across the Group are:

- ▶ Further development of flood and heavy rain protection through structural measures, improved drainage, and mobile protection systems,
- ▶ Strengthening resilience to extreme heat through improved cooling and ventilation systems, adjustments to work schedules, additional breaks and protective measures, as well as targeted training,
- ▶ Reducing risks associated with water scarcity through more efficient water use, alternative supply solutions, and site-specific water risk assessments,
- ▶ Expansion and further development of emergency, crisis, and evacuation plans, taking into account climate projections and early warning systems,
- ▶ Regular review of the effectiveness of existing measures and update of the risk assessment after they have been implemented.

These measures strengthen the CHT Group's resilience to physical climate risks, reduce financial and operational risks, and contribute to the long-term safety of employees and facilities.

In addition to the physical climate risks described above, the CHT Group also takes climate-related transition risks into account as part of its risk management system.

These include, in particular, risks arising from regulatory changes (e.g., in environmental and chemicals legislation), technological developments, and changes in the market and demand resulting from the transition to a low-carbon economy. These transition risks are analyzed as part of the regular risk identification and assessment process and, to the extent they are material, are incorporated into the CHT Group's aggregate risk profile.

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

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Result of the physical risk analysis for the CHT Group

Organization (production sites only)	Location	Estimated probability of occurrence of physical climate risks				
		Floods	Droughts	Severe heat / heatwaves	Wildfires	Extreme winds / storms / cyclones etc.
CHT Germany GmbH	Oyten	0	0	0	0	1
CHT Germany GmbH	Tübingen	2	0	1	0	1
CHT Germany GmbH	Geretsried	0	0	1	1	2
CHT Germany GmbH	Dußlingen	1	0	1	0	1
CHT Germany GmbH	Kirchberg	0	1	1	0	1
Average Germany		0.6	0.2	0.8	0.2	1.2
CHT Italia S.r.l.	Sesto Ulteriano	0	0	5	0	5
CHT Turkey Kimya San. ve Tic. A.S.	Esenyurt / Istanbul	0	3	2	0	2
CHT UK Bridgwater Ltd.	Bridgwater	1	0	1	0	1
CHT Switzerland AG	Montlingen	1	0	0	0	1
Average EU		0.6	0.4	1.3	0.1	1.7
CHT USA Inc.	Cassopolis	0	0	0	0	1
CHT USA Inc.	Richmond	0	1	1	0	2
CHT Brasil Quimica Ltda.	Cajamar	5	2	3	4	3
CHT Brasil Quimica Ltda.	Piracaia	0	2	3	4	3
CHT Colombiana Ltda.	Sabaneta-Antioquia	4	1	3	2	4
CHT de Mexico S.A. de C.V.	Villanueva	1	0	0	1	2
CHT de Mexico S.A. de C.V.	Torreón	0	2	2	0	1
CHT Peruana S.A.	San Antonio	0	2	0	0	0
Average Americas		1.3	1.3	1.5	1.4	2.0
CHT Australia Pty. Ltd.	Dandenong	0	0	1	0	1
Australia						
CHT South Africa (Pty.) Ltd.	Westmead	1	1	2	2	1
CHT Tunisia S.A.R.L.	Bou Argoub	1	0	1	0	1
Average Africa		1	0.5	1.5	1	1
CHT Tianjin Co. Ltd.	Tianjin	0	0	1	0	0
CHT Shanghai Company Ltd.	Fengxian, Shanghai	0	0	2	0	3
CHT Dongguan Company Ltd.	Dongguan, Guangdong	0	0	2	0	3
CHT India Pvt. Ltd.	Navi Mumbai, Raigad	2	1	2	0	2
CHT Pakistan (Pvt) Ltd.	Lahore	0	1	3	1	2
CHT Bangladesh Pvt. Ltd.	Narayanganj	1	1	0	0	2
Average Asia		0.5	0.5	1.7	0.2	2
Average All		0.8	0.7	1.5	0.6	1.8

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

Probability rating scale

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

Goals and key measures

ESRS 2 SBM

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

Significant investments are necessary to achieve our goals in the areas of sustainable chemical solutions and global resource efficiency, and to reduce our greenhouse gas emissions by 2045. Investments totaling EUR 5.9 million were made for this purpose in 2025. In line with ESG, we have defined two action plans, with measures covered by both and contributing to their achievement. This applies in particular to environmental goals. Measures related to process changes and "sustainable chemical solutions" can also involve saving energy or water, as well as changing the raw material base, which also represents a measure to reduce our Scope 3 emissions.

CHT sustainability goals

ESRS 2 SBM

The sustainability goals defined for the CHT Group are supported by specific metrics, interim targets, and measures aligned with the material issues. Detailed definitions of goals, baselines, time frames, and the corresponding performance indicators are presented in the respective topic-specific chapters of this report.

Progress is measured on a regular basis and reviewed as part of the internal management and control processes. Deviations from target paths are analyzed and, if necessary, addressed through appropriate measures.

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CHT sustainability goals

Aspect	Target for 2025	Status by the end of 2025
Sustainable Product Portfolio	▶ Reaching a sales target of 80 % with ECO Range products ▶ Share of sales with Phase Out products < 10 %	▶ 84 % (vs. 80 % target) of CHT Group global sales have been achieved with ECO classified products ▶ 3.3 % Phase Out products share in total sales 2025
Climate Protection	▶ Determination of the current Corporate Carbon Footprint of the CHT Group ▶ Reduction of CCF emissions vs. 2021: Scope 1 + 2: 17 % and Scope 3: – 10 % ▶ Increased primary data share from suppliers for Scope 3.1-calculation ▶ Implementation of AllocNow automated PCF calculation with CHT GER	▶ CCF CHT Group 2025: 563k t (CO₂e) ▶ Scope 1 + 2: – 27 % vs. 2021 ▶ Scope 3: – 24 % vs. 2021 ▶ > 350 supplier PCF and other primary data ▶ AllocNow automated LCA calculation tool is implemented in CHT Germany and roll-out is on schedule ▶ 2025: > 70 PCFs provided to customers
Internal Processes	▶ Reducing specific energy consumption, water consumption and waste generation by 10 % until 2025 ▶ Roll-out of ISO 50001 certification to all CHT production sites ▶ Reduction of work accidents within CHT Group until 2025 (by 10 % vs. 2021) by using LTIFR method	▶ Specific energy consumption: 324 kWh/t (– 3 % vs. 2019) ▶ Specific water use: 1,010 l/t (– 22 % vs. 2019) ▶ Specific waste generation: 40 kg/t (– 16 % vs. 2019) ▶ ISO 50001 Energy-management certification only achieved in 40 % of the production sites ▶ LTIFR: 7.1 (vs. 10.2 in 2021): – 30 % vs. 2021
Supplier Management	▶ 90 % of relevant purchases are handled with suppliers meeting sustainability standards ▶ Direct purchasing: Expansion sustainability round table meetings: > 15 suppliers ▶ Develop sustainability criteria for a supplier scoring system	▶ > 90 % of relevant purchases are handled with suppliers meeting sustainability standards and having signed CHT supplier CoC ▶ Sustainability round tables have been conducted with 25 raw material suppliers, logistic companies and supplier of packaging material ▶ First draft of a supplier sustainability scorecard is defined
Circular Economy	▶ Increasing the number of biobased raw materials ▶ Increasing re-use rate of packagings within CHT Group ▶ Maintaining number of C2C certified textile chemicals ▶ Reach a Sales Target of €10m in Recycling Industry Business	▶ Increasing share of biobased content in several products of all BDs ▶ 49 % of all purchased packaging at least one time re-used in 2025 ▶ Successful C2C recertification of expired certificates; > 200 products ▶ Sales with Recycling companies > €10m in 2025
EcoVadis-Certification	▶ Reach a score of at least 80	▶ Score of 81
Social Sustainability	▶ CHT is committed to pay living wage to all employees until 2030 ▶ Therefore in 2025 a global status quo analysis needs to be done with focus on all direct employees of CHT Group	▶ 2025, 96 % of all CHT employees payments above living wage

Sustainability management and governance

ESRS 2 GOV-1

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

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

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

Since April 2025, Global Sustainability Management has been reporting to the COO, following an internal organizational change and the merger of the Global Sustainability Management and Global Chemical Safety divisions into the new Sustainability and Regulatory Affairs global business area.

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

The corporate management of the CHT Group is structured into the Management Board which is responsible for the CHT Group worldwide and operates under the name CHT Group GmbH. The Management Board is supported by the vice presidents with global responsibility in the Business Divisions and functional areas. The Beitlich Family Foundation acts as a supervisory board within the CHT Group and monitors and advises the Management Board.

Beitlich Family Foundation – the Supervisory Board

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

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

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

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

The Supervisory Board is composed in such a way that, collectively, its members possess all the necessary knowledge and skills to fulfill this important responsibility for the CHT Group. In addition to defining its own composition, the Supervisory Board has also developed a competency profile for its members. In addition to classic business topics, the team's key competencies include strong expertise in the area of environmental and social sustainability. Other areas of expertise include digitalization, finance, compliance, and governance, as well as chemical technology.

Management Board

ESRS S1-9, ESRS 2 GOV-1

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

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

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

Sustainability in the governance structure and in committees

Responsibilities and accountabilities, as well as the establishment of sustainability management committees, were restructured as part of CHT's internal RISE project – implementation of a global matrix organization.

The decisions and controls regarding sustainability topics are discussed and prepared by the Management Board and the CSO responsible for sustainability management, with the involvement of those responsible for the respective topics. The decisions are made by the Management Board. The measures are implemented, after approval by the Management Board, by the operational units or global sustainability management in close coordination with relevant cross-company functions.

CHT is involved in national competence networks for sustainability, and the findings and relevant content are incorporated into the CHT Group's sustainability management.

We participate in the Chemie³ initiative ([see Chapter 1: "About this report"](#)) by the chemical industry and are members of the UN Global Compact.

As part of our membership in the UN Global Compact, we actively advocate respecting and promoting human and workers' rights within our sphere of influence. We also focus on human and environmental protection and the fight against corruption. We make a voluntary contribution to achieving the 17 goals of the United Nation's Sustainable Development Goals (SDGs). To this end, we have identified the 11 SDGs relevant to the CHT Group ([see Chapter 2 "Our Company"](#)) and also assigned them to the goals of our corporate strategy.

Performance-based Management Board remuneration

ESRS 2, GOV-3

The Beitlich Family Foundation (BFS) serves as the supervisory body responsible for the employment contracts of the Management Board and determines the total remuneration for each member of the Management Board. The CHT Group avails itself of the exemption provision in Section 286, paragraph 4 of the German Commercial Code (HGB) and refrains from disclosing total remuneration, as this would allow conclusions to be drawn about individual remuneration.

As part of the complete overhaul of the Management Board in 2024 and 2025, the BFS Executive Board fundamentally revised the remuneration system, taking into account the recommendations of the German Corporate Governance Code. The goal is to establish a uniform and comparable remuneration framework that will apply uniformly to all members of the Management Board beginning in fiscal year 2026; individual contractual arrangements applied on a transitional basis in 2024 and 2025.

The remuneration system, which will take effect in 2026, is designed to promote the sustainable, long-term, and value-driven growth of the CHT Group and supports the implementation of the company's strategy. Remuneration consists of a fixed base salary, variable remuneration components, and benefits in line with market standards. Variable remuneration is capped at a maximum amount (CAP) and consists of a short-term (STI) and a long-term (LTI) component.

The STI is based on a one-year performance period and is linked to financial and, where applicable, non-financial targets set annually. Currently, the CHT Group's return on capital employed (ROCE) is used as sole financial performance metric; target values and target achievement curves are set by the BFS Executive Board at the beginning of the fiscal year, and payouts are capped.

The LTI is designed to incentivize strategic and sustainable goals in the areas of sustainability, digitalization, and employees. To this end, specific milestones are agreed upon annually, along with limits on target achievement. The payment will be made in installments, with one-third paid in each of the three fiscal years following the period under review. The goals include, in particular: reductions in CO₂ emissions compared to 2021, the results of external sustainability assessments, and sales from sustainable products; the expansion of cybersecurity; the implementation of a globally standardized ERP system; the use of modern technologies; and the establishment of a globally standardized human resources management system.

Due diligence obligations for sustainability

ESRS 2, GOV-2

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

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

4.2 Sustainable chemical solutions

ESRS 2 SBM-1, ESRS 2 SBM-3

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

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

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

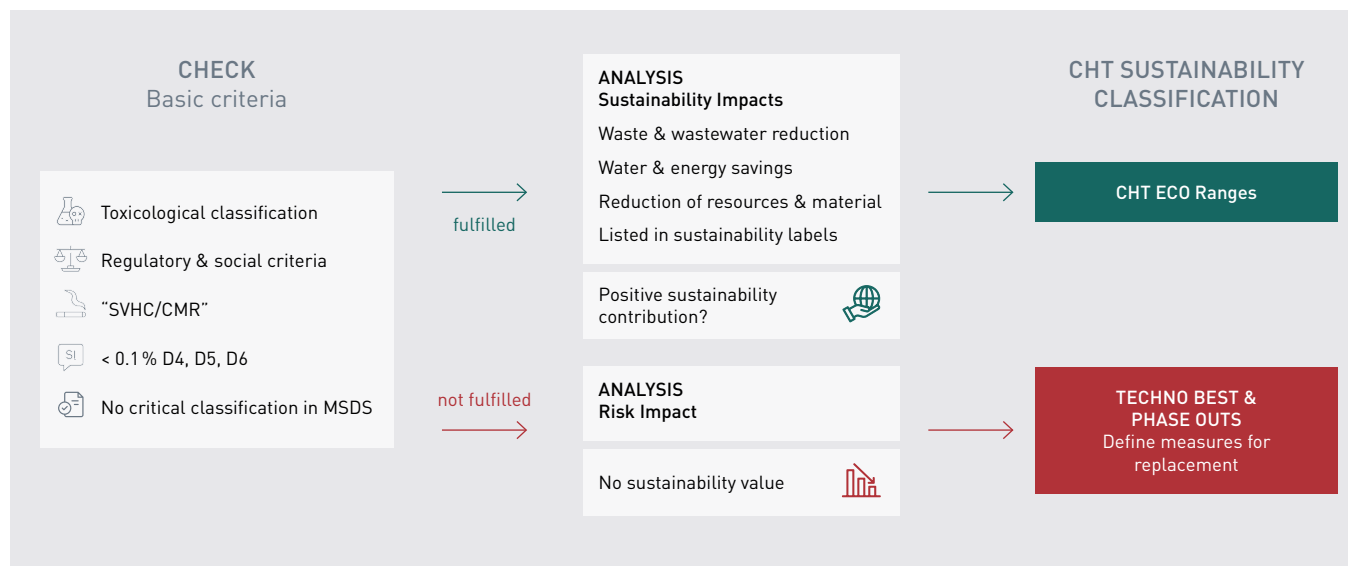
In addition, we have been strengthening our customers' sustainability performance with these products and process solutions for years.

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

A particular strength of CHT lies in the long-term, generally close and cooperative collaboration with its customers. Our customers are mostly industrial companies that further process our products or require our products to carry out their industrial manufacturing processes. Our products and solutions provide significant added value and save resources during processes, and they also ensure the necessary performance of the end products.

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CHT internal portfolio classification process



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

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

CREO increases operational agility and efficiency through a unified approach across global research and development

departments. Sustainability criteria are mandatory for the evaluation of research and development projects and are implemented in the CREO process.

Introduction and implementation of Technology Scouting at the CHT Group

The sustainable transformation of the chemical industry requires the systematic use of new technologies to reconcile regulatory requirements, climate goals, resource efficiency, and rising customer expectations over the long term. Against this backdrop, CHT has established technology scouting as an integral part of its innovation and sustainability governance. The Technology Scout identifies future-oriented technologies and trends with strategic, sustainable, and economic potential at an early stage and evaluates them in a structured manner with regard to their contribution to the transformation of the business model.

Technological opportunities are systematically translated into specific innovation, collaboration, or pilot projects, thereby making them available to CHT at an early stage. As a central point of contact, the Technology Scout connects the external innovation ecosystem – including startups, research institutions, and technology partners – with internal departments such as Technology & Innovation Management, Research & Development, Business Development, Strategy, and the Business Divisions. The goal is to ensure early access to new core technologies, strengthen technology roadmaps, and provide a solid basis for decision-making in management and governance. As a result, Technology Scouting makes a significant contribution to CHT's capacity for innovation, future viability, and sustainable transformation.

Goals

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

2030+ targets

- ▶ Annual increase in sales of ECO Range and Sustainable Performer products of + 4 %
- ▶ A 1 % annual reduction in sales of Phase-out products

Measures

Sustainability analysis of businesses / markets

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

The Business Divisions, together with the strategic business development team, are the driving forces behind this process. Those responsible for regulatory affairs and research and development are also involved in this process. Market developments, changes in MRSLs and the observation of disruptive factors in the markets or customer groups are compiled and evaluated for short-term or long-term strategic recommendations for action.

Internal evaluation process for classifying sustainable chemical solutions

To systematically manage and further develop our product portfolio, we developed a Group-wide, standardized, science-based classification process for our sustainable chemical solutions in 2025, which will be rolled out globally in 2026. The goal is to identify sustainable and future-proof products, detect regulatory risks early on, and promote the targeted substitution of hazardous substances.

The classification is based on an automated and objective assessment of all CHT products according to their intrinsic hazard characteristics in accordance with CLP/GHS, including new and future hazard classes such as endocrine disruptors, PBT/vPvB, PMT/vPvM, PFAS, and microplastics. The basis for this is the hazard statements documented in the safety data sheets. This globally unified approach supports a consistent strategic direction for the product portfolio.

All products are evaluated using an internal CHT scoring model that combines toxicological, physicochemical, and environmental criteria into an overall score. The red flags rule plays a key role: Products with particularly critical properties – especially CMR substances, SVHCs > 0.1 %, PFAS, or individual assessments with a high criticality rating – are classified as unsustainable regardless of their overall score and are transferred to the Phase-out process.

Based on the total score, products are assigned to one of four categories:

- ▶ ECO Range (products with a low risk of hazard)
- ▶ Sustainable Performers (high-performance products with sustainable applications but residual hazards)
- ▶ Techno Best (products with a limited lifespan – either due to time constraints or regulatory requirements – that meet current technology standards)
- ▶ Phase-out (products without sustainable added value, with defined substitution strategies)

The classification process is designed as a dynamic system and is being expanded step by step to include additional sustainability parameters such as product carbon footprint, biodegradability, resource efficiency, and service life. It creates transparency, enables well-founded decisions, strengthens governance, innovation, and product responsibility, and makes a significant contribution to the CHT Group's sustainable transformation.

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Progress and key figures 2025

Share of sustainable chemical solutions and Phase-out products in total sales, 2020–2025 (CHT Group)

Classification Ranges in %	2020	2021	2022	2023	2024	2025
ECO	62	65	77	82	84	84
Phase-out	11.8	5.9	5.5	4.8	1.6	3.3

05

Environmental information



-27 %

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



-22 %

specific water use
vs. 2019



-16 %

specific waste generation
vs. 2019



5. Environmental information

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

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

5.1 Basis for environmental policy

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

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

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

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

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

Collection of environmental data

The process for the annual collection and processing of environmental data for sustainability reporting is subject to internal reviews. Data entry is decentralized and can be evaluated by site, company or region. The reported data is based on a combination of direct measurements, supplier consumption calculations and calculations based on validated assumptions. The assumptions are based on data from the previous period or production volume. All data must be supported by a document uploaded to the system. For the data from 2024 and 2025, we used the Neptune tool developed at CHT. Starting in late 2026, the data query system will be rebuilt using Microsoft PowerTool.

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

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

5.2 Climate protection

Strategy and management

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

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

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

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

- ▶ Global Sustainability Management is developing the climate targets of the CHT Group and is responsible for the strategic levers for achieving these targets. These targets will continue to apply to us even after 2025; however, the KPIs will be further refined as part of the Strategy 2030+, for example by focusing on climate-neutral heat and steam generation at our sites and establishing a clear roadmap to ensure that we achieve a – 42 % reduction in Scope 1 and 2 emissions by 2030.

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

The CHT Group's Climate Transition Plan, which was further developed during the reporting year, is guided in its goals by the reduction pathways through 2030 validated by the Science-Based Targets initiative (SBTi) and by the net-zero ambition through 2045. For the reporting period, the focus is on specifying the strategic levers and measures through 2030, as well as on identifying key areas of action for the period from 2030 to 2045.

The CHT Group is gradually expanding the Climate Transition Plan into a comprehensive ESRS Transition Plan. In particular, the systematic presentation of assumptions, dependencies, and uncertainties, the linking of measures to short-, medium-, and long-term milestones, and their integration into investment and budgeting processes will be further refined. The roadmap through 2030 will be approved by the Management Board and the Supervisory Board.

An assessment of potential external factors (e.g., regulatory developments, availability of alternative raw materials / technologies, and CO₂ price trends) is conducted on an ongoing basis; priorities and measures are adjusted as needed.

ESRS E1-1, ESRS E1-2, ESRS E1-3, ESRS E1-4, ESRS E1-9

Since the scenarios used for reduction planning are theoretical framework conditions, the actual development of the external framework conditions must be continuously evaluated and the focus of the transformation adjusted if necessary. The analyses and scenarios we conducted in 2025 reinforce our commitment to working purposefully over the next five years to replace fossil fuels and raw materials in our portfolio with more sustainable alternatives.

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

Our global climate protection goals

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

In 2021, the CHT Group committed to the Science-Based Targets initiative (SBTi). SBTi is a joint initiative of Carbon Disclosure Products (CDP), United Nations Global Compact, World Resources Institute (WRI) and World Wide Fund for Nature (WWF). The initiative defines and promotes best practices in science-based goal setting and evaluates companies' goals on an independent basis. SBTi has now become a global standard for climate reduction measures. When choosing the base year, we chose the most recent year with complete greenhouse gas accounting, 2021. At the beginning of 2024, SBTi validated the emission reduction targets submitted by CHT. SBTi confirmed that the ambition level of the Scope 1 and Scope 2 targets is suitable to contribute to limiting global warming to 1.5 °C.

G13

CHT measures for GHG savings along the value chain

Upstream →	CHT companies →	Downstream →
▶ We are increasingly replacing raw materials with bio-based raw materials ▶ Projects with strategic partners – exchange of primary data ▶ We replace raw materials with recycled raw materials where possible ▶ Reduction in transport emissions in relation to all purchased goods and commodities	▶ We will reduce our specific energy consumption by 10 % by 2025 ▶ Increasing the energy and process efficiency of our internal operations ▶ Electrification of heat generation ▶ We are increasingly meeting our electricity needs without fossil fuels ▶ Investment in our own photovoltaic power generation systems ▶ Electrification of the vehicle fleet	▶ Sustainable chemical solutions – versions with a low CO₂ footprint ▶ CO₂ savings in customer processes through CHT products ▶ Products to support the circularity of end products ▶ Increasing the circularity of packaging materials – increasing the proportion of recycled packaging materials ▶ Reduction in transport emissions during product deliveries

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

ESRS E1-4

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

ESRS E1-1, ESRS E1-4, ESRS E1-7

Measures

ESRS E1-3

Measures to implement our Climate Transition Plan: Scope 1 + 2 emissions by 2030

ESRS E1-1, ESRS E1-4

To achieve our Scope 1 + 2 target, validated by SBTi, we plan to implement various measures, such as switching to renewable electricity (green electricity) wherever possible. In addition, it is important to examine where investing in our own photovoltaic

systems can support the goal of switching to renewable electricity. We see a material factor in the implementation of the goal of energy savings and more efficient energy use. Within the framework of the Scope 1 targets, the focus is on energy efficiency measures and the transitional use of biomass as heating energy, alongside the clear goal of a gradual electrification of production heat and steam.

Scope 1 reduction measures at the sites also include energy-efficient production planning, so that boilers used to generate heat and steam for production need only be operated on days when heat-intensive production processes are scheduled, rather than every day. The investment measures include heat recovery systems.

In 2025, the investment required to achieve the SBTi target in the further development of production processes and infrastructure to reduce greenhouse gas emissions by 2030 for all global sites was determined to be EUR 40 million.

Carbon pricing

ESRS E1-8

Investment projects that support the achievement of our CO₂ reduction target and thus our climate transition plan are part of the annual financial planning and investment allocation process,

including approval by the Management Board. In order to support the implementation of climate reduction measures in the future, it is planned to apply an internal CO₂ price and integrate it into the economic calculations. This plan will not be implemented until 2027. The aim is to be able to reflect CO₂-intensive developments in investments through such a planning premise.

Measures to implement our Climate Transition Plan: Scope 3 emissions by 2030

ESRS E1-1, ESRS E1-4

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

To achieve our Scope 3 target, we are working together with Research and Development, Purchasing and our suppliers to reduce raw material emissions. The prerequisite for this is knowing the supplier-specific emission factors of the purchased raw materials. For this reason, so-called sustainability roundtable meetings have been established with strategically important suppliers. These meetings take place once a year to evaluate the suppliers' progress with regard to the calculations of product carbon footprints (PCF, specific emission factors). Only specific supplier emission factors (PCFs) which are calculated according to the TfS (Together for Sustainability) guideline or in implementation of ISO 14067 and provided with appropriate documentation are accepted.

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

For all raw materials for which we do not have supplier-specific values, we use secondary data from ecoinvent for the evaluation. For product groups for which we were unable to determine either primary or secondary data, so-called proxy values were calculated based on generally known structural formulas and information about the raw material composition. Based on emissions calculated using primary and secondary data, as well as isolated proxy values, we assess the key reduction potentials for the CHT Group, which we then discuss with suppliers during roundtable meetings. In this context, we also discuss, among other things, their most important levers for reducing emissions. These can be renewable energies, improved processes or alternative raw materials, such as mass balance approaches.

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

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

Measures to implement our Climate Transition Plan: Emissions 2030 – 2045

ESRS E1-7

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

For Scope 3 emissions, the transfer to bio-based, recycled or CO₂-based raw material sources will have to be successful,

whereby we will need to screen the availability of these raw material sources by 2030 and discuss the expected feasibility with our suppliers. Based on this screening and the discussions, Technology and Innovation Management (TIM) will need to focus on new products, but likely also on modified or new manufacturing processes.

From 2030 onwards, we expect the technical maturity of new technologies and the availability of alternative raw materials to be significantly more likely than is currently the case. In addition, rising prices for CO₂ emissions from 2030 onwards will act as a further driver for the transformation. Many measures to achieve net zero by 2045 are known, but today they cannot be implemented economically, nor can it be precisely planned which measure will make a greater contribution.

As of 2025, we do not foresee any greenhouse gas emissions related to the CHT portfolio that cannot be technically reduced by 2045. However, no forecast can currently be made as to whether the technologies and measures for reduction can be implemented economically.

ESRS E1-1, ESRS E1-IRO

Developments in 2025

In the 2025 reporting year, the global implementation of measures within the framework of the identified strategic levers to reduce our climate impacts continued. In 2025, the following production sites switched to green electricity: Bridgwater in the UK and Taloja in India, although the reduction in CO₂ emissions in India will not take full effect until 2026, as the transition did not take effect until November 2025. In China, starting in early 2025, approximately 40 – 50 % of the electricity consumed at the Shanghai facility was covered by a PPA. There, the rooftops of CHT Shanghai were leased to a provider of photovoltaic electricity, from whom the site has been purchasing power since 2025, following the installation of the system. Using the same model, installation of a photovoltaic system began in Dongguan, China, in 2025; starting in 2026, CHT will be able to meet approximately 50 % of its local electricity needs with photovoltaics. In Mexico,

CHT has been able to meet all of the electricity needs at its Torreón production site through its own photovoltaic system since Q2/2025.

To reduce Scope 1 emissions, the use of biogenic district heating and liquefied petroleum gas from renewable sources was further expanded in 2025 at the German sites in Dußlingen and Geretsried. At both sites, "biothermal energy" should be viewed as a transitional technology, since – in terms of the transformation of thermal energy – the CHT Group's future technology lies in hydrogen technology, in addition to electrification, provided that hydrogen is economically viable.

Measures to make more efficient use of production heat were evaluated and implemented at various production sites in 2025. Production planning with boiler use is now only carried out in campaigns, so that steam generation does not have to be started up every day.

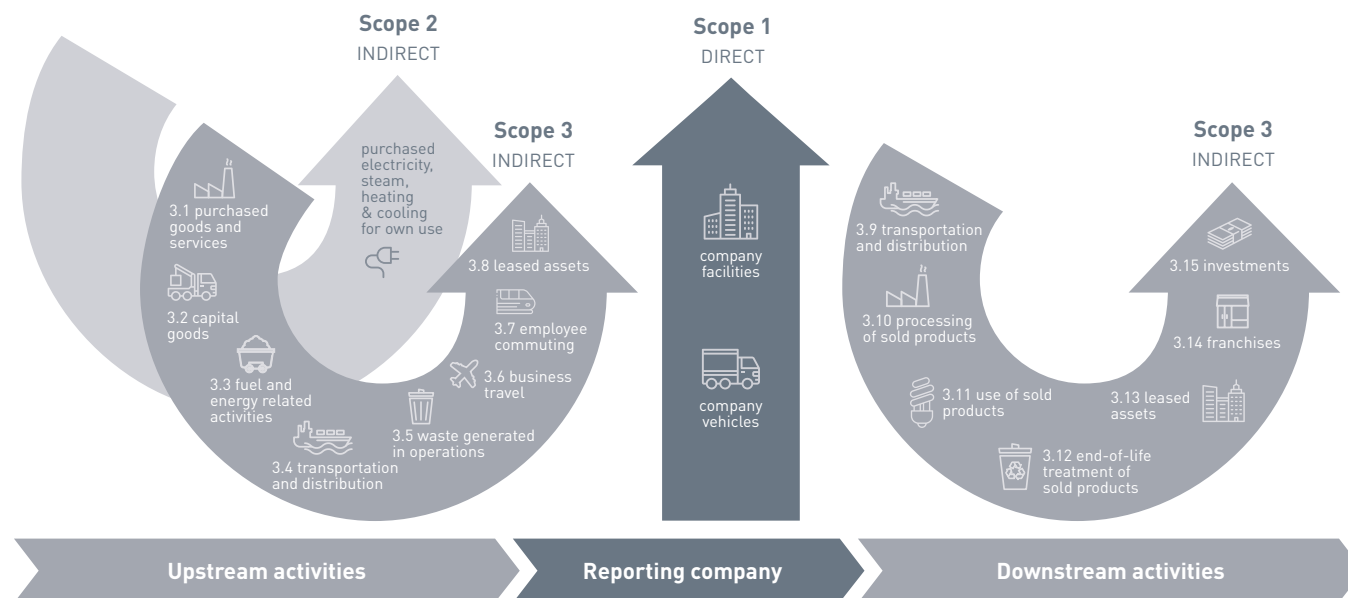
In the new silicone production plant in Cassopolis, USA, the heat supply has been electrified from the outset. As a result, it is now intended to convert the plant at least partially to green electricity by 2028.

To reduce our Scope 3 emissions in the upstream value chain, various projects were advanced in 2025. Especially in the area of surfactant raw materials, those raw materials based on RSPO palm oil or other biogenic sources were increasingly tested and purchased, although bio-based technologies are currently unable to establish themselves due to the economic situation and the very tense competitive situation in the textile industry, especially in Asia.

In order to improve the data situation regarding Scope 3 emissions, our main focus in 2025 was on obtaining real supplier emission factors (primary data). We achieved this goal in 2025, as we were able to more than double the number of primary emission factors for raw materials, packaging, and logistics compared to 2024.

G14

Greenhouse Gas Standard Protocol



Carbon footprint 2025

ESRS E1-6

Since 2021, we have been reporting on a comprehensive carbon footprint (greenhouse gas footprint), from raw material extraction through production to product disposal. The key figure here is the corporate carbon footprint, CO₂(e).

We report on the CHT Group's carbon footprint for Scope 1–3. Scope 3 reporting includes only those Scope 3 categories that were selected as relevant for CHT in the Scope 3 materiality analysis which was conducted. The CHT Group's 2025 carbon footprint comprises all 27 companies (+ 3 vs. 2021) including all production facilities and offices.

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

Greenhouse gas emissions along the CHT value chain

Accounting distinguishes between three categories of emissions, known as "scopes":

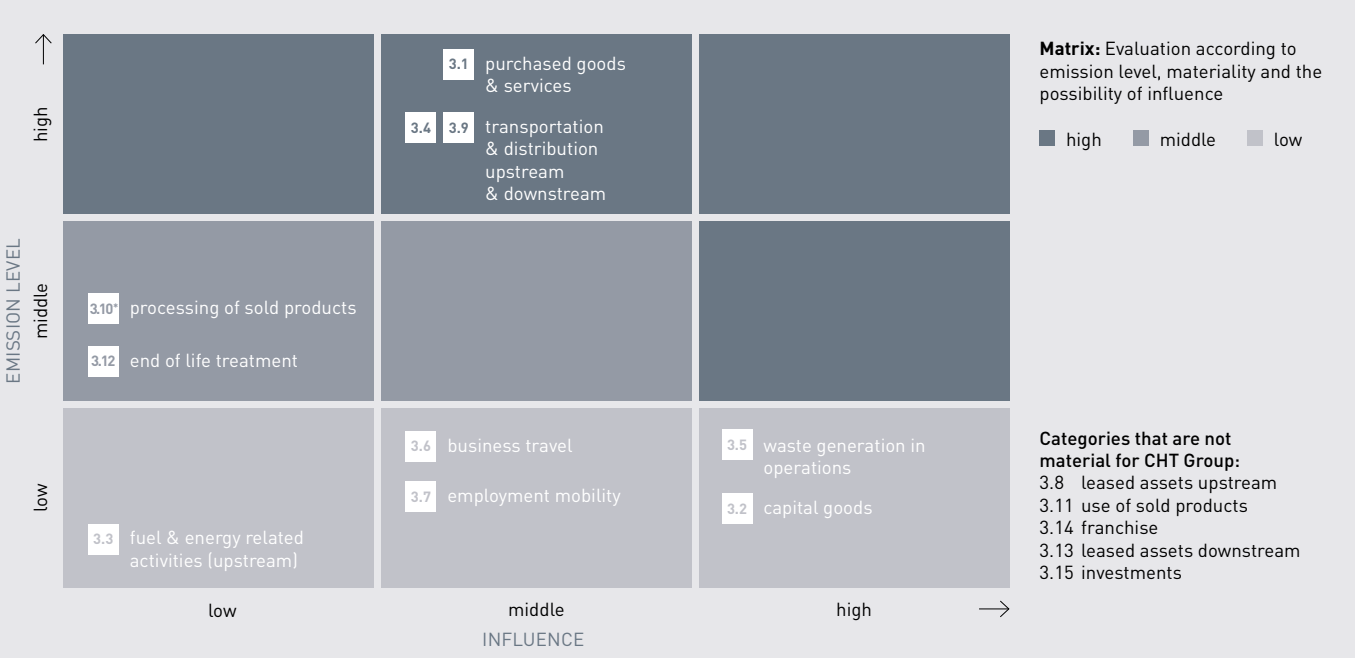
- ▶ Scope 1 covers direct CO₂ emissions. They come from direct energy and process emissions at CHT sites. These include, for example, our own production facilities and plants for steam and heat generation. In addition, emissions caused by the company's own vehicle fleet are recorded here
- ▶ Scope 2 refers to the indirect CO₂ emissions that arise from our suppliers' production of energy that we purchase at our sites
- ▶ Scope 3 includes all other CO₂ 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 assessed based on their relevance (emission level) and the extent to which they can be influenced, in relation to the CHT Group's activities. We identified categories 3.2, 3.3, 3.5, 3.6 and 3.7 as having low emissions but with greater or lesser influenceability and therefore classified them as material. We have identified categories 3.1, 3.4 and 3.9 with high emissions as material and have given them the highest priority. In the carbon footprint assessment, we will include the indirect downstream category 3.12, which we have identified as having a medium emission level but low influenceability. According to the WBCSD Scope 3 Chemical Sector Guidance, Category 3.10, "Further processing of sold products," is generally not accounted for by chemical companies; however, we have accounted for these emissions and included them as emissions to be reduced in accordance with the SBTi Guidelines. Category 3.11, "Use of products sold," is not relevant to CHT and is not accounted for. We report on Scope 3.3 to show emissions from upstream value chains (Scope 1 + 2), even though the category has been classified as having low materiality. We have identified the remaining Scope 3 categories (3.8, 3.11, 3.13, 3.14, 3.15) as immaterial.

G15

Scope 3 materiality analysis



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

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

In 2025, according to the Greenhouse Gas Protocol, taking into account Scope 1 and Scope 2 (market-based approach), our greenhouse gas emissions amounted to 13,868 tonnes of CO₂ equivalents (e) (2024: 15,868 tonnes). The 9 % reduction in absolute emissions is primarily due to the increased use of green electricity at various global production sites and the slight decline in production volume in 2025.

ESRS E1-6, ESRS E1-7

The 20 % reduction in Scope 1 and 2 greenhouse gas emissions from 2021 to 2025 is primarily attributable to the expansion of the share of renewable electricity, efficiency improvements in energy generation and production processes, and portfolio measures.

In 2025, the CHT Group operated 26 production facilities in the EMEA, Asia and Americas regions. Total production in 2025 amounted to 186,379 tonnes. Compared to 2024 (187,345 tonnes), the quantity produced decreased by 1 %.

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

T09

GHG accounting using the market-based approach

in CO ₂ [e] (t/a)	2025	2024
Total emissions Scope 1 – 3	463,378	514,925
Total emissions Scope 1 – 2	13,868	15,363
Scope 1: Direct emissions	10,079	10,675
Heating oil	286	561
Natural gas	6,737	6,876
Diesel	48	58
LNG	471	558
LPG	47	55
Biomass	1	1
Company vehicles	2,489	2,566
Scope 2: Indirect emissions	3,790	4,687
External electricity procurement, market-related	3,578	4,470
External steam procurement, market-related	212	218
Scope 3: Indirect emissions	449,509	499,562
Category 1: Purchase of raw materials, packaging, operating assets	364,471	392,184
Category 2: Capital goods	8,532	21,936
Category 3: Energy-related activities (outside Scope 1 + 2)	4,129	4,401
Category 4/9: Upstream and downstream transport	36,372	40,156
Category 5: Disposal & recycling	7,549	7,430
Category 6: Business travel by employees	2,275	3,378
Category 7: Commuting by employees	2,450	2,462
Category 10: Use of sold products	4,890	5,107
Category 12: Waste management & recycling	18,837	22,505

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

Scope 1 emissions cover the entire CHT Group fleet, including trucks and forklifts; both leased and purchased vehicles were taken into account.

Scope 2 emissions are determined using both the location-based method with emission factors from ecoinvent and the market-based method using location data. The carbon footprint assessment for Scope 1 + 2 according to the location-based method resulted in emissions of 18,525 tonnes of CO₂[e] for 2025. It was decided to use the carbon footprint based on the market-based approach with individual emission factors of the respective electricity supplier as the standard for the CHT Group (see table T09)). CHT does not use CO₂[e] credits (offsetting) outside of its own value chains in its greenhouse gas accounting. ESRs E1-7

The year 2021 is set as the base year for the CHT Group's climate reporting. The data used for the accounting was collected worldwide using the internal Neptune online tool and converted into CO₂[e] emissions using independent, standardized emission factors. The complete greenhouse gas accounting method was audited in 2022 by the sustainability and climate consultancy, sustainable AG. The consultancy has issued recommendations for action which have now been implemented in the Group-wide accounting.

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

The calculation of **Scope 3 greenhouse gas emissions** that arise upstream and downstream of our business activities in the value chain follows the Corporate Value Chain (Scope 3) Accounting and Reporting Standard according to the Greenhouse Gas Protocol and includes the use of common database values. For 2025, we have determined Scope 3 emissions of 449,509 tonnes of CO₂ equivalents (2024: 499,545 tonnes). Due to the slight decrease in production volume and supported by a significant improvement in the overall data, Scope 3 emissions have been reduced by 10 % compared to the previous year.

The largest contribution to Scope 3 emissions occurred in 2025 with 364,471 tonnes of CO₂ equivalents (2024: 392,184 tonnes) from purchased raw materials, packaging, operating assets. To calculate these upstream greenhouse gas emissions, we used information from external databases, such as ecoinvent. In 2025, we focused on the collection and use of primary data provided to us by our suppliers. In 2025, the amount of primary data increased by > 100 %, as reflected in the significant reduction in Scope 3.1 emissions.

The second largest contribution to Scope 3 emissions came from transport from the upstream and downstream value chain with 36,372 tonnes of CO₂ (e) (2024: 40,165 tonnes).

Waste disposal accounted for 7,549 tonnes of CO₂ equivalent emissions (2024: 7,430 tonnes). The value is based on CHT disposals. The reduction in waste-related greenhouse gas emissions is a result of global efforts to reduce waste generation and, above all, to make greater use of recycling and re-use.

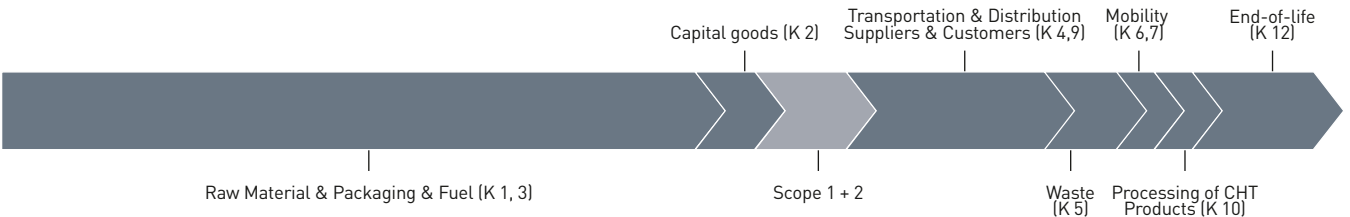
We assess the end-of-life scenarios of our products in Scope 3.12 for the year 2025 to be 18,837 tonnes of CO₂ (e).

CHT offers numerous products that, in their applications, make a positive contribution to reducing greenhouse gas emissions compared to conventional alternatives. An accounting of the emissions avoided by the products has not yet been carried out, but will be discussed again as part of the development of the climate strategy.

G16

Scope 1 – 3 emissions along the CHT value chain in 2025

Total carbon footprint



T10

Target achievement

ESRS E1-4

in thousands of tonnes of CO ₂ (e)	Base year 2021	2025	Target year 2030	2025 vs. 2021 in %
Scope 1 + 2 emissions	19.1	13.9	11.1	- 27
Scope 3 emissions	590.2	449.5	442.6	- 24

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

Calculation of product carbon footprints (PCFs)

ESRS 2 SBM-1, ESRS 2 SBM-3

To increase transparency regarding product-specific greenhouse gas emissions, the CHT Group began gradually calculating the carbon footprints of its products for sale in 2023. These so-called product carbon footprints (PCFs) account for all greenhouse gas emissions from raw material extraction to the point the product leaves the factory gates (cradle to gate). PCFs provide an important basis for decision-making when assessing the climate impacts of products and identifying approaches to reducing emissions along the value chain. In this way, the CHT Group helps its customers reduce CO₂ emissions in downstream stages of the value chain.

The methodology used to calculate the PCFs is in accordance with the “Together for Sustainability” (TfS) guideline, which was introduced as an industry standard in September 2022. Industrial averages and data from commercial databases are primarily used to calculate upstream Scope 3 emissions. These will be gradually replaced by specific primary data from suppliers as soon as it becomes available.

In 2023, the product portfolio was expanded to include the first low-carbon product alternatives, which use renewable, waste-based, or recycled raw materials, either partially or entirely. In 2024, the manual calculation approach was continued, and a market analysis of available digital LCA calculation tools was conducted in parallel.

Automating PCF calculations with the AllocNow tool

ESRS 2 SBM-1, ESRS 2 SBM-3, ESRS E1-6, ESRS 2 Metrics

To enable the systematic, scalable, and consistent calculation of product carbon footprints, the CHT Group launched the AllocNow Product Sustainability Platform (PSP) in 2025. The platform enables the automated, standardized calculation of product-related greenhouse gas emissions based on life cycle assessments and serves as a key foundation for product transparency, internal management processes, and responding to external customer inquiries.

The PCF calculations are based on a software-supported calculation logic that is standardized across the entire Group. Product-related and process-related data is sourced directly from the CHT Group's SAP systems. The calculations specifically include raw materials used, production processes, and transportation activities, as well as – where relevant – biogenic greenhouse gas removals along the upstream value chain. The use of primary operational data ensures the consistency, traceability, and comparability of the results.

To ensure the validity of the calculated PCFs, both data coverage and data quality are systematically reported and evaluated. Adequate data availability and defined quality criteria form the basis for valid product-related emissions metrics and their further use in management, innovation, and communication processes.

ESRS 2 SBM-3, ESRS E1-9, ESRS 2 GOV-1

The AllocNow PSP logic also enables scenario analyses, such as evaluating the impact of changes in raw materials, formulations, or processes on the product carbon footprint. In this way, climate and environmental considerations are specifically integrated into research and development activities as well as into the further development of the product portfolio.

In 2025, the AllocNow Product Sustainability Platform was initially implemented at CHT Germany GmbH as part of a pilot phase. The goal of the pilot phase was to develop, test, and validate the underlying data structure, calculation logic, and presentation of results. The rollout in the CHT subsidiaries in the USA, Colombia, Pakistan, South Africa, and Switzerland began in late 2025.

Governance for PCF calculation is clearly defined across the entire Group. Global Sustainability Management handles the central administration of the platform and is responsible for data maintenance, methodological development, and the technical approval of the results. Until the calculations have been fully validated and stabilized, the use of business-relevant PCF metrics will remain under central control.

Determination of emissions for relevant Scope 3 categories

ESRS E1-6

Category 3.1

The calculation of the CO₂ footprint for Scope 3.1 is based on all raw materials, merchandise and packaging purchased in 2025 by all CHT companies and sites worldwide. Since 2024, all purchased raw materials which include supplier identification, sales, volume and category have been maintained and accessible regionally and site-specifically in SAP. This approach took into account 100 % of the raw materials, packaging and commercial products purchased worldwide. To determine the emission factors, all raw materials and commercial products were divided into material classes. A regional allocation of raw materials is now possible and can be taken into account when selecting emission factors.

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

Indirectly purchased goods such as services were not included in the 2025 carbon footprint calculation because their CO₂ footprint can be assumed to be irrelevant.

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

Category 3.2

The CO₂ footprint of capital goods is calculated based on the consolidated financial statements.

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

Category 3.3 (outside Scope 1 + 2)

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

Categories 3.4 and 3.9

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

The procedure was carried out synonymously for the delivered goods.

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

When recording transport events which took place by ship, the following error may have occurred during data entry: For deliveries within the CHT Group, only the delivery to the port of the national company could be taken into account in the delivery documents and not the delivery from the port to the production site. An attempt was made to minimize this error by verifying the data with the respective data collectors. At CHT Germany, 71 % of Scope 3.9 emissions were included in the calculation based on the primary data. This data was provided by the logistics partners based on validated and certified calculations.

Category 3.5

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

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

Category 3.6

CO₂ emissions caused by business travel were recorded worldwide based on actual travel distances using different means of transport in different booking classes. Emissions were calculated using standard emission values provided by travel agencies or car rental companies.

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

Category 3.7

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

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

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

The emission factors from the ecoinvent database were used.

Category 3.10

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

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

Category 3.12

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

5.3 Energy

Strategy and management

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

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

ESRS 2 SBM-3

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

Goals

- ▶ Reduction of specific energy consumption by 10 % between 2020 and 2025 (base value is 2019)
- ▶ Switch to 100 % green electricity for externally sourced power by 2030, with at least 60 % coming from PPAs or on-site generation
- ▶ Testing of self-generated electricity using PV for CHT sites

New goals for 2030:

- ▶ Reduction of specific energy consumption by 5 % between 2025 and 2030 (base value is 2025)
- ▶ Increase the share of heat supply / process heat based on renewable energy sources or heat pumps to 30 % by 2030 (base value: 2025)
- ▶ Utilization of waste heat to account for 20 % of the heat supply by 2030 (base year 2025)

Measures

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

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

Progress 2025

In the 2025 reporting year, the production sites in the UK and India were converted to green electricity. This step was also implemented starting in 2025 through a PPA agreement at the Shanghai site in China and is being prepared at the Dongguan site so that the transition can be completed there in early 2026. At both Chinese sites, the roof space was leased to a provider of photovoltaic electricity; once the system is installed, the sites will source approximately 40–50 % of their electricity needs from green power starting in 2025 and 2026, respectively.

New photovoltaic systems were commissioned in 2025 at our sites in Cheshire (UK), Taloja (India), and Torreón (Mexico), and installation of a new PV system began at our site in Dußlingen (Germany).

Energy report 2025

The CHT Group's global energy consumption (net electricity and steam demand) amounted to 63,815 MWh in 2025. In direct comparison with 2024, absolute energy consumption decreased by 3 %. Total energy consumption includes the primary energy requirement for the company's own steam generation plants and heating systems, which is mostly covered by fossil fuels. In addition, there is the secondary energy consumption, which includes the net electricity and steam purchases.

A decrease in production volume compared to the previous year, combined with the results of actively implemented energy-saving measures, has led to a decline in energy consumption. Changes in the production mix – including increasing vertical integration and the resulting longer utilization times for reaction vessels compared to the baseline situation in 2019 – make a direct comparison difficult, but they do show that the energy efficiency measures implemented are having an impact.

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

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Energy consumption and energy mix

ESRS E1-5		
in MWh	2025	2024
Crude oil	1,187	1,966
Natural gas	32,881	33,932
LNG	2,296	2,730
LPG	206	
Purchase of electricity from fossil fuels	4,370	5,057
Purchase of steam from fossil fuels	1,498	1,727
Total energy from fossil fuels	42,439	45,412
Purchase of electricity from nuclear power	2,297	2,571
Purchase of electricity from renewable sources	14,894	14,593
Purchase of steam from biomass	3,095	1,889
Biomass for steam generation	73	52
Self-generated electricity from PV	1,314	544
of which electricity consumed in-house	1,017	
Total renewable energy	19,079	17,078
Total energy consumption	63,815	65,061
of which the share of energy from fossil fuels in %	67 %	70 %
of which the share of nuclear energy in %	4 %	4 %
of which the share of renewable energy in %	30 %	26 %
Sales in EUR million	567	614
Energy intensity in MWh / EUR million	112.55	105.96
Specific energy consumption in MWh / tonne	0.342	0.351

The specific energy consumption per tonne of production volume was reduced by 3 % in 2025 compared to 2019. This means we are well behind our target, set in 2019, of reducing specific energy consumption by 10 % by 2025. There are many reasons why the energy target set in the Strategy 2025 was not met: In retrospect, the target was too ambitious, especially given the planned shift in the product mix toward products with higher energy consumption. On the other hand, only limited investment funds were available for energy efficiency measures over the four-year strategy cycle; as a result, the benefits that could be achieved through process optimization alone were insufficient overall.

For our own heat and steam generation, we mainly use natural gas (90 %), LNG (7 %) and heating oil (3 %).

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

In 2025, 30 % (vs. 26 % in 2024) of the total energy demand was covered from renewable energy sources.

At the site in Oyten (Germany), two combined heat and power plants are operated with biogas by an external operator. The heat generated by the CHP plant is used to heat all buildings on site, a heat chamber, production processes and raw material storage

tanks. Since 2025, the Dußlingen site has also been sourcing steam generated from renewable energy; in Dußlingen, waste wood from the forests is used to generate steam in a neighboring district heating plant equipped with connected heat exchangers. In 2025, total heat source amounted to 3,095 MWh (74 % of the heat energy used at the Oyten site and 6 % in Dußlingen).

The Tübingen site sourced 1,490 MWh of district heating in 2025, compared with 1,722 MWh in 2024.

The CHT Group sources its electricity worldwide from external power supply contracts, less the electricity generated by photovoltaic systems at its plants. In some cases, the respective supplier provides proof of the green electricity source. In 2025, 70 % of electricity across the CHT Group was covered from renewable energy sources. This represents an increase of 64 % compared to 2019.

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

In 2025, CHT's own photovoltaic systems supplied the following shares of local electricity demand: Switzerland 12 %, Austria 65 %, Pakistan 54 %, Australia 39 %, Dußlingen (DE) 4 %, South Africa 37 %, Mexico 97 %, the UK 51 %, India 13 %, and Bangladesh 52 %.

5.4 Responsible use of water

Strategy and management

ESRS E3-1, ESRS E3-2, ESRS 2 GOV-1

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

Water is an essential product component, as water-based process aids are a focus of CHT's business.

For these reasons, the sufficient availability of water in production plays a crucial role for CHT. Water scarcity, particularly in water-stressed regions, poses a potential risk to business operations. As part of our data collection for fiscal year 2025, we therefore conducted our first-ever Group-wide water risk analysis for all production sites and established a process to regularly identify, assess, and manage short-, medium-, and long-term water risks going forward.

Our focus is on the CHT Group's own operations and sites. We take into account aspects of the upstream and downstream value chain on a risk-based basis, to the extent that they are material to the assessment of water risks at our sites (e.g., dependence on local suppliers, water catchment area risks, potential regulatory developments).

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

Using the WWF Water Risk Filter, we implement a structured water risk management approach that allows us to prioritize sites based on risk and derive measures for sustainable water management. The process includes:

- ▶ **Annual** update of the basin risk for all CHT sites
- ▶ **Triennial** update of the operational risk for all CHT Group production sites
- ▶ **In-depth analysis, action planning, and follow-up** for sites that meet at least one of the following criteria (triggers):
 - ▶ Basin risk triggers: Total basin risk ≥ 2.6 ("Medium") and water withdrawal at the site $\geq 1,500$ m³/a
 - ▶ Operational risk triggers: Total operational risk score, or at least one sub-score (physical, regulatory, or reputational) in operational risk ≥ 2.6 ("Medium")
 - ▶ Water data development triggers: Anomalies in the annual water data collection, e.g., a deviation in specific water withdrawal of $> 25\%$ compared to the previous year; the proportion of water consumption relative to total withdrawals $> 25\%$ (higher than the group-wide average)

The total basin risk is calculated in the same way as the industry-specific weightings for total operational risk in the WWF WRF; to ensure consistent application within the CHT Group, we also use an internal completion and interpretation guide ("guidance") for the site-specific operational risk questions. In particular, this guidance specifies how to answer the WRF questions in the context of our production processes, what supporting documentation to use, and which roles (site / central function) are responsible for data collection, review, and approval.

Results of the 2025 water risk analysis (WWF WRF Version 2.0): Under the status quo, 21 sites (including 9 production sites) have a total basin risk in the "Low" category. 17 sites (including 15 production sites) fall into the "Medium" category, while 2 production sites are located in areas with a "High" total basin risk (Peru and Pakistan). Material factors driving higher ratings include, in particular, physical risk factors (such as water quality, drought, and the state of ecosystem services) as well as reputation-related risk drivers (including, among other things, environmental factors).

The operational risk assessment shows that none of the production sites has a **total operational risk** rated as "Medium," "High," or "Very High." 10 production sites are in the "Very low" category and 16 are in the "Low" category. Upon closer examination, physical site-specific risk drivers (particularly water scarcity and, depending on the location, water quality) are comparatively the most pronounced; 6 production sites have a "Medium" operational physical risk rating. No ratings higher than "Low" were identified for reputational and regulatory operational risk.

Based on the defined triggers, in-depth discussions and analyses of water management will be conducted in at least 13 locations in 2026/2027. This in-depth analysis includes, among other things, an assessment of the local water supply situation, water withdrawal and discharge pathways, existing water treatment processes, and – where interpretable and relevant – an examination of the WRF future scenarios (2030/2050) for critical categories. Based on this, site-specific measures (e.g., efficiency improvements, expansion of closed-loop systems/re-use, process optimization, technical water treatment, emergency and resilience measures) are identified, prioritized, and tracked. The goal is to address water-related risks early on, strengthen the sites' resilience to water stress, and minimize the CHT Group's impact on the respective water catchment areas.

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

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

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

Commitment in the value chain

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

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

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

Goal

ESRS E3-3

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

ESRS E3-2, ESRS E3-3, ESRS E3-4

To achieve our water-related goals, the CHT Group implements site-specific measures focused on improving efficiency and optimizing processes, reducing water losses (e.g., leak management, monitoring), expanding water recycling and re-use, applying technical water treatment, and ensuring the quality of discharged water. The measures are reviewed as part of the annual data collection and validation process; prioritized sites are evaluated in greater detail based on the water risk analysis and supported by action plans.

ESRS E3 4

The CHT Group assesses water stress on a risk-based basis at the water catchment area and site levels. The quantitative reporting of water withdrawals in water-stressed areas will be methodologically standardized as part of the ongoing development of data collection and water risk analysis. The target is to be able to consistently analyze and report on key performance indicators in the future according to relevant risk categories (including water stress).

Water balance

In 2025, the absolute water source of the entire group was 295,000 m³. Compared to 2024, this represents a 4 % reduction. The absolute water source includes 75,098 m³ of water that was used as a raw material. Since 2021, specific water use has been evaluated without raw material water.

If we evaluate the specific water use as a key figure, in relation to the production volume, 22 % less water (280 liters per tonne) was used in 2025 than in 2019 and 9 % less (100 liters per tonne) than in the previous year.

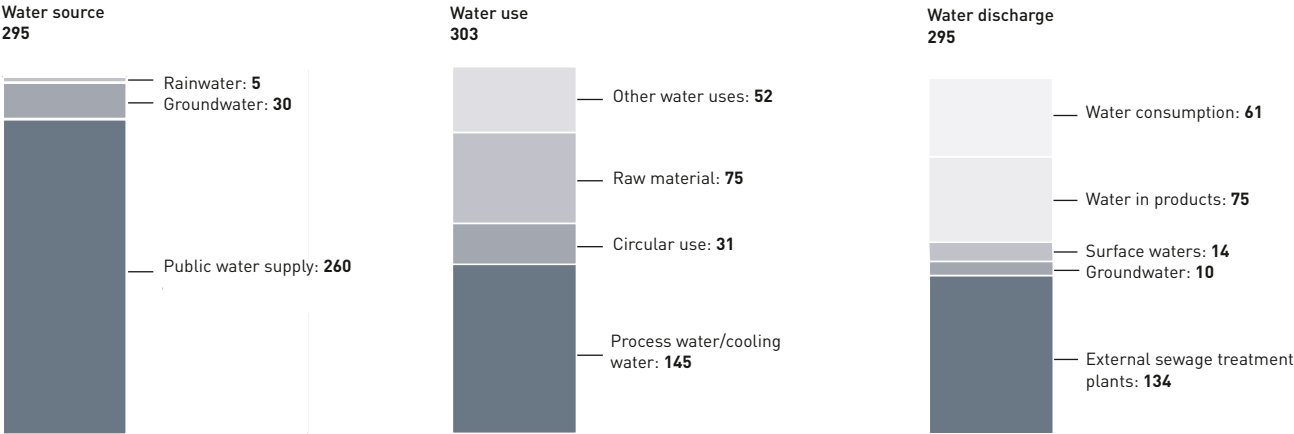
The reduction in specific water use compared to 2019 demonstrates that successful water-saving measures have been implemented worldwide, such as improved monitoring of water flows, repair of leaks, investments in water-saving boiler cleaning and container washing systems, as well as investments in closed-loop cooling systems and the consistent recycling of rinse water.

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Key figures 2025

CHT Group's water balance*

in thousands of m³/year



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

The CHT Group's water consumption in 2025 was 60,958 m³ (+68.9% compared to 2024). The main factor behind the significant increase in water consumption compared to the previous year was the standardized definition and approach within the CHT Group. Water consumption is essentially based on evaporation and the water used to irrigate the green spaces at our sites. Our water discharge data also includes the water contained in our products. In 2025, the total volume was 75,098 m³, representing a 1.2%

decrease compared to 2024 and consistent with the slight decline in production volume.

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

T12

Water balance

ESRS E3-4		
in thousands of m³	2025	2024
Water source		
Public water supply	260	277
Groundwater	30	24
Rainwater	5	7
Total water source	295	308
Water discharge		
External sewage treatment plants	- 134	- 91
Internal sewage treatment plants		- 82
Surface waters	- 14	- 19
Groundwater	- 10	
As a raw material in products	- 75	- 76
Total water discharge	- 234	- 268
Water consumption (excluding water in products)		
Local water treatment	4	
Cooling water systems and boilers	24	
Other water losses	33	
Total water consumption	61	36
Volume of recovered and re-used water (water recycling)		
	31	27
Sales in EUR million	567	614
Water intensity in m³/ EUR million	520	502

New target for 2030:

- ▶ **Reduce water consumption (water losses)** from 2025 to 2030 to < 10 % of total water use
- ▶ **Reduce water withdrawal** (both overall and in water-stressed areas) by – 5 % globally and – 10 % in water-stressed areas by 2030 (definition based on the results of the 2026 Water Risk Analysis)
- ▶ **Increase the use of circular water systems (closed-loop systems)** to > 25 % of total water use in closed loops by 2030

Water discharges

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

The total water withdrawal of 295,000 m³ (vs. 308,000 m³ in 2024) was compared to 234,000 m³ of water discharges (including water in products) in the reporting year. Water consumption – defined as the difference between water intake and discharge – is mainly determined by evaporation and drying losses.

T13

Status of the 2025 water target

Reduction of specific water use (former naming: water consumption)

in m³ / tonne	Base year 2019	2024	2025	2025 vs. 2019 in %
Water use	1.29	1.11	1.01	– 22

without water as a raw material and with water used in a closed-loop system

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

The wastewater with a total volume of 106,000 m³ was pre-treated and delivered to municipal and public sewage treatment plants (64 %) and 14 % was discharged directly into a body of water. Around 23 % of the wastewater remains in local recycling on site and 1 % of the wastewater is disposed of as waste and reported in the waste statistics.

As early as the production process, it is important for us to keep the wastewater volume and pollutant load as low as possible

and to re-use wastewater and material flows internally wherever possible. When treating our wastewater, we rely on centralized measures in the sewage treatment plants as well as partial pre-treatment of wastewater. To avoid unforeseen emissions and pollution of surface water and groundwater, water protection measures are in place at the production sites.

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

5.5 Circular economy

Strategy and management

ESRS E5-1, ESRS E5-2

For CHT, the circular economy is inextricably linked to the fundamental transformation of the economy. The circular economy is a system-oriented approach that encompasses all industrial processes and economic activities along an entire value chain. The approach aims to decouple economic performance and raw material consumption and is necessary for the transformation to climate neutrality. Waste must be viewed as secondary raw materials. The value of products, materials and raw materials must be maintained for as long as possible. This means that, after the end of their useful life, raw materials must be returned to the cycle whenever possible, and products must be designed so that they can be recycled or so that recycling does not interfere with the end-of-life recycling of consumer products made from or with our products.

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

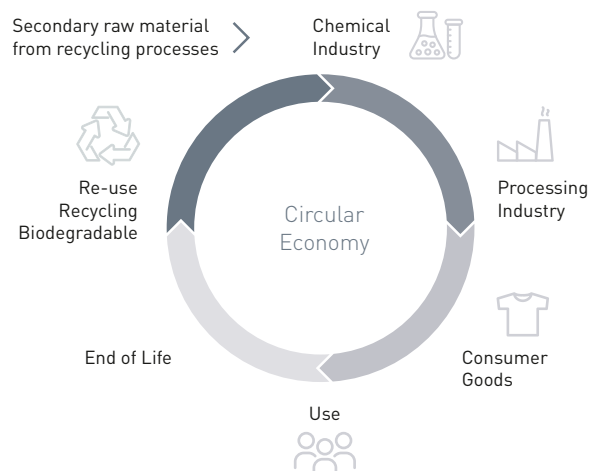
With our raw material diversification activities, we are ensuring increased security of supply in the future and preparing to reduce dependence on fossil and other non-circular resources.

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

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Circular economy

ESRS 2 SBM-3, ESRS E5



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

As a specialty chemicals company, the CHT Group is typically located at the center of various value chains, which means that our role in the circular economy is limited and we must work together with our partners in the value chain on the further development of technologies as well as raw materials. Only then can we further develop our products so that they do not interfere with end-of-life treatments, especially recycling. In addition to our own efforts, the material drivers for the circular economy are the increasing regulatory obligation and the voluntary commitment of our customers who are committed to sustainable transformation. For us, cooperation with partners along the value chain is an

important means for contributing to the success of sustainable transformation and, in this case, to a circular economy.

One challenge on the path to a circular economy remains the currently limited availability of economically viable circular raw materials, including renewable or bio-based, recycled and CO₂-based raw materials. CHT currently uses recycled silicone raw materials in addition to bio-based raw materials. Bio-based raw materials used in CHT products include native thickeners and waxes, sugar derivatives, natural fats and oils, and their derivatives. In the procurement of raw materials, renewable raw materials are among the goods that must be considered with particular care with regard to security of supply, ecology, but also social conditions.

As part of its commitment to the circular economy, the CHT Group is focused on gradually increasing the proportion of circular and renewable raw materials, to the extent that they are technically and economically feasible. In addition to using bio-based and recycled raw materials, secondary raw materials are recovered from upstream processes and reintroduced into production at selected sites. The systematic collection of resource inflow and outflow metrics (e.g., proportions of secondary raw materials, internal recovery volumes, material flows) is being expanded as part of the ongoing development of the metrics systems in order to present progress in a measurable and comparable manner.

ESRS E5-4, ESRS E5-2, ESRS E5-3

As a manufacturer of specialty silicones, the CHT Group now sources and supplies some of the recycled silicone raw materials used itself. Common silicone raw materials contain silicone cycles from the previous processes – called D4, D5 and D6 for short. These are largely removed from these raw materials by distillation. The resulting distillate is then not disposed of as waste, but is used as a raw material in CHT's silicone synthesis. In 2025, around 127 tonnes of raw materials were extracted in this way, thus avoiding waste.

ESRS 2 SBM-3

Goals of the circular economy in the CHT Group

ESRS E5-3

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

Measures taken by the CHT Group

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

Commitment in the value chain

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

TUBINGAL RISE

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

CHT-BeauSil® Re-AMO

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

Waste management

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

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

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

The total amount of waste across the entire Group in 2025 was 7,414 tonnes (2024: 8,040 tonnes). A comparison with 2024 shows that our total waste volume has decreased by 7.8 %. Production volume declined by only 0.5 % during the same period, which shows that the waste reduction measures taken are having an effect.

T14

Waste target status

Reduce the specific waste volume by 10 % compared to the waste volume in 2019

in kg / tonne	Base year 2019	actual 2025	Target year 2025	2025 vs. 2019 in %
Waste generation	48	39.8	43.2	- 16

57 % of waste was recycled in 2025: through cleaning, recovery or material recycling. In the course of the circular economy, re-use is becoming an important factor that can be realized in the chemical industry, particularly in packaging materials.

The share of hazardous waste was 46 % of total waste in 2025. The total amount of hazardous waste decreased by 10 % compared to 2024. Hazardous waste is usually incinerated or handed over to special waste disposal companies for recycling.

ESRS E5-5

2030 targets

- ▶ Further reduce the CHT Group’s specific waste generation by 5 % by 2030, based on the specific waste figures for 2025
- ▶ Increase the recycling rate (re-use, recycling, recovery) with the goal of reaching 75 % of total waste generation by 2030
- ▶ Reduce the share of hazardous waste per tonne of product produced by 15 % by 2030 (vs. 2025)
- ▶ No landfilling of hazardous production waste by 2030

T15

CHT Group Waste Balance

2025		
in tonnes	hazardous waste	non-hazardous waste
Re-use	0	798
Recycling	383	1,148
Recovery	406	25
Total recycling	789	1,971
Incineration	938	450
Incineration with heat recovery	1,012	484
Landfill	41	888
Composting	0	105
Underground storage	17	0
Physical chemical treatment	641	78
Total waste disposal	2,649	2,005
Total classified waste	3,438	3,975
Total waste*	7,414	
Total non-recycled / non-recovered waste	4,653	
Total recovered waste	2,760	
Share of recovered waste	57 %	

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

5.6 Ecosystems and biodiversity

Strategy and management

We are aware that our business may entail opportunities and risks related to biodiversity. However, in the double materiality analysis conducted in 2024, we concluded that, due to our position in the value chain and our measures at our sites to preserve biodiversity, there is only a potential risk of biodiversity loss from our business activities. We will reassess the topic of biodiversity annually based on its impact to determine whether to add it to the material topics. To reassess the importance of biodiversity for the CHT Group, the company plans to conduct a biodiversity risk analysis in 2027 using the WWF Risk Filter.

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

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

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

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

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

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

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

Protected areas

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

T16

CHT sites near biodiversity-sensitive areas

Location	Country	Area (ha)	Type of area	Name of the area
Dußlingen	Germany	80	Natura 2000	Albvorland
			Landscape conservation area	Rammert
Geretsried	Germany	1	Nature reserve	Wolfsrathauers Forst
Montlingen	Switzerland	34	Nature reserve	Bannriet
Meiningen	Austria	10	Nature reserve	Matschels
Piracaia	Brazil	53	Nature reserve	Apa Sistema Cantareira
Cajamar	Brazil	31	Nature reserve	Apa Cajamar
Esenyurt	Turkey	19	Nature reserve	Büyükcemece Basin

5.7 Product Stewardship

ESRS E2-1, ESRS E2-6, ESRS 2 GOV-1

The CHT Group manages environmental pollution and chemical risks through Group-wide policy documents and management systems (including, among others, environmental, safety, and quality policy) as well as binding Product Stewardship requirements for all companies. The goal is to ensure compliance with relevant chemical and product regulations worldwide and to proactively minimize product risks to people and the environment throughout the product life cycle.

Strategy, goal and management

ESRS E2 IRO-1, SBM-1

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

Compliance with chemicals and product legislation is a prerequisite for CHT Product Stewardship. As the CHT Group, we therefore feel obliged to comply with national and international regulatory requirements and internationally recognized standards for our chemicals and products. However, our goal regarding product responsibility is to go beyond all legal requirements and to minimize product risks to people and the environment in accordance with the Responsible Care program¹

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

To meet this challenge, the CHT Group has implemented effective and digital processes for the systematic identification and assessment of hazards and made them binding worldwide. Together with our internal product classification criteria, we can minimize potential risks in the product life cycle before we develop a new product or sell a product to our customers.

As part of our sustainability analysis of our businesses and the requirements of our customers and markets, we regularly examine aspects of Product Stewardship along the value chain. The criteria we evaluate clearly relate to critical substances and existing regulations. In addition, we also consider sustainability ambitions along the value chain, which may become significant for chemical safety and Product Stewardship before they become new regulations. Phase out and Techno Best classified products only contribute a small share to global sales. We aim to keep the share of sales from Phase out products permanently below 3%. This is achieved both through the continuous replacement of hazardous substances in our products and through the development of alternative solutions.

ESRS E2, ESRS E2-3

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

The assessment of our raw material and product portfolio with regard to **substances of concern (SoCs)** and **substances of very high concern (SVHCs)** is a matter of course for us and a material part of our internal product classification. According to CHT's internal assessment, products classified as SVHC can no longer become a sustainable chemical solution. In these cases, it is only a matter of risk assessment within the framework of our product responsibility. In cases where chemicals are subject to new regulatory assessment or when new information or data is disclosed that leads to a more stringent classification, we look for alternatives or substitutions for the CHT Group's portfolio.

In addition, appropriate information and guidance on the safe use of substances of concern and substances of very high concern, some of which are still contained in our products, are communicated throughout the supply chain, both internally and with our downstream users via **safety data sheets (SDS)**, in order to increase awareness of the need for greater attention.

We investigate chemicals and groups of chemicals, carefully and in detail, for which there are currently no immediate regulatory measures, but which are suspected of being hazardous to human health and the environment. Therefore, the CHT Group has made great efforts and invested in various resources over the past 10 years with the aim of reducing the use of **per- and polyfluoroalkyl substances (PFAS)** in products and replacing them with other chemicals that are less harmful to human health and the environment, while maintaining excellent product effectiveness.

Significant financial impacts resulting from chemical risks may arise in particular from regulatory changes (e.g., restrictions), substitution or reformulation requirements, compliance costs, and potential market and reputational impacts. For the reporting year, it is not possible to provide a reliable quantification of expected financial effects, as these depend largely on regulatory timelines, the availability of suitable alternatives, and customer requirements. The CHT Group monitors these factors as part of its regulatory monitoring and portfolio/risk processes and continues to refine its financial valuation methodology.

¹ Responsible Care is a registered trademark of ICCA: www.responsiblecare.org

Digital processes

ESRS E2-2, E2-4

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

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

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

Regulatory Affairs

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

Measures

REACH registrations and compliance

ESRS E2-2, E2-3

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

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

PFAS and microplastics

ESRS E2-5, E2-7

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

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

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

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

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

ESRS E2-2, E2-3

As part of our management approach to chemical regulation, the CHT Group takes into account not only the European REACH Regulation but also relevant chemical regulations in countries outside the European Union. In several regions, regulatory frameworks have been introduced or are currently being implemented that are modeled after REACH in terms of their structure and goals, particularly with regard to the registration, evaluation, and risk management of substances. These are referred to below as “REACH-like regulations”.

These should be distinguished from chemical regulations that take an independent regulatory approach, such as the **Toxic Substances Control Act (TSCA)** in the USA. In addition, REACH-based regulations are being implemented in various stages of introduction or further development in countries such as the United Kingdom, Turkey, Ukraine, and South Korea. We systematically track these regulatory developments as part of our ongoing regulatory monitoring.

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

Requirements for classification and labeling

ESRS E2-2, E2-5

The **Globally Harmonized System (GHS)** is a system developed by the United Nations to standardize the classification and labeling of chemicals worldwide. The GHS document, the “Purple Book,” is regularly updated and contains a definition of the physical, health and environmental hazards of chemicals and describes classification criteria. It also harmonizes the format of chemical labels and safety data sheets (SDS). Because implementation of the GHS rules is voluntary at the global level, countries have introduced different versions of the GHS at different times. In

accordance with the product responsibility of the CHT Group, we maintain all different GHS versions in our database so that CHT companies worldwide are well informed about new GHS developments and align with the correct GHS version in their regions, thus ensuring compliance with the classification and labeling elements of CHT chemicals and products worldwide.

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

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

To ensure compliance with all regulatory obligations under the CLP Regulation, the CHT Group has embedded and continuously maintained the necessary data for intermediates and products in IT systems and tools and developed digital processes to fulfill the reporting obligations accordingly.

Ecolabels and sustainability standards

Comprehensive and well-established Product Stewardship is an important prerequisite for the successful certification of sales products according to sustainability standards, as required by various customer industries, such as the textile industry, paper industry, laundries, cosmetics industry, and construction industry. There are a large number of such standards worldwide. The following are of great importance to the CHT Group: GOTS, bluesign®, ZDHC, Cradle to Cradle, Inditex, Nordic Ecolabel, and Blauer Engel.

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

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

In 2025, 33.4% of all products with a sales volume of > EUR 1,000 across all four Business Fields were certified according to at least one established standard. At 53.9% in the Business Field Textile (since 2026: Business Division Textile Solutions) these even accounted for more than half of the products. In terms of the CHT Group’s global sales in 2025, 45.5% of sales came from certified products; in the textile industry, the global share was as high as 73.5%. Due to different regional (APAC, EMEA, Americas) and customer preferences, many products are certified by two or even more sustainability standards.

T17

Coverage of the product range with sustainability labels in 2024 and 2025

	2025	2024
bluesign® approved	1,589	1,632
Inditex The List V.1	1,405	1,438
ZDHC Gateway MRSL 3.1 Level 1 & Level 3	2,115	2,033
GOTS 7.0	1,004	976
Cradle to Cradle (C2C) Material Health Certificates	223	223

* Portfolio adjustments have led to fewer certified products

Further activities in the area of Product Stewardship

ESRS E2-2, E2-3

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

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

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

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

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

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

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

We are developing a process to evaluate our suppliers. Supplier evaluation enables us to select and bring into the CHT supply chain only raw materials and products that are safely packaged and transported to us and comply with all relevant European and global laws. We are in regular contact with our key suppliers to ensure that they understand the importance and relevance of reducing the CO₂ footprint of raw materials.

Progress in 2025

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

T18

Information on SOCs and SVHCs

	Total SOC s [tonnes]	of which SVHC s [tonnes]
Raw materials and merchandise	2,659	1,062
Products sold	1,355	218
Total in raw materials, merchandise, and products sold	4,014	1,280

Currently, the data is only available for CHT companies that are already integrated into SAP.

The data is calculated using conservative estimates: Suppliers usually report ranges; the upper end of the range was used. SOC and SVHC data for raw materials was partially estimated, as supplier data from outside Europe is not always complete (due, among other things, to the lack of REACH compliance).

As part of our chemicals management program, the CHT portfolio was systematically assessed in accordance with Regulation (EU) 2023/2055 amending Annex XVII of the REACH Regulation with regard to synthetic polymer microplastics (SPM). The goal was to identify the substances and uses in question and to assess potential regulatory requirements at an early stage.

In addition, in 2025 we launched a structured, multi-year project to comprehensively review and update all existing REACH registration dossiers. The dossiers are gradually updated to reflect the current state of science, regulations, and available substance information in order to ensure the quality and timeliness of the registered data, as well as ongoing compliance with regulatory requirements. At the same time, selected

Chemical Safety Reports (CSRs) were proactively revised to incorporate new or updated information on hazards, exposures, and conditions of use. This allows us to strengthen our preventive risk management throughout the entire substance life cycle in accordance with the REACH Regulation.

In addition, a standardized process has been established to verify and ensure REACH compliance for the raw materials we purchase. This process supports the early identification of potential deviations and is an integral part of our preventive risk management throughout the entire substance life cycle, in accordance with the REACH Regulation.

In 2025, approximately **31,496 safety data sheets (SDSs)** were updated or created to provide new and updated information on the hazards of certain chemical substances. For some countries, multiple language versions were also created. Of these, approximately **20,694 SDSs** were published and updated within the European region, while **10,802 SDSs** were created and updated in accordance with nationally implemented GHS regulations for regions outside Europe.

06

Social information



2,569

employees work worldwide
in the CHT Group in 2025



33 %

of all employees are women



77 %

of all employees participated
in the ONE VOICE RISE
feedback loop survey in 2025



PEOPLE



PLANET



PERFORMANCE

6. Social information

ESRS 2 IRO-1

The social issues identified as part of the materiality analysis include, in particular, risks and impacts related to working conditions, employee retention, training, occupational safety, and diversity and equal opportunity.

Potential negative impacts stem, among other things, from a shortage of skilled workers, increasing qualification requirements, work-related health risks, and structural changes resulting from organizational transformation.

These risks are identified and assessed within the framework of the global HR and ESHQE structures and translated into specific measures and objectives.

Employees are considered a key stakeholder group within the broader framework of stakeholder engagement. The basic approaches to identifying and engaging stakeholders are outlined in the chapter "General sustainability information".

Employees are specifically involved through structured dialogue formats, employee surveys, and regular feedback processes, the results of which are incorporated into the further development of initiatives.

6.1 Attractiveness as an employer and employee satisfaction

Strategy and management

ESRS S1 SBM-3

Our qualified and motivated employees contribute significantly to the success of the CHT Group. We want to continue to attract and retain talented individuals for our company and support them in their further development. To this end, we strive to create a working environment based on mutual trust and respect, as well as motivation and commitment. This commitment was reinforced by incorporating it into the 2030+ Corporate Strategy with the goal of "Being the Employer of Choice".

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

Employees are also the most important stakeholders of a company. The CHT Group offers potential applicants not only interesting areas of responsibility, but also attractive working conditions and opportunities for personal development. As part of our human resources management, we motivate our employees to show initiative and take on responsibility. Through Group-wide HR management, CHT can not only meet its personnel needs worldwide in a targeted manner, but also offer young talents the

opportunity to develop and grow in an international environment at an early stage. A comprehensive package of social benefits, initial and in-service training measures, and continuous employee development are among the building blocks of our targeted HR policy worldwide.

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

For the CHT Group, sustainable human resources management means creating long-term employment prospects, promoting equal opportunities, practicing a values-based leadership culture, and maintaining and strengthening the employability of our workforce. This aspect was also incorporated into the 2030+ Corporate Strategy under the focus area "Inclusive Culture".

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

In addition, the Human Resources department sees itself as an active driver of the transformation, which is gaining increasing momentum due to demographic change, changing working environments and the growing demand for skilled workers. In this context, innovative approaches to staff recruitment, development and retention are developed and implemented. Strengthening employer attractiveness and promoting a sustainable corporate culture are also key areas of action.

In 2025, CHT began using structured management assessments for the first time to systematically identify the potential, competencies, and areas for development of its executives and to make decision-making processes more objective. The goal is to make HR decisions based more on data, increase transparency and perceived fairness, and support the targeted development of leadership skills. At the same time, the assessments allow for a thorough comparison between individual competencies and the specific requirements of a position. This ensures that roles are filled more appropriately, which increases effectiveness in each position and reduces miscasting.

Another key benefit is the prevention of early turnover: If expectations, requirements, and personal strengths are made clear and aligned early on, the risk of things going wrong in the initial phase of a role is significantly reduced. This strengthens stability in key positions, increases executive satisfaction, and at the same time reduces the organizational and financial costs associated with premature turnover. The results of the assessments are incorporated into both individual development initiatives and overarching programs designed to strengthen leadership and the organization, thereby making an important contribution to ensuring the organization's long-term performance and sustainability.

ESRS 2 SBM-3, ESRS S1-4

The effectiveness of the measures described is continuously monitored using defined metrics such as turnover rates, participation rates in training programs, accident rates, and employee feedback.

Deviations from target values are analyzed and lead to targeted adjustments to existing programs or the implementation of additional measures.

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

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

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

The measures described in the areas of HR management, professional development, and occupational health and safety specifically address the identified social risks and impacts and help mitigate them while enhancing positive effects in the workplace. The effectiveness of the measures is regularly reviewed and evaluated using defined metrics, particularly employee turnover, training participation rates, and accident rates.

Measures and progress 2025

Realignment of the HR organization and workforce management as part of the RISE project

As part of the company's global realignment, a global matrix organization was introduced on July 1, 2025, as part of the RISE transformation project. The goal of this realignment is to more closely integrate strategic management, operational excellence, and global standards, and to position the organization for future challenges in a sustainable manner. The HR department plays a key role in this regard and has been specifically developed further as an integral part of the new organizational structure.

Further development of the HR organization

The global HR organization is guided by a clear vision: HR sees itself as a strategic yet supportive service function. By fostering a culture focused on learning, engagement, and high performance, HR contributes to operational excellence, establishes clear and consistent standards, and strengthens long-term employee retention. Overall responsibility for the strategic direction, governance, and consistency of all HR activities rests with the Global Vice President of Human Resources, who reports directly to the CEO of the corporate group.

The HR department is organized along two main pillars: Employee Relations and Center of Expertise. This structure ensures that proximity to day-to-day operations is consistently combined with global oversight and in-depth subject matter expertise.

Operational HR support and strategic HR partnership

The Employee Relations pillar forms the operational backbone of human resources. It oversees day-to-day HR operations in the regions and at the various sites, serves as the first point of contact for employees and managers, and ensures reliable, efficient, and employee-focused HR support. This includes, among other things, labor law issues, employee participation matters, support throughout the entire employee lifecycle, and assistance for managers in day-to-day human resources management.

Global HR Business Partners play a key strategic role. They serve as the primary points of contact for the top management of the global Business Divisions and Functions and provide comprehensive advice on HR and organizational issues. With a clear focus on strategy, organization, leadership, and culture, they ensure that the business strategy is systematically translated into sustainable workforce and people solutions and that HR is consistently aligned across all business units.

At the regional level, Regional Heads of HR Management coordinate HR matters within their respective regions, prioritize needs, and ensure that global HR initiatives, standards, and programs are effectively implemented, adapted, and supported locally. They serve as a link between global management and local implementation.

Global standards, transparency, and manageability

The second pillar, the HR Center of Expertise, provides globally applicable frameworks, processes, and subject matter expertise for key HR topics. These include, among other things, the global HR system landscape, HR reporting and workforce planning, remuneration and benefits structures, workforce management, and people and culture initiatives. This portfolio is complemented by global development programs and Group-wide dialogue initiatives that promote professional exchange and support Group-wide cultural development.

Other key areas of focus for the Center of Expertise include the ongoing development of corporate culture and global mobility, including international assignments and support for cross-border hiring.

Implementation, support, and continuous improvement

To implement the new organizational structure, employees worldwide were assigned to the defined roles and units. At the same time, newly created or revised job descriptions were posted company-wide and filled through structured internal and external selection processes. Working closely with the global Business Divisions and Functions, detailed job profiles were developed for all roles, and a globally standardized job catalog was introduced

for the first time. This provides Group-wide transparency regarding how many employees work in which areas and what tasks they perform.

Building on this structural foundation, a global staffing process was introduced that takes into account the new roles, responsibilities, and governance structures. As a result, staffing needs are consistently recorded, evaluated, and managed, forming the basis for improved resource management.

Employee dialogue, a culture of feedback, and empowerment in the transformation process

ESRS S1-5

Employees are at the heart of the CHT Group's corporate culture. Ongoing, structured dialogue is a key component in creating a trusting, value-driven, and sustainable work environment. By systematically soliciting feedback and actively involving its workforce in change processes, CHT not only strengthens employee retention and satisfaction, but also fosters mutual trust and a shared sense of responsibility for the company's continued development.

As part of the organizational transformation under the RISE project, the existing approach to employee feedback was specifically refined. The previous global employee survey, ONE Voice, has been replaced by several targeted feedback-loop surveys for the phase following the introduction of the new matrix organization. These shorter, topic-focused surveys made it possible to quickly assess how the changes are being perceived, where guidance is needed, and where there is a need for further support or adjustments.

During the first three quarters following the implementation of the new organizational structure, four such feedback loops were conducted. The results were made available to the leaders in a transparent manner, analyzed regularly, and discussed within the respective areas of responsibility. On this basis, specific measures were continuously developed to further stabilize the new structure, adapt work processes, and specifically improve collaboration within the matrix organization. This approach

facilitated an ongoing dialogue on an equal footing and allowed us to closely support the organization throughout the change process.

In addition, the CHT Dialog remains firmly established as a key tool for individual employee a leader and an leadership development. During this annual meeting between a manager and an employee, they jointly assess the employee's current status, reflect on personal performance, and discuss areas for development and future prospects. The CHT Dialog thus serves as an important foundation for individualized support, transparent career paths, and long-term employee retention. In 2025, the completion rate worldwide was over 80 %.

The organizational transformation was also accompanied by a comprehensive change management process. A global network of Change Ambassadors supported the organization in preparing for the new structure, actively guided the implementation, and promoted transparency, communication, and clarity throughout the change process. The goal was to involve employees early on, address uncertainties, and increase acceptance of the new approach to work and leadership.

At the same time, targeted training and development programs were implemented to equip employees and leaders to work within the new matrix organization. These included, among other things, training sessions on how the matrix structure works, which helped foster a shared understanding of what it means to work with functional and disciplinary reporting lines and how responsibilities can be managed clearly and constructively across different leadership roles. In addition, development programs such as the "From Peer to Leader" training format were introduced to provide targeted support to employees as they transition into new leadership roles. In addition, an **in-house coaching program** was established to provide individualized support to employees and leaders as they navigate personal and professional challenges in the context of change. The training portfolio was supplemented by **intercultural training sessions** designed to prepare employees for closer collaboration in global, cross-functional, and cross-regional teams.

By combining structured feedback, targeted training, and active change management, the CHT Group takes a holistic approach in order to ensure sustainable transformation, empower employees, and continuously develop the new organizational structure.

Performance-related remuneration and social benefits

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

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

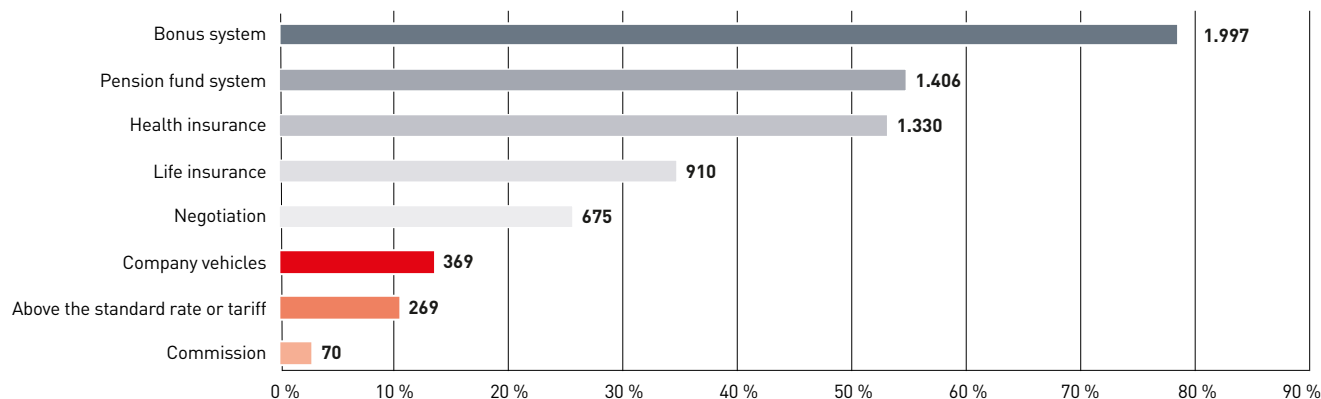
Additional benefits often go beyond legal obligations and, for example, in many countries include a company pension scheme or additional health insurance (100% coverage, as all other employees are covered by statutory health insurance).

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

G19

Employees who were eligible for additional remuneration and benefits in 2025

in %



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

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

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

In line with our principles of fair and performance-based remuneration, the CHT Group regularly reviews whether remuneration levels provide employees and their families with a reasonable standard of living. To this end, a company-wide analysis based on a benchmark from the Global Living Wage Coalition was conducted for the first time in 2023. This internationally recognized framework provides a transparent and comparable basis for assessing living wages, taking into account local costs of living.

The initial survey showed that more than 95% of employees already earn an income above the respective living wage benchmark. In the 2025 reporting year, this share increased further: 96% of CHT Group employees earned more than the living wage as defined by their respective countries. This development underscores the CHT Group’s commitment to implementing fair compensation not only as a principle, but as a measurable component of its remuneration strategy.

At the same time, the analysis serves as a targeted tool for further development. In the countries and positions where discrepancies from the living wage have been identified, individual measures are being defined to gradually close existing gaps, taking local conditions into account. The goal is to implement these adjustments in a sustainable manner and ensure their long-term viability.

Crucial structural progress was made in 2025 as part of the RISE project. The introduction of the global matrix organization and the resulting, first-ever Group-wide standardized job catalog created a key prerequisite for a further harmonized and transparent compensation framework. The job catalog provides a clear description of roles, tasks, and responsibilities and, for the first time, creates global transparency regarding which activities are performed in which areas.

Building on this, the introduction of a global job evaluation and grading system is planned for 2026. Such a system provides a crucial foundation for fair and transparent remuneration. It ensures that comparable activities are evaluated worldwide according to uniform criteria, regardless of site or organizational unit. Global grading thus supports the development of consistent salary ranges, improves internal comparability, facilitates international mobility, and strengthens employees' trust in the remuneration structure.

The fact that the CHT Group recognized this trend early on and is systematically driving it forward underscores its commitment to making remuneration an integral part of a sustainable human resources strategy. Global grading provides the structural foundation for systematically closing existing pay gaps, presenting career and development opportunities more transparently, and further strengthening the CHT Group's appeal as an employer over the long term.

To ensure this commitment, the CHT Group will continue to conduct regular reviews of its remuneration structures and further develop them in light of the cost of living, market and industry trends, and the ongoing global harmonization of HR tools.

In addition, annual salary reviews are managed on a regional basis and systematically compared with external benchmarks to ensure consistent alignment with market-based remuneration levels and to provide additional transparency in the remuneration structure.

ESRS S1-4, ESRS S1-10

Trusting cooperation with employee representatives

The trusting cooperation between employer and employee representatives is an important success factor for the CHT Group. This cooperation takes place in compliance with the legal framework and operational conditions in the countries concerned. In Germany, for example, the Works Constitution Act regulates participation rights. The employee representation in Germany represents both the employees covered by collective bargaining agreements and those not covered by such agreements at the site level and through the General Works Council. There is no committee of representatives for senior management within the CHT Group.

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

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

The CHT Group neither restricts its employees' right to freedom of assembly nor their right to collective bargaining. We grant this to our employees at all sites worldwide.

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

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

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

Well-informed

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

Working hours models and work-life balance

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

Of 2,569 employees, 90% are employed full-time and 10% part-time. Of the 858 female employees, 76% work full-time and of the 1,711 male employees, 98% work full-time.

Across the Group, we limit our employees' weekly working hours to 48 hours, unless shorter working hours already apply. The vast majority of our employees benefit from an annual leave policy that is better than the legal requirements of the respective country. In countries where legal requirements are lacking, company policies are based on local customs (e.g., the USA).

In Germany, all 942 employees – including all male employees – have a legal right to parental leave. The CHT Group also offers this option at other sites worldwide, in accordance with applicable

laws and regulations. During the course of 2025, a total of 105 employees made use of this opportunity. The proportion of men worldwide was 26 % and that of women 31 %. In the reporting year 2025, 94 employees returned from parental leave.

Basic and continuing vocational training

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

In 2025, the CHT Group trained 52 young people (56 % in CHT Germany GmbH) in recognized apprenticeships as well as in training-related and cooperative study programs. Due to changes in the organizational structure and the classification of standardized job catalogs, the trainees can no longer be identified within the global structure. In addition, the number of apprentices in Germany has declined over the past two years, as not all of the apprenticeship positions offered could be filled.

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

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

In 2025, the CHT Group invested EUR 800,000 in continuing education programs. Around 76 % of all employees worldwide participated in continuing training measures in 2025.

T19

CHT Group

Continuing training in 2025	
Number of continuing training hours	51,109 hours
Average continuing training hours per participant	26.3 hours
Total investment in continuing training programs and courses	EUR 800,000
Average investment per participant	EUR 400

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

Digital learning formats

With our digital offerings, we enable our employees to develop independently within the company, regardless of whether they are at the workplace, working from home, or traveling. The program includes self-study modules on personality development and methodological skills as well as guided exchange formats.

In 2025, the program was specifically tailored to Change Management, and short “Change Nuggets” were offered to provide targeted support throughout the change process.

Digital learning formats can also be used to provide training on specialized topics, support employee development, or ensure compliance with legal requirements – regardless of time or location.

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

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

T20

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

ESRS S1-6

	EMEA*	Americas	APAC	Total CHT Group	Men	Women
Contract status						
Permanent employees	1,407	532	427	2,366	1,598	768
Employees on fixed-term contracts	32	10	76	118	72	46
Apprentices / trainees	51	1	0	52	31	21
Apprentices / trainees	17	16	0	33	10	23
Total	1,507	559	503	2,569	1,711	858
Full-time / part-time						
Part-time employees	212	0	3	215	30	185
Full-time employees	1,227	542	500	2,269	1,640	629
Apprentices / trainees	51	1	0	52	31	21
Apprentices / trainees	17	559	0	33	10	23
Total	1,507	552	503	2,569	1,711	858

* * Europe, Middle East, Africa

Employees by contract status: Around 92 % of our employees worldwide have permanent contracts. Of the fixed-term contracts, 72 % are for apprenticeships, working students, and interns.

T21

Employees by country / region

ESRS S1-6

	Total	Women	Men
Germany	942	36 %	64 %
Europe*	520	38 %	63 %
USA	143	31 %	69 %
Central and South America	416	38 %	62 %
Africa	45	27 %	73 %
Asia	488	21 %	79 %
Australia	15	27 %	73 %
Total	2,569	33 %	67 %

* * Europe without Germany, including Turkey

T22

Turnover and company loyalty with the CHT Group

ESRS S1-6

	2023	2024	2025
Turnover in %	13	10	8
Average length of service with the CHT Group in years	10.3	10.5	9.5

T23

Employee turnover by region, gender and age

ESRS S1-6

By region	Fluctuation rate in %	Number of departures
EMEA	6.7	101
Americas	12.5	70
APAC	6.8	34
By gender		
Female	6.1	52
Male	8.9	153
By age		
< 31 years old	10.4	45
31 to 50 years old	6.8	94
> 50 years old	8.7	66
CHT Group	8.0	205
of which resignations by employees	5.3	135
of which resignations within the first 12 months	1.3	34

6.2 Diversity and equal opportunities

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

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

ESRS 2 SBM-3

Promoting diversity on an equal basis means:

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

The implementation and monitoring of diversity goals and measures is the responsibility of the HR department, which is globally represented by Business Partners. Workday provides a report on the relevant KPIs in the HR Diversity Dashboard. These are communicated directly to the Management Board, and within this composition, measures and goals are decided upon, which are then communicated to the global companies via the regionally responsible HR Business Partners.

For key social issues, the CHT Group sets measurable goals with clear timelines and regularly monitors progress toward them. Progress toward achieving these goals is monitored as part of internal management processes and presented transparently in reports.

For certain key metrics, such as global coverage by employee representative bodies, data collection is currently being established. The comprehensive collection of this information is part of the ongoing development of global HR reporting and will be expanded upon in future reporting cycles.

HR goals for 2025

ESRS S1-5

- ▶ The proportion of women in the company shall be increased to 33% in 2025 vs. 2019
- ▶ Proportion of women in management (all management levels) of 30% by 2025
- ▶ Intercultural mix in management (all management levels) of 35% by 2025
- ▶ Proportion of newly appointed women of 35% by 2025
- ▶ Living wages: The CHT Group aims to pay all members of its workforce a living wage by 2030 (100%)

Goals for 2030

ESRS S1-5

- ▶ Living wages: The CHT Group aims to pay all members of its workforce a living wage by 2030 (100%)
- ▶ CHT intends to maintain the proportion of women in management (all management levels) at ≥ 30% by 2030
- ▶ Transparent role descriptions and career paths to ensure equal opportunity and structured employee development
 - ▶ By 2030, globally standardized role profiles and job titles will be implemented for 100% of the company's workforce
- ▶ Empowering and retaining employees through development and training: Strengthening employee retention and the ability to meet current and future requirements by providing structured development programs, global training initiatives, and clear career growth opportunities across all companies
- ▶ Fair and transparent evaluation and remuneration structures
 - ▶ By 2030, 100% of positions across all companies will be evaluated using a globally standardized grading system and a uniform remuneration framework, including clearly defined bonus structures
- ▶ Implementation of global governance through the implementation of standardized HR processes that can be adapted locally to ensure compliance with local legal and operational requirements
 - ▶ Definition and implementation of global HR processes at all sites
 - ▶ Documentation of all locally required adjustments
 - ▶ Creation of standardized HR data structures
- ▶ Promoting an inclusive corporate culture by fostering an inclusive and collaborative work environment characterized by respect, engagement, and participation through structured dialogue formats and global HR initiatives that are aligned with the corporate culture and HR strategy

Measures

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

- ▶ **Intergenerational** development opportunities and teams
- ▶ **Flexible working hours models:** Over 200 models across the CHT Group
- ▶ **Continuing training:** Individual opportunities for all employees
- ▶ **Health management:** Sports programs and company doctor at many sites

As a growing international company, we see diversity as a strength and a key pillar of our long-term success. Cultural diversity is deeply embedded in our DNA and shapes the way we collaborate, innovate and grow together. That’s why we actively promote and support intercultural exchange at all levels of our company through language courses, intercultural awareness training courses, global exchange programs, and an ever-expanding international corporate structure.

Progress and key figures 2025

We promote cross-generational collaboration in our teams.

The analysis of social issues takes into account different employee groups as well as regional characteristics in order to specifically identify potential risks and impacts and address them appropriately.

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

T24

Age distribution of the CHT Group

	Number	Proportion in %
< 31 years old	432	17
31 to 50 years old	1,374	53
> 50 years old	763	30

Our goal is to increase the proportion of women in the company at all levels. In 2025, the proportion of women in the company was 33 %, thus the target set for 2025 was already achieved. Of the new employees appointed in 2025, 26 % were women.

We also promote diversity in management positions. Women and men have fundamentally identical application and career opportunities with us and receive equal access to training courses and continuing training. Our stated goal is to further increase the proportion of women in our management levels. In 2024, we set a milestone with the appointment of the first female CEO at the highest level, which led to a female quota of > 60 % in our Management Board at the beginning of 2025 with the appointment of a woman to the global COO Management Board.

T25

Diversity goal: Proportion of women in management

	Base year 2019	2023	2024	2025
Senior management*	3	5	6	7
Senior management* in %	13	17	18	20
Middle management**	98	114	125	123
Middle management** in %	33	31	31	34
Total number of women in leadership positions	101	119	131	130
Total number of women in leadership positions in %	26	27	27	30

* Senior management: Management Board and direct reports
** Middle management: Key roles in business units, regions, and support functions

By 2025, the CHT Group had achieved its overall goal of having women hold 30 % of leadership positions. In middle management, the 2025 target was already achieved in 2024, and in upper management, we also moved closer to achieving the target in 2025; however, men still make up the vast majority of the workforce.

We aim to also reflect the diversity and internationality of the CHT Group in our management. Currently, 58 nationalities are represented within the CHT Group. This is also reflected in management. The CHT Group has always relied on local management. Expatriate executives seconded from Germany generally only assume such functions on a transitional basis. The internationally positioned management team supports CHT’s intercultural approach in strategy and market development. 80 % of executives are not German citizens.

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

Strategy and management

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

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

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

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

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

The CHT Group fulfills its Group-wide management function through globally applicable guidelines, processes, and systems that are firmly embedded in our management systems. Safety is an integral part of all work areas at CHT and is implemented annually and worldwide for all employees through a mandatory training program. Binding recommendations for action provide employees, contractors and temporary workers at all our international sites with reliable guidance for safety-compliant conduct in their everyday work. As part of internal audits, we evaluate the implementation of applicable requirements locally and identify potential for optimization. External audits by independent certifiers complement our internal procedures.

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

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

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

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

ESRS E1-5, ESRS S1-14

The CHT Group's global health management is geared towards protecting and promoting health in the long term. The focus is on the employees, their work situation and the operational environment. Our approach begins with needs-based, high-quality occupational health care, which includes ergonomic support, preventive health measures, and operational emergency management. Our goal is to meet all legal requirements for occupational medicine and health protection while maintaining and improving the performance and well-being of our employees in order to avoid high rates of absence due to illness. The CHT Group offers its employees voluntary health promotion measures via the "machtfit" platform to support a healthy lifestyle. In addition, we attach great importance to a family-friendly and life phase-oriented personnel policy that enables a good work-life balance.

With appropriate offers, we counteract both a lack of work-life balance and the increase in stress-related or mental illnesses.

Incident management process

ESRS S1-14, ESRS S1 SBM-3, ESRS E2-1

To further strengthen the CHT Group's approach to health and safety, a globally standardized incident management process was implemented. This ensures that all incidents with potential or actual impacts on people, the environment, facilities, operations, or the surrounding area are systematically recorded, assessed, reported, investigated, and tracked.

This process applies to all worldwide sites, as well as to employees, contractors, and visitors. It covers all incident categories, including workplace accidents, near misses, environmental incidents (e.g., emissions or releases), process safety incidents, safety-related incidents, and operational and legal incidents.

A key element of this approach is the standardized classification of events based on defined severity levels. This classification serves as the basis for consistent prioritization, escalation, and the determination of the scope of investigation and necessary

actions. Special attention is given to potential serious injuries or fatalities (PSIFs) which may pose a significant risk even in the absence of actual harm.

Events are reported in a timely manner via standardized, site-specific systems. Depending on the severity, internal and – if necessary – external stakeholders, as well as authorities agencies, are notified. There are mandatory escalation and response times for serious incidents.

All relevant incidents are systematically investigated. Structured root cause analyses are used in this process to identify not only immediate triggers but, in particular, underlying systemic causes. The resulting actions are clearly assigned to specific individuals, given deadlines, and tracked until they are fully implemented. Any delays or deviations will be escalated as appropriate.

The findings are analyzed across all sites and communicated throughout the organization to ensure continuous improvement of safety standards and to prevent similar incidents from recurring. The incident management process is an integral part of the global ESHQE management systems and supports the CHT Group's goal of sustainably reducing workplace accidents as well as environmental and safety incidents.

Goals

- ▶ Reduction of workplace accidents within the CHT Group by 2025 (from 10.2 in 2021 to < 9.2 in 2025)
- ▶ Halving accident-related absences between 2021 and 2025
- ▶ Group-wide introduction of the LTIFR Method¹ for calculating workplace accidents
 - ▶ Reduce workplace accidents within the CHT Group by 10% by 2030, as measured by the LTIFR, compared to the 2025 LTIFR
 - ▶ Introduction of WSI (Weighted Safety Impact) as a metric for the weighted assessment of safety incidents based on severity
 - ▶ Introduction of HIRR (Hazard Identification & Reporting Rate) as a metric for tracking reported near misses and hazard observations

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

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

Deviations from set targets or negative trends are systematically analyzed. In particular, changes in definitions, data collection methods, or organizational frameworks are taken into account to ensure comparability and identify appropriate measures for improvement.

Measures

Plant and occupational safety

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

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

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

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

To protect water, the production sites focus on wastewater-free and low-wastewater production processes. Where the generation of contaminated water from production processes cannot be avoided, the wastewater is tested for biodegradability and used wherever possible. All production wastewater is pre-treated using appropriate methods, whether it is treated externally or internally. Various CHT sites are subject to zero liquid discharge regulations, and all wastewater is completely cleaned, recycled and returned to the cycle at the sites. The wastewater from our sites is carefully monitored, for example through regular sampling and analytical measurements. These analyses not only support the control of the company's own wastewater treatment plants, but also the implementation of numerous legally required self-monitoring analyses. In addition, there are numerous official surveillance measures in many countries, which are carried out in the form of unannounced inspections. Appropriate precautions have been

¹ The calculation is based on the LTIFR method: Lost Time Injury Frequency Rate
 = number of registered accidents with days lost > 1 × 1,000,000 / number of hours actually worked. The hours worked are recorded worldwide in Workday and amounted to 4,065,620 hours in 2025.

taken at all sites to prevent soil contamination. There are clear procedures and controls for collecting and storing water-polluting substances that help prevent leaks.

ESRS E2-1, ESRS E2-6

Medical emergency management

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

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

Preventive occupational health protection

The results of the risk assessments help us to prevent occupational diseases and work-related health disorders through appropriate protective measures. In 2024, preventive health protection was expanded to include risk assessment of psychological stress. By analyzing the psychological stress at specific workplaces, we aim to counteract sickness-related absences through targeted measures for each workplace or stress cluster.

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

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

Workplace health promotion

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

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

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

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

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

Progress and key figures 2025

In 2024, CHT Germany GmbH, together with the B.A.D. Health Center in Stuttgart, conducted an employee survey on psychological stress in the workplace. 58% of employees participated in the survey, the main scope of which was to determine the psychological stress factors on the one hand and the resulting stress consequences on the other. The employees of CHT Germany GmbH represent > 40% of the total global workforce. All company areas and departments were represented in the survey.

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

The plan for 2025 was to define key topics that would be further analyzed in collaboration with a focus group in order to develop targeted measures. Due to the large-scale internal organizational project carried out from January through July 2025, and the resulting organizational restructuring in both the HR department and the creation of a global EHS team – including occupational safety – this step toward resuming operations has been postponed until 2027.

The goal of halving accident-related absences from 2021 to 2025 was not achieved. In 2021, 281 days of absence related to workplace accidents were reported. In 2025, the total number of days of absenteeism was 360, which was 28 % more than in 2021. It should be noted that the definition of work-related accidents and days lost was not applied consistently across all companies in 2021. This means that a true comparison of the data between the base year 2021 and 2025 is not really possible. Starting in 2026, we will work worldwide on the base of uniform definitions and data collection standards.

In 2025, we achieved the goal we had set for ourselves in the area of occupational safety for the CHT Group, thereby successfully completing the objectives outlined in Strategy 2025. The key figure is calculated worldwide in the CHT Group using the LTIFR method. This includes all work-related accidents with an absence of at least one day or a complete shift. 2021 was defined as base year for the new calculation, with an LTIFR of 10.2. By 2025, the LTIFR ratio¹ was aimed to be reduced. In 2025, the LTIFR rate was further reduced, resulting in a value of 7.1.

ESRS S1-14

Status of the occupational safety target in 2025

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

T26

Goals for occupational safety

in %	Base year 2021	2025	2025 vs. 2021
Workplace accident rate (LTIFR method)	10.2	7.1	- 30

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

There were no work-related fatalities in the 2025 reporting period.

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

¹ The calculation is based on the LTIFR method: Lost Time Injury Frequency Rate
= number of registered accidents with days lost > 1 x 1,000,000 / number of hours actually worked. The hours worked are recorded worldwide in Workday and amounted to 4,065,620 hours in 2025.

07

Governance information



> 90 %

of relevant suppliers
worldwide were subjected
to the 2025 supplier risk
analysis



Zero

compliance incidents in
2025



100 %

of employees received
training in cybersecurity in
2025

7. Governance information

7.1 Responsible Corporate Governance / Human Rights

Strategy and management

ESRS S1-1, ESRS G1-1

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

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

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

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

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

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

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

ESRS 2 SBM-3, ESRS S1-2

Human rights, labor and social standards

ESRS S1 SBM-3

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

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

Further contents of our Code of Conduct are:

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

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

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

In addition to its Code of Conduct, the CHT Group has implemented specific guidelines for the prevention of corruption, which govern, in particular, the handling of gifts, invitations, and other benefits.

ESRS G1-1

These guidelines define binding requirements to ensure compliance with regulations, including clear criteria regarding the appropriateness, frequency, and timing of gifts, as well as specific guidelines for dealing with public officials. For high-risk situations – particularly those involving high-value invitations or public officials – binding approval processes overseen by the compliance function are in place.

ESRS G1-1, G1-3

Gifts subject to approval are systematically documented and recorded in compliance registers. These serve as the basis for monitoring, internal control systems, and the ongoing development of the compliance management system.

ESRS G1-4

These guidelines apply Group-wide to all employees, as well as to business partners, suppliers, and third parties acting on behalf of the CHT Group, and are an integral part of the relevant contractual and conduct requirements.

ESRS S2-1, G1-2

Special attention should be paid to situations involving an increased risk of corruption, particularly those involving public stakeholders and business decision-making processes. Specific control mechanisms are in place here to prevent conflicts of interest and undue influence.

ESRS G1-1, G1-4

Compliance management system

ESRS G1-1

Internal guidelines are implemented through our management systems.

Compliance activities are coordinated by the "Global Compliance & Management Systems". Independent audit services are supported by the Group-wide internal audit function. It supports all management levels in fulfilling monitoring duties and continuously improving business processes. One focus here is on the audit of internal control systems and the risk management system.

The minimum requirements for compliance management are determined by the Management Board. The aim is to avoid or minimize violations and risks. Violations should be exposed and stopped.

In addition to risk analyses, instruments that help avoid potential compliance risks include control self-assessments, awareness training courses and internal audits.

Goals of the Control Self-Assessment (CSA):

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

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

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

Our Global Vice President Compliance & Management Systems is independent and not subject to any instructions. If necessary, he can also inform the Executive Board of the Beitlich Family Foundation.

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

CHT responds consistently to identified misconduct; this may result in appropriate disciplinary action. Based on the established facts, a decision regarding the case and appropriate measures is typically made by the relevant division heads and the HR department, in collaboration with CHT's Global Vice President Compliance & Management Systems.

If necessary, CHT will also involve the relevant authorities.

Compliance reporting

ESRS G1-1, ESRS G1-3

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

The report is made available to the Management Board of the CHT Group and the CHT Board of Trustees. In addition, the Global Vice President Compliance & Management Systems reports on compliance cases directly to the Audit Committee every six months.

Goals

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

- ▶ Monitoring and keeping up-to-date with relevant laws, regulations and industry guidelines
- ▶ Enforcement of ethical standards
 - ▶ Promoting a culture of integrity and ethical conduct throughout the Group
 - ▶ Ensuring that the Group operates with integrity and ethical practices in all its operations

Measures

Whistleblower procedures

ESRS S1-3, ESRS S2-3, ESRS G1-1

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

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

The following can be reported:

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

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

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

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

Reporting channels for employees of the CHT Group

- ▶ Directly to their supervisors, the Human Resources department, or the **Global Vice President Compliance & Management Systems** at CHT (also by email: codeofconduct@cht.com)
- ▶ By submitting reports – either by name or **anonymously** – via phone, the web, or the app to our SpeakUp® whistleblower system: <https://cht.speakup.report/internal>
Please refer to the appendix for the phone numbers.

Reporting channel for third parties

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

Whistleblower protection / data protection

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

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

Processing of reports

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

Our Global Vice President Compliance & Management Systems is independent and not subject to any instructions. If necessary, he can also inform the Executive Board of the Beitlich Family Foundation.

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

CHT responds consistently to identified misconduct; this may result in appropriate disciplinary action. Based on the established facts, a decision regarding the case and appropriate measures is typically made by the relevant division heads and the HR department, in collaboration with CHT's Global Vice President Compliance & Management Systems.

If necessary, CHT will also involve the relevant authorities.

Response and protection of whistleblowers

We will contact whistleblowers as soon as possible.

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

Details about our reporting channels are available to employees on our website www.cht.com and on the CHT intranet.

Anti-corruption policy

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

E-learning training concept for the CHT Group

ESRS G1-1, ESRS G1-3

The CHT Group currently conducts compliance training every two years.

The following list details the most recent campaign launched at the end of the reporting period; the content includes the following points:

- ▶ Fundamentals of compliance including the CHT Group's Code of Conduct
- ▶ Code of Conduct (lawpilots GmbH)
- ▶ Corruption prevention for purchasing, sales and marketing
- ▶ Antitrust law
- ▶ Prevention of money laundering and terrorist financing
- ▶ Export control and dealing with embargoes
- ▶ Protection of trade secrets
- ▶ AGG (the German General Act on Equal Treatment) and equal treatment
- ▶ AGG for executives
- ▶ Sexual harassment in the workplace
- ▶ Whistleblowing and whistleblower protection

Based on a risk assessment, the aforementioned training topics were assigned to CHT Group employees according to their respective areas of responsibility and duties.

All CHT Group employees are required to complete the following training courses:

- ▶ Fundamentals of compliance, including the CHT Group's Code of Conduct
- ▶ Code of Conduct (lawpilots GmbH)
- ▶ Sexual harassment in the workplace
- ▶ Whistleblowing and whistleblower protection

All assigned training courses are mandatory and must be completed by May 2026.

Progress during 2025

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

With the addition of an internal auditor during the prior-year reporting period, internal audits are now conducted Group-wide as part of the third line of defense in the internal control system.

- ▶ Thanks to new features in our HR management tool and the implementation of Group-wide standardized job profiles, training programs can now be assigned to CHT Group employees in an even more targeted manner
- ▶ The effectiveness of the governance, compliance, and due diligence processes is regularly assessed using defined indicators. These include, in particular, the results of risk analyses, internal reviews (e.g., audits, control self-assessments), the implementation of training programs, and the analysis and handling of incoming reports. Any irregularities (e.g., recurring issues, delays in processing, gaps in documentation) are documented, their causes analyzed, and the findings incorporated into improvement measures. The implementation and effectiveness of these improvements will be reviewed in the next cycle.

T27

Key figures – training completion rate (as of 2024: based on a two-year cycle)

ESRS S1-1, ESRS G1-3

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

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

T28

Monitoring and processing of compliance reports

ESRS G1-4, ESRS S1-17

Total compliance reports	11
processed and completed	10
In progress	1
confirmed compliance violations	0
unconfirmed compliance violations	0
no compliance issue	8
no tracking possible*	2

* due to missing information

T29

Category

Human rights (including child labor)	0
Fraud	0
Corruption	0
Abuse of power	0
Sexual harassment	0
Information and data protection	0
Code of Conduct	0
Legal violations	0

Measures taken to penalize compliance violations and for prevention

No disciplinary measures had to be taken for compliance violations, as there were no compliance violations during the 2025 reporting period.

The scope of preventive measures (awareness training) has been expanded to include two additional training sessions:

- ▶ Sexual harassment in the workplace
- ▶ Whistleblowing and whistleblower protection

Issues such as political influence and payment practices are monitored as part of internal governance and compliance assessments. If these topics are identified as material, they will be reported accordingly in future reporting cycles; otherwise, they will be classified as immaterial, and the rationale for this classification will be explained as part of the materiality assessment.

ESRS G1-6

Data protection management

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

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

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

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

7.2 Cybersecurity and information security

ESRS 2 SBM-3

Cybersecurity and information security risks pose significant operational and financial risks to the CHT Group. These include, in particular, risks arising from cyberattacks (e.g., ransomware, phishing), data loss, system failures, and disruptions to production and delivery capabilities. These risks may result in direct financial consequences (e.g., business interruptions, recovery costs, regulatory penalties) as well as indirect consequences (e.g., damage to reputation, loss of customer trust). Risks are assessed as part of the Group-wide risk management system and are taken into account when prioritizing information security measures.

Strategy and management

ESRS G1-1

Information security (IS) and cybersecurity are integral components of the CHT Group's corporate governance and contribute to the stability and resilience of business-critical processes. The goal is to protect information assets and information-processing systems in IT, OT (operational technology), and organizational contexts, taking into account the security objectives of confidentiality, integrity, and availability.

The CHT Group follows a risk-based approach. Security measures are appropriately prioritized and implemented based on their business relevance, identified risks, and regulatory requirements. The goal here is not to achieve maximum protection, but rather a robust, economically viable, and continuously reviewed level of security. The identification, assessment, and monitoring of cybersecurity and information security risks are carried out as part of a structured risk management process.

This includes:

- ▶ Regular risk analyses at the Group and company levels
- ▶ Assessment of risks in terms of probability of occurrence and potential for damage
- ▶ Identification and prioritization of appropriate measures
- ▶ Continuous monitoring and regular assessment of effectiveness

The results are reported to the Management Board and incorporated into the strategic management of information security.

IT and OT are considered together within the context of information security at CHT. Both areas are essential for the stability of business-critical processes as well as for production and delivery capabilities. Security requirements are defined Group-wide and implemented within a uniform framework. Overall responsibility for information security rests the Management Board. Operational implementation is carried out by the information security organization in collaboration with the relevant departments. Governance, management, and effectiveness monitoring are carried out based on defined processes, regular evaluations, and the continuous refinement of measures.

To oversee the operational management of information security, the Management Board has appointed a Group Information Security Officer (GISO). The GISO serves as the central point of contact for all matters related to information security within the CHT Group and is responsible for the further development, implementation, and monitoring of the information security management system.

In this role, the GISO reports regularly to the Management Board and has the right to escalate issues and make presentations directly. This ensures that relevant risks, incidents, and areas requiring action are addressed in a timely manner and that decisions can be made at the Management Board level.

The clear allocation of responsibilities and operational management supports effective governance and strengthens the CHT Group's resilience to digital risks.

Governance approach & management principles

Information security at the CHT Group is managed according to a risk-based governance approach. Security measures are prioritized where they are necessary to protect business-critical processes, sensitive information, and the stability of production and infrastructure.

Decisions regarding security measures take into account not only the risk situation but also operational, regulatory, and economic factors.

Management is carried out within clearly defined lines of responsibility. Overarching security requirements are established at the Group level, while the companies within the CHT Group can independently implement appropriate measures within this framework. This approach ensures a consistent security architecture while also allowing local conditions to be taken into account as needed.

Goals for 2025

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

Goals for 2030

- ▶ Ensuring an appropriate, risk-based level of protection for information assets and systems
- ▶ Strengthening the resilience of business-critical IT and OT infrastructures
- ▶ Reducing vulnerability to cyberattacks, such as phishing-based attacks
- ▶ Establishment and continuous improvement of a Group-wide information security management system (ISMS) for the sustainable management of information security
- ▶ Promoting security awareness and annual training for all (100%) employees as an integral part of information security

Measures in 2025

During the 2025 reporting year, measures to implement the information security and cybersecurity strategy were further developed and implemented on a risk-based basis:

- ▶ **Implementation of an information security management system (ISMS)**
Implementation of an ISMS based on established standards (ISO/IEC 27001, BSI basic protection) and taking regulatory requirements into account (including, among others, NIS-2)
- ▶ **Further development of the security architecture (“zero-trust approach”)**
Implementation of an architecture-based security model with enhanced separation of systems and consistent access controls
- ▶ **Securing identities and access**
Group-wide implementation and use of multi-factor authentication (MFA) and conditional access mechanisms for risk-based access control
- ▶ **Expansion of patch and vulnerability management**
Optimization of existing processes for identifying, assessing, and addressing vulnerabilities, with the goal of reducing response times and enhancing system hardening
- ▶ **Conducting recurring external security audits**
Regular penetration tests to identify technical vulnerabilities, as well as the structured development and implementation of improvement measures

Further development of security monitoring

Establishment and further development of centralized monitoring and analysis mechanisms (including Security Operations Center-based analyses) as well as structured analysis of security-related events

Mandatory awareness and training measures

Group-wide mandatory implementation of training and awareness measures, as well as regular simulated phishing campaigns

Consideration of regulatory requirements in the aviation context

Maintenance and implementation of requirements as part of certification as a known consignor (aviation security requirements), including risk-based security measures

Regulatory competence:

- ▶ Global regulatory competence: The CHT Group’s overarching security requirements are defined centrally at the Group level
- ▶ Local regulatory competence: Companies within the CHT Group can independently implement appropriate measures within the global framework, taking local conditions into account
 - ▶ Security incidents are recorded, classified, and handled through defined processes. Critical incidents are escalated and reported to the Management Board. Lessons learned from incidents are systematically incorporated into the further development of security measures

Security over availability:

If security risks are identified, the availability of systems and applications may be temporarily restricted to the extent necessary to maintain information security.

Information security measures are an integral part of the CHT Group’s internal control system. They include preventive, detective, and reactive controls, which are regularly reviewed as part of internal audits and other audit procedures. Information security controls are embedded in the three lines of defense of the internal control system and support compliance with regulatory requirements.

Progress during 2025*

Defined performance indicators are used to manage and evaluate information security. These include, in particular:

- ▶ Human risk score (%)
- ▶ Phishing susceptibility rate (%)
- ▶ Phishing reporting rate (%)
- ▶ Percentage of high-risk users (%)
- ▶ Employee training rate (%)

The key performance indicators are collected regularly, analyzed over time, and used to guide actions. For security reasons, detailed quantitative data is published exclusively in aggregated form.

In the area of information security, the focus during the reporting period was on reducing user-related risks and sustainably raising security awareness.

A key performance indicator is the so-called “human risk score” which provides an aggregated view of the security risk resulting from user behavior. This figure was reduced to 2.5% during the reporting period and is thus well below the new benchmark of approximately 3.5% for comparable companies. The defined goal of below-average risk exposure was thus achieved.

In addition, the phishing susceptibility rate is measured, which indicates the percentage of employees who respond to simulated phishing attacks. This metric has been steadily reduced over time and demonstrates improved resilience against social engineering attacks.

At the same time, the phishing reporting rate continued to rise. A growing proportion of employees are identifying suspicious content and actively reporting it, which plays a significant role in the early detection of potential security incidents.

* To ensure an appropriate level of protection, detailed quantitative data on security-critical metrics are not disclosed.

Sustainable development is measured by the awareness improvement rate, which reflects a continuous improvement in safety behavior over multiple training and simulation cycles.

To further differentiate, the proportion of users with an elevated risk profile is managed using the “high-risk user ratio” metric. This percentage remained stable at a low level during the reporting period.

Overall, the key figures demonstrate a significant reduction in user-related risks and the effective establishment of a security-oriented corporate culture, while at the same time avoiding the disclosure of security-critical details.

To evaluate the effectiveness of some of the cybersecurity measures that have been implemented, key metrics derived from the continuous monitoring and analysis of security-related events are used.

A generally positive trend can be observed over the monitoring period, which is attributable to the consistent refinement of monitoring and analysis processes as well as increased awareness regarding the handling of potential security risks.

The underlying key performance indicators are within the expected target range and confirm the effectiveness of the measures that have been implemented.

To ensure information security, the data is presented exclusively in aggregated written form, so that no conclusions can be drawn about specific systems, events, or detection mechanisms.

7.3 Responsibility in the supply chain

Strategy and management

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

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

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

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

In addition to economic aspects, our procurement strategy also takes into account criteria such as health, quality, safety, social issues and environmental protection. The integration of sustainability into the procurement strategy to identify, mitigate and eliminate social and environmental risks in the supply chain is becoming increasingly important for the CHT Group. For this reason, the Purchasing team was reinforced.

Global purchasing is managed from Germany and supported by local units in the CHT companies and at the sites. In 2025, we purchased raw materials, merchandise, technical goods and services, as well as energy and other operating resources worth EUR 350 million from our approximately 2,000 suppliers. 80 % of the global purchasing volume was handled with 270 suppliers. In 2025, 66 % was implemented in Europe, 15 % in Asia and 19 % in the Americas. The share of raw materials and merchandise in the total purchasing volume was 71 % in 2025. Of this, 92 % were petrochemical raw materials.

The purchasing policy also describes how to deal with suppliers. In 2025, work was underway on a scorecard designed to support supplier selection based on defined sustainability criteria. In the future, this scorecard will support the sustainable supplier management process, which is designed to identify and eliminate potential human rights risks and environmental impacts before entering into a business relationship. The annual review of all suppliers as part of a risk assessment is intended to ensure that the suppliers comply with CHT's sustainability requirements. Exclusion criteria may primarily include disregard for the ILO core labor standards, serious deficiencies in occupational health and safety, and serious violations of recognized environmental and social standards by the supplier. CHT is prepared to support suppliers in remedying any deficiencies. Global Vice President Procurement is responsible for sustainable supplier management.

ESRS G1-2

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

Compliance with laws

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

Human rights and fair working conditions

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

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Avoiding conflicts of interest

Avoiding dangers to people and the environment

- ▶ Compliance with environmental and health protection regulations
- ▶ Health and safety in the workplace
- ▶ Product safety and quality
- ▶ Environmental protection and resource efficiency

Promoting fair competition

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

ESRS S2-1, ESRS S2-3

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

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

Engaging potentially affected stakeholders throughout the supply chain is a material component of human rights due diligence. The CHT Group is currently developing a structured approach to more systematically incorporate feedback and expectations, particularly from employees, at direct and, as far as possible, indirect suppliers into its risk identification and action planning processes.

Until full implementation, we will use existing mechanisms (including, among others, supplier risk assessments, audits, supplier roundtable meetings, and a whistleblower channel) to obtain relevant information on human rights risks and impacts. The effectiveness and practicality of the approach are reviewed and refined as part of the annual risk analysis.

ESRS S2-2, ESRS S2-5

Goal

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

Goals by 2030

- ▶ Increase in the volume of procurement from suppliers assessed for sustainability by 2030 compared to the base year 2026
- ▶ Implementation of a tool to manage global sustainable supplier management and supplier risk management
- ▶ Increase in procurement volume based on primary sustainability data (PCF, bio-based content) compared to the base year 2026
- ▶ Supporting the reduction of Scope 3.1 emissions through the procurement of low-emission raw materials and the expansion of the supplier base in line with existing SBTi targets
- ▶ Building sustainability expertise in the Procurement department: 100 % of all buyers will have received sustainability training by the end of 2028

By carefully selecting our suppliers, we ensure not only that their own sustainability standards are met, but also that sustainability is increased throughout the entire value chain. We conduct a separate review of suppliers of critical raw materials that are associated with potential supply or reputational risks or are subject to legal restrictions in certain countries. For these critical raw materials, we have established various review steps in our procurement strategy that help to significantly minimize risks. Critical raw materials include, for example, conflict minerals and non-renewable raw materials.

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

ESRS S2-5

Measures

Supplier-related risk analysis

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

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

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

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

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

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

In addition, our risk analysis includes an assessment step that clarifies the strategic importance of the supplier and its economic impact on the CHT Group. Raw materials that have been identified jointly with the Business Field as being of increased importance are, for example, key raw materials or a single-source situation. We are consistently working on expanding our strategic supplier relationships and qualifying new suppliers to minimize the risks associated with raw material procurement.

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

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

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

ESRS S2-3

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

Qualification and evaluation of suppliers

ESRS G1-2, ESRS S2-2, ESRS S2-4

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

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

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

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

Roundtable meetings:

As part of our climate protection activities and to support our reduction potential as well as to increase transparency regarding the sustainability activities of our strategic suppliers, we initiated the sustainability roundtable meetings in 2022. The annual meetings give an insight into how far our suppliers have progressed in their sustainability efforts, how and with which measures the suppliers implement climate protection in their companies, and to what extent they can support CHT's climate protection goals with primary data.

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

Conflict minerals

ESRS S2 SBM-3

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

Progress and key figures 2025

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

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

> 90 % of all relevant suppliers to the CHT Group were reviewed as part of the internal supplier risk assessment. Suppliers from both direct and indirect purchasing were included.

330 of the assessed suppliers (15%) had a high risk and 810 (37%) had a medium risk. The sustainability questionnaire was sent to all of these suppliers. The 1044 assessed suppliers (48%) who were classified as low-risk were not subject to any further action.

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

The sustainability questionnaire for suppliers contains questions to verify compliance with human rights and labor law due diligence obligations regarding environmental protection, occupational health and safety, and compliance. The evaluation or the score achieved has an impact on the qualification of the suppliers. Suppliers with a medium- or high-risk rating generally have the opportunity to improve their assessment. By meeting certain sustainability and compliance requirements, they can be reclassified into a lower risk category. The final assessment is conducted as part of a joint review by the Risk Assessment Project Management team and Procurement.

Based on the evaluations and the submitted EcoVadis certifications, the 2025 risk assessment showed a risk reduction of 52 % for raw materials and 15 % for indirect purchasing for suppliers who were originally rated as high-risk.

In 2025, the only supplier supplying CHT with tin-bearing raw materials was audited for conflict minerals assessment. The supplier has demonstrated through his qualification process and proof of origin that the CHT Group does not source any conflict materials.

In 2025, 20 sustainability roundtable meetings were held in Germany with suppliers of strategic raw materials, logistics partners, and suppliers of packaging materials. A uniform agenda applies to all these meetings and the agreed improvement measures are recorded in the joint minutes. In 2026, the sustainability roundtable meetings will be further rolled out and internationalized from 2027 onwards.

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

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

CHT sites	High risk	Medium risk	Low risk	Total
CHT Germany GmbH	15	57	588	660
CHT Italy	1	58	9	68
CHT Turkey	38	113	65	216
CHT UK	0	39	22	61
CHT Switzerland	6	82	188	276
CHT USA	1	76	57	134
CHT Brazil	89	101	7	197
CHT Colombia	6	22	17	45
CHT Mexico	13	82	16	111
CHT Peru	13	6	1	20
CHT Australia	2	6	9	17
CHT South Africa	13	13	0	26
CHT China	4	118	43	165
CHT India	60	22	2	84
CHT Pakistan	62	14	20	96
CHT Bangladesh	7	1	0	8
Total	330	810	1044	2,184

8. Appendices

ESRS Index: Covered disclosure requirements

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ESRS standard	Disclosure	Material*	Phase-in used	Page reference
ESRS 2	General information	x		
BP-1	General principles for the preparation of sustainability statements	x		3 et seq. 18 et seq.
BP-2	Information related to specific circumstances	x		3 et seq. 18 et seq.
GOV-1	The role of administrative, management and supervisory bodies	x		31 et seq.
GOV-2	Engagement of committees in sustainability aspects	x		31 et seq.
GOV-3	Inclusion of sustainability-related performance in incentive systems	x	x	32
GOV-4	Declaration of due diligence	x	x	32
GOV-5	Risk management and internal controls of sustainability reporting	x		27 et seq.
SBM-1	Strategy, business model and value chain	x		7 et seq.
SBM-2	Interests and viewpoints of stakeholders	x		19 et seq.
SBM-3	Material IROs and their interaction with strategy and business model	x		24 et seq.
IRO-1	Procedures for identifying and evaluating material IROs	x		21 et seq.
IRO-2	Disclosure obligations	x		24 et seq.
ESRS E1	Climate change	x		
ESRS 2 GOV-3	Inclusion of sustainability-related performance in incentive systems	x	x	32
E1-1	Transition plan for climate protection	x		37 et seq.
ESRS 2 SBM-3	Material IROs and their interaction with strategy and business model	x		24 et seq.
ESRS 2 IRO-1	Procedures for identifying and evaluating material IROs	x		21 et seq.
E1-2	Strategy related to climate change mitigation and adaptation	x		32 et seq.

ESRS standard	Disclosure	Material*	Phase-in used	Page reference
E1-3	Measures and resources related to climate strategies	x		38 et seq.
E1-4	Goals related to climate protection and adaptation to climate change	x		37 et seq. 43 et seq.
E1-5	Energy consumption and energy mix	x		48
E1-6	Gross GHG emissions in Scope 1, 2 and 3 categories and total GHG emissions	x		40 et seq.
E1-7	Greenhouse gas reduction and greenhouse gas reduction projects financed through carbon credits	x	x	42
E1-8	Internal CO ₂ pricing	x		38
E1-9	Expected financial impacts of material physical and transition risks and potential climate-related opportunities	x	x	
ESRS E2	Environmental pollution	x		
ESRS 2 IRO-1	Procedures for identifying and assessing the material IROs related to environmental pollution	x		21 et seq. 33 et seq.
E2-1	Strategies related to environmental pollution	x		36 et seq. 49 et seq. 53 et seq. 68 et seq.
E2-2	Measures and means related to environmental pollution	x		53 et seq. 72 et seq.
E2-3	Targets related to environmental pollution	x		53 et seq. 72 et seq.
E2-4	Air, water and soil pollution	x		49 et seq. 72 et seq.
E2-5	Substances of concern and substances of very high concern	x		61
E2-6	Expected financial impacts of IROs related to environmental pollution	x	x	

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ESRS standard	Disclosure	Material*	Phase-in used	Page reference
ESRS E3	Water and marine resources	x		
ESRS 2 IRO-1	Procedures for identifying and assessing material IROs related to water and marine resources	x		21 et seq.
E3-1	Strategies related to water and marine resources	x		49 et seq.
E3-2	Measures and resources related to water and marine resources	x		49 et seq.
E3-3	Goals related to water and marine resources	x		49 et seq.
E3-4	Water consumption	x		51
E3-5	Expected financial impacts of IROs related to water and marine resources	x	x	
ESRS E4	Biodiversity and ecosystems			
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model		x	56
ESRS 2 SBM-3	Material IROs and their interaction with strategy and business model		x	21 et seq.
ESRS 2 IRO-1	Procedures for identifying and assessing material IROs related to biodiversity and ecosystems		x	21 et seq.
E4-2	Strategies related to biodiversity and ecosystems		x	56
E4-3	Measures and resources related to biodiversity and ecosystems		x	
E4-4	Goals related to biodiversity and ecosystems		x	
E4-5	Impact parameters related to biodiversity and ecosystem changes		x	
E4-6	Expected financial impacts of IROs related to biodiversity and ecosystems		x	
ESRS E5	Use of resources and the circular economy	x		
ESRS 2 IRO-1	Procedures for identifying and assessing material IROs related to the use of resources and the circular economy	x		21 et seq.
ES-1	Strategies related to the use of resources and circular economy	x		53 et seq.
ES-2	Measures and means related to the use of resources and the circular economy	x		53 et seq.
ES-3	Goals related to the use of resources and the circular economy	x		54
ES-4	Resource inflows	x	x	

ESRS standard	Disclosure	Material*	Phase-in used	Page reference
ES-5	Resource outflows	x		55
ES-6	Expected financial impacts of IROs related to the use of resources and the circular economy	x	x	
ESRS S1	Our own workforce	x		
ESRS 2 SBM-2	Interests and viewpoints of stakeholders	x		19 et seq.
ESRS 2 SBM-3	Material IROs and their interaction with strategy and business model	x		23 et seq. 63 et seq.
S1-1	Strategies related to our own workforce	x		63 et seq.
S1-2	Procedures for involving our own workers and employee representatives with regard to impacts	x		58 et seq. 63 et seq. 64 et seq. 78 et seq.
S1-3	Procedures for addressing adverse impacts and channels through which employees can raise concerns	x		65 72 et seq. 78 et seq.
S1-4	Measures with regard to material IROs among the company's own workforce and their effectiveness	x		64 et seq.
S1-5	Goals related to addressing significant negative impacts, promoting positive impacts and managing significant risks and opportunities	x		70
S1-6	Characteristics of the company's employees	x		69 71
S1-7	Characteristics of non-contracted employees in the company's own workforce			
S1-8	Collective bargaining coverage and social dialogue	x		66 et seq.
S1-9	Diversity parameters	x		70 et seq.
S1-10	Adequate remuneration	x		66 et seq.
S1-11	Social protection	x	x	62 et seq.
S1-12	Persons with disabilities			
S1-13	Parameters for training and skills development	x		68 et seq.
S1-14	Health and safety parameters	x		72 et seq.
S1-15	Parameters for the compatibility of work and private life	x		70 et seq.
S1-16	Remuneration parameters (earnings differences and total remuneration)	x	x	67

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ESRS standard	Disclosure	Material*	Phase-in used	Page reference
S1-17	Human rights incidents, complaints and serious impacts	x		78 et seq.
ESRS S2	Workforce in the value chain	x		
ESRS 2 SBM-2	Interests and viewpoints of stakeholders	x		19 et seq.
ESRS 2 SBM-3	Material IROs and their interaction with strategy and business model	x		21 et seq.
S2-1	Strategies related to workforce in the value chain	x		77 et seq. 85 et seq.
S2-2	Procedures for involving workforce in the value chain with regard to impacts	x		77 et seq.
S2-3	Procedures for addressing adverse impacts and channels for raising concerns	x		78 et seq.
S2-4	Measures on material IROs for workforce in the value chain and their effectiveness	x		85 et seq.

ESRS standard	Disclosure	Material*	Phase-in used	Page reference
S2-5	Goals related to addressing material negative impacts, promoting positive impacts and managing material risks and opportunities			77 et seq. 85 et seq.
ESRS S3	Affected communities			
ESRS S4	Consumers and end users	x		9 18 et seq. 43 et seq. 53 et seq. 57 et seq.
ESRS G1	Corporate policy	x		
ESRS 2 GOV-1	The role of administrative, management and supervisory bodies	x		31 et seq.
ESRS 2 IRO-1	Procedures for identifying and evaluating material IROs	x		21 et seq. 76 et seq.
G1-1	Strategies related to corporate policy and corporate culture	x		11 24 et seq. 76 et seq.
G1-2	Management of relationships with suppliers	x		85 et seq.
G1-3	Prevention and detection of corruption and bribery	x		77 et seq.
G1-4	Confirmed cases of corruption or bribery	x		81

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

Glossary

A

Additives

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

AGG

German General Equal Treatment Act

AGM

Annual General Meeting

AOX

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

APEO

Alkylphenol ethoxylate

B

BAUA

German Institute for Occupational Safety and Health

BAVC

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

BfR

German Institute for Risk Assessment

Biodiversity

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

bluesign®

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

C

Circular economy

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

CLP

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

CMR

Carcinogenic, mutagenic and toxic to reproduction

CO₂

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

Code of Conduct

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

CoRAP

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

Corporate Governance

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

CSA

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

COD value

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

CSR

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

CSRD

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

CSS

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

Cradle to Gate

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

D

Defossilization

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

Dispersants

Additives that make it possible to mix two immiscible substances

E

EBIT

Earnings before interest and taxes

ECHA

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

ecoinvent

Life cycle assessment database

EcoVadis

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

EHS

Environment, Health, Safety: Environmental protection, health and occupational safety

Electro potting

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

EPEA

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

ERP System

Enterprise Resource Planning System: Resource planning software

ESG

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

ESRS

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

ETAD

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

European Green Deal

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

F

G

GHG

Greenhouse gas: greenhouse gas emissions

GOTS

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

Greenhouse Gas Protocol Standards

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

GRI

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

GROW

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

H

HCM

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

I

IG BCE

German trade union for Mining, Chemicals and Energy

IRO

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

ISO

International Organization for Standardization

J

K

KPI

Key Performance Indicator

L**LCA**

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

LksG

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

Local heating

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

LPG

Liquefied petroleum gas: propellant gas

LTIFR

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

M**Mass balance**

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

Materiality analysis

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

MRO

Maintenance, Repair and Operations

N**Net zero emissions**

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

NGO

Non-Governmental Organization

O**OECD**

Organization for Economic Co-operation and Development

Oeko-Tex® Standard 100

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

P**Paris Climate Agreement**

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

Phishing

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

PPA

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

Product Stewardship

Holistic product responsibility with regard to environmental, safety and health aspects along the entire supply chain – from the procurement of raw materials through production to application

Q**QRPI**

Quality, Regulatory and Product Information: Similar to a product passport, which summarizes all information about CHT products regarding quality, product safety, certifications and legal regulations including chemical compositions

R**R&D quota**

Research and development expenditure in relation to sales

REACH

Registration, Evaluation, Authorization and Restriction of Chemicals: EU chemicals regulation

Responsible Care

Responsible Care is an initiative of the chemical industry with the goals of striving for continuous improvement in the areas of environment, safety and health, independent of legal requirements, and of regularly demonstrating this progress publicly.

Retention agents

Substances that cause the retention of substances

Rheology additives

Thickeners based on guarana, a natural plant

ROS

Return On Sales

S

SBTi

Science-Based Targets initiative

Scope 1

Direct emissions of climate-damaging gases within the company

Scope 2

Indirect emissions of climate-damaging gases by energy suppliers

Scope 3

Indirect emissions of climate-damaging gases in the upstream and downstream supply chain

SCTI

Sustainable Chemistry for the Textile Industry: SCTI is committed to working together for a more sustainable and safer textile industry

SDG

Sustainable Development Goals: The 17 Sustainable Development Goals are political goals of the United Nations that aim to ensure sustainable development worldwide on an economic, social and ecological level.

SpeakUp®

Whistleblower platform for companies

Stakeholders

Persons or groups whose interests are linked to those of a company in many ways

SVHC

Substances of very high concern

T

Taxonomy

A taxonomy is a uniform procedure or model with which objects are classified according to certain criteria, i.e., they are placed into categories or classes. The EU Taxonomy Regulation describes a framework for the general classification of “green” or “sustainable” economic activities within the EU

TEGEWA

Association of manufacturers of textile, paper, leather and fur, auxiliaries and dyes, surfactants, complexing agents, antimicrobial agents, polymeric flocculants, cosmetic raw materials and pharmaceutical excipients or related products

TfS

Together for Sustainability: A chemical industry initiative for greater sustainability in the supply chain

U

UN Global Compact

United Nations initiative: Based on 10 universal principles and the sustainable development goals, the UN Global Compact pursues the vision of a more inclusive and sustainable economy for the benefit of all people, communities and markets, today and in the future

V

VCI

The Association of the Chemical Industry represents the interests of the industry in relation to politics, authorities and other areas of the economy

VOC

Volatile Organic Compounds. These are organic chemical compounds with a boiling range of approximately 50 – 260 °C

W

WBCSD

World Business Council for Sustainable Development: An organization that deals exclusively with the topic of “economy and sustainable development”. The WBCSD represents business interests at UN climate conferences

WWF

The World Wide Fund for Nature is an international non-governmental organization dedicated to protecting the environment and preserving biodiversity. The WWF was founded in 1961 and is one of the largest and most experienced conservation organizations in the world

WWF-Water Risk Filter

The Risk Filter is an online tool for companies and investors to assess and manage water-related risks in their operations, value chains and investments

XY

Z

ZDHC

Zero Discharge of Hazardous Chemicals: Association of textile manufacturers and their suppliers with the aim of eliminating chemicals that are harmful to health and the environment from their production