

An aerial photograph showing a dense green forest on the right and a brown, textured body of water on the left, separated by a curved shoreline. The text 'Sustainability Report 2022' is overlaid in white on the forest area.

Sustainability Report 2022



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Dear reader,

The year 2022 was driven by uncertainty and change. Especially in the areas of energy, inflation, and geopolitics we have faced issues and challenges that were unthinkable of beforehand. Nonetheless, the CABB Group continued the path of its business and sustainability strategy. We completed a double-digit million-euro investment in Finland and delivered strong financial results against all odds. But not only our business is growing. The CABB Sustainability Report is growing rapidly as well. We can extend our coverage year by year to provide you with new key performance indicators (KPI). These not only include all sites of the CABB Group but also a larger set of key figures, such as our Scope 3 emissions from 2019 to 2022, which we can report on for the first time. This report further documents the progress of the CABB Group's sustainability strategy, transparently showing our achievements and challenges. In addition, we have set new targets in all reporting areas and continue to report more and more in line with the standards of the Global Reporting Initiative.

A sustainable world is only attainable if everyone combines efforts. This belief is anchored deeply within the CABB Group's core values. Whilst we are working hard on reducing our Scope 1 and 2 emissions by continuously improving our production processes and by investing in energy-efficient and closed-loop infrastructure, the one KPI that exemplarily highlights our belief in combined efforts are the Scope 3 emissions. They document the share of greenhouse gas emissions that arises from the upstream value chain. Every raw material bought, every transport made contributes to an enterprise's emissions. Therefore, it comes as no surprise that the Scope 3 emissions represent the major share in the CABB Group's total emissions. And the value chain effect is a challenge our entire industry faces when it comes to achieving environmental and social sustainability goals. For this reason, we not only consider it our duty to constantly improve ourselves in the most responsible way possible, but to also encourage and assist our suppliers to do the same.

A sustainable world is only attainable if everyone combines efforts.

In the past few years, we have extended our contribution to and active participation in industry sustainability initiatives. Since April 2022, the CABB Group is a proud member of the global initiative “Together for Sustainability” (TfS). This is a milestone within our sustainability strategy. The initiative’s stated goal is to use global standards to drive and deliver measurable improvements that make supply chains more transparent and resilient. As a global alliance of key industry representatives, TfS enables sustainable change to be pursued jointly, ensuring much better results than working alone or in a bilateral way.

TfS defines global guidelines – particularly in the areas of environment, social and governance – which can be used to assess and improve the performance of partner organizations and then verifies these through audits. As a result, our suppliers benefit from comprehensive feedback that enables them to improve their own sustainability efforts. This not only has a very concrete effect on the procurement of the CABB Group but also a great impact on general supply chain transparency and underlines our continuous efforts to improve social and environmental aspects throughout the entire supply chain.

Fostering and developing an even more sustainable business also means fostering and developing a safe and diverse workplace, because people are at the heart of our business. The CABB Group has therefore taken a set of organizational measures to tackle the challenges that the future will bring. These challenges range from demographic change to development of employees including managers, and digitalization. Such measures are the introduction of the new positions of a Chief HR Officer and a dedicated global Health & Safety Manager as well as reporting on a wider array of KPI regarding social factors.

In 2022, CABB has launched the group-wide workplace safety program #BehaviouralSafety which will be continued well into 2023 and thoroughly reported on in the next issue of our Sustainability Report. It is a matter of great importance to me to emphasize the significance of this project. Safety and security are our number-one priority. This includes occupational and process safety, social security as well as the personal well-being of our employees. We are counting on everyone to take the opportunity of #BehaviouralSafety to tell us where they see challenges and problems and how these could be addressed. This will help us to ensure that we achieve our ambitious goals within the social dimension of the CABB Group’s sustainability strategy.

Considering the world events, the international supply chains remain fragile, and the industry has to contend with both an impending energy crisis and inflation. With the Russia-Ukraine conflict having real economic consequences, we are yet to see how global markets will perform in the long term. Considering all these factors, the stamina and positivity all the CABB Group’s employees and stakeholders have displayed are even more deserving of the greatest respect. Facing all those fast-paced changes and economic insecurities, our leitmotif remains the same: In a world that is increasingly dominated by climate change and scarcity of resources, we can look forward to a successful future together only by thinking and acting sustainably. Once more, I gladly express our delight on behalf of the entire CABB Group that you are accompanying and supporting us on this journey.

Sincerely yours,



Valerie Diele-Braun
CEO CABB Group

Fostering and developing an even more sustainable business also means fostering and developing a safe and diverse workplace.



1 Sustainability Strategy

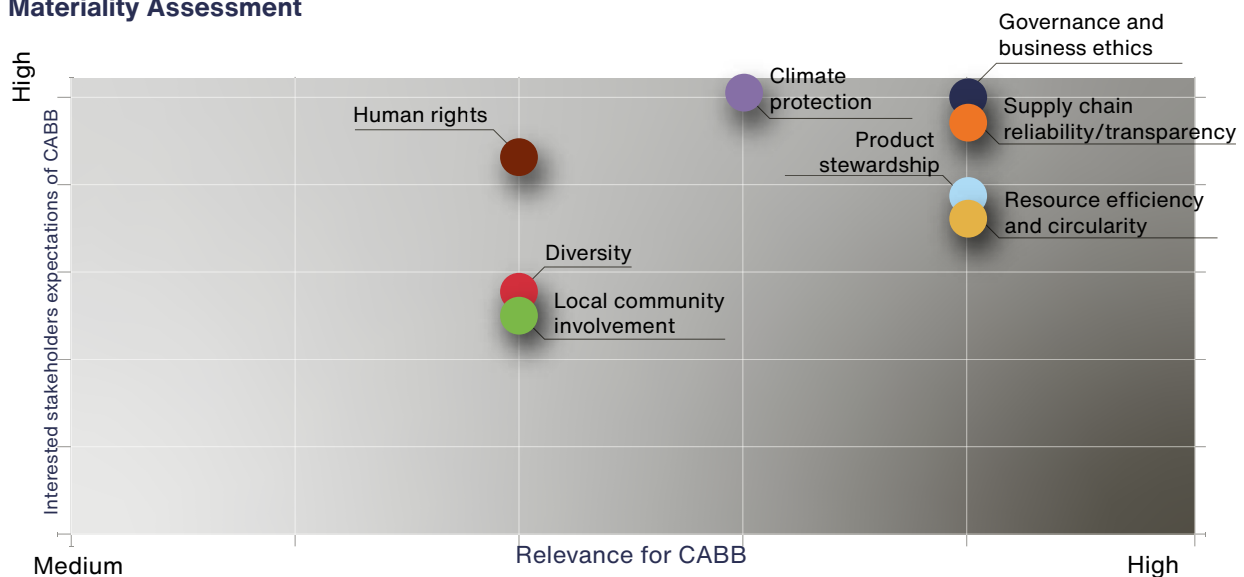
“Facing all those fast-paced changes and economic insecurities around the globe, our leitmotif remains the same: In a world that is increasingly dominated by climate change and scarcity of resources, we can look forward to a successful future together only by thinking and acting sustainably.”

Valerie Diele-Braun, CEO

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Materiality Assessment



The materiality assessment is an indispensable method for identifying the essential needs and expectations of the CABB Group's stakeholders as well as those aspects that are important from CABB's perspective. The findings from both perspectives are related to each other through the materiality matrix. The resulting fields of action are those that are of particular relevance to the Group and are of central importance for its sustainability strategy.

1.1 Sustainability is Our Strategic Ambition

Sustainability is at the core of our business. As a leading contract development and manufacturing company for customized, highly complex molecules for many of the leading companies in crop sciences, life sciences, and performance materials, it is our responsibility to ensure a sustainable, highly efficient, and secure production and supply chain for our customers. It is the CABB Group's clear ambition to be the partner of choice in our target markets – a commitment that is deeply embedded in the corporate vision and fully endorsed by CABB's management and its investors.

This commitment means that the CABB Group is continuously working on surpassing sustainability standards in every aspect possible. In 2021, the CABB Group revised its complete sustainability reporting structure, resulting in the first group-wide Sustainability Report across all sites and locations in Switzerland, Germany, Finland, the United States and China. CABB also established a global scorecard, which is utilized to track progress and quickly identify potential areas for further improvement. To ensure that all targets, responsibilities, policies, and guidelines are well aligned, a Corporate ESG guideline has been released by the end of 2021 for the first time.

In 2022, the CABB Group further intensified its effort of greatly reducing the carbon footprint by extending the transparency on its Scope 3 emissions and improving the use and reuse of resources in production units, as well as maintaining a safe and future-proof workplace environment through innovative solutions and processes. Generating continuous growth in a re-

source-efficient manner, not putting harmful emissions into the environment, and ensuring the safe handling of chemicals along the value chain are therefore at the core of the CABB Group's business responsibility. To further enhance transparency in all ESG areas, CABB aims to fully align its sustainability report with the "Global Reporting Initiative" (GRI) in the coming years, meaning that all required disclosures will be communicated, thus increasing transparency for all stakeholders. The CABB Group considers this as another important step to carefully prepare for the implementation of the upcoming Corporate Sustainability Reporting Directive (CSRD).

1.2 The Environmental, Economic and Societal Dimensions of Sustainability

Over the years, taking an intentional approach to sustainability has moved from being a "nice to have" to being a "license to operate." At the same time, there are hardly any areas or concepts where meaningful sustainability considerations can be excluded. Accordingly, a wide range of topics has been included in the CABB Group's Materiality Assessment (see chart). All are shaped by the environmental, economic, and societal dimensions of sustainability. Dual materiality plays an increasingly important role in this context. The next report will therefore show a structurally fundamentally renewed materiality analysis that is in line with the requirements of the CSRD.

Corporate Sustainability Targets by 2025/2030

TOPIC	STRATEGIC SUSTAINABILITY TARGET	KPI	UN SDG
Climate	CO₂ Scope 1 and 2 Reduction of 30,000 t CO ₂ e per year by 2025 (11%) compared to 2019	GRI 305-1 GRI 305-2	 
	CO₂ Scope 3 10% reduction of scope 3 CO ₂ e emissions by 2030 compared to 2019	GRI 305-3	
Energy	Energy efficiency (steam and electricity) Increase energy efficiency by 20,000 MWh per year by 2025 compared to 2021	GRI 302-4	
	Renewable electricity Increase the share of renewable electricity to 70% by 2030	% of renewable energy share	
Products	Flawless production 99% in-spec products in the first production step (RFT) by 2025	Right first time	
	Waste Reduce the amount of waste by 10% by 2030 compared to 2019	GRI 306-3	
Society	Responsibility in the value chain 90% coverage of raw material suppliers with annual procurement volume above 200,000 € by TfS/EcoVadis/CDP assessment and/or CABB audit by 2025	% of covered suppliers	 
	Responsibility in the value chain 60% coverage of all suppliers with annual procurement volume above 200,000 € by TfS/EcoVadis/CDP assessment and/or CABB audit by 2030	% of covered suppliers	
People	Diversity At least 25% women in management positions by 2025	GRI 405-1	 
	Occupational safety and health Zero accidents (aspiring target) or LTAR below 0.3 (minimum target) by 2025	GRI 403-9	
Water	Water withdrawal 10% lower water withdrawal by 2025 compared to 2019	GRI 303-3	 
	Wastewater Reduce the amount of wastewater by 10% by 2030 compared to 2019	GRI 303-2 GRI 303-4d	

Creating Environmental Value across the Entire Supply Chain

Due to its business model, the CABB Group is firmly integrated into its customers' value chains, making it even more important to keep the entire sustainability ecosystem in mind. When it comes to climate protection, for example, the CABB Group works towards reducing the carbon footprint of their customers' end products – chiefly through the judicious selection of suppliers. Moreover, the CABB Group continuously optimizes its production process efficiency to lower energy consumption, make processes safer and reduce resource usage to a minimum. In addition, the CABB Group actively promotes a circular economy at all its sites to reduce the amount of waste. The Group further uses its advances in raw material and solvent recovery to ensure that chemicals and materials are recycled as much as possible.

Creating Societal Value to Drive Change

The CABB Group's team is one of its most important factors for long-term business success, so it is crucial that employees have solid career prospects, feel satisfied, and are enthusiastic and committed to contributing to the success of the CABB Group in the long term. Therefore, the CABB Group invests in training for its employees, strives to create a workplace free of discrimination, and sets clear goals to increase the percentage of women in management. However, this social dimension of the concept of sustainability goes beyond individual employees because to implement its sustainability strategy, the CABB Group relies on a functioning society of which the company is an essential part. Therefore, the CABB Group works closely with customers, suppliers, and authorities to ensure their compliance with respective norms, regulations and emphasizes local involvement in the communities around the production sites.

1.3 The CABB Group's Approach to Sustainability Practice

Any theory is meaningless if it is not put into practice. Consequently, it is imperative to firmly anchor a sustainability strategy in concrete and binding targets and measures. The CABB Group has implemented sustainability targets and key performance indicators (KPI) as a fundamental part of its strategic corporate management. These KPI are regularly reviewed to achieve the strategic targets in areas such as climate, energy, products, society, people, and water. Within all these areas, the CABB Group has established further specific sustainability-related KPI (see chart) that are also a fixed agenda item in Group Management and Executive Committee meetings. ESG-related targets have also been added since 2019 to the CABB Group's management bonus schemes as a proactive way of further implementing the sustainability goals in the corporate culture.

Throughout its management structures, the CABB Group coordinates projects at different levels and, more importantly, measures and tracks specific sustainability KPI performances globally. This also allows for a close monitoring of the derived targets from the CABB Group's sustainability strategy. Thus, the CABB Group progresses in a verifiable manner and can identify shortfalls at an early stage. Since 2020, the management dashboard is periodically updated with additional KPI and rolled out in the entire CABB Group. The dashboard provides a monthly overview of the Group's performances, which receive reviews and follow-ups throughout corporate and site management, respectively.

The CABB Group understands that all purchases have a carbon footprint of their own. This applies to the entire value chain and is one of the biggest challenges the global chemical industry is currently facing. A major share of greenhouse gas emissions arises from the upstream value chain (Scope 3). In 2022, the CABB Group has improved its data transparency and accuracy by tracking and reporting on the Scope 3 emissions, adding the data to its sustainability reporting. This is a key element to identify further emission reduction potentials on a corporate as well as on a product level, contributing to the industry's goal of significantly reducing greenhouse gas emissions.

We Are Part of a Broad-Based, Global Movement

The CABB Group is part of a broad-based movement to promote sustainability. The Sustainable Development Goals of the United Nations are established targets for sustainability strategies that the CABB Group also uses as a blueprint for its efforts. Seven specific goals have been identified as particularly relevant for the CABB Group. All sustainability activities are thus aligned to maximize their contribution to achieving these goals. The CABB Group has committed to the UN Global Compact in October 2020. The Ten Principles of the UN Global Compact

address ethical, social, environmental, and business minimum standards and are incorporated into all the measures enacted by the CABB Group.



Integrated global project management tracks all the major initiatives and compares their results to the targets that have been set. Consistent with its holistic sustainability strategy, the CABB Group relies on an integrated management system that enables it to competently master even complex cross-divisional management tasks. Clearly defined roles, rules and processes assist in structuring topics such as quality, environmental protection, innovation, knowledge, and occupational safety. All the CABB Group sites are regularly audited for compliance with relevant industry standards, including ISO 9001 (Quality) and ISO 14001 (Environment). Some sites are additionally audited for compliance with ISO 45001 (Occupational health and safety) or ISO 50001 (Energy).

1.4 Our Commitment to Making a Collective Impact

Active Membership in "Together for Sustainability" (TfS)

An important milestone for the endorsement of sustainability standards across all supply chains has been reached in April 2022, when the CABB Group joined the global initiative "Together for Sustainability" as an active member. The initiative's stated goal is to use global standards to drive and deliver measurable improvements that make supply chains more transparent and resilient. The initiative is a collaboration of 43 internationally operating companies (as of November 2022) from the chemical-pharmaceutical industry that are committed to sustainability and strive to implement it by means of global standard within all their supply chains.

As a global alliance of key industry representatives, TfS enables sustainable change to be pursued jointly, ensuring much better results than working alone or in smaller associations. TfS defines global guidelines which can be used to improve the performance of partner organizations and then verifies these through audits. As a result, CABB's suppliers benefit from guidance and comprehensive feedback that enables them to improve their own sustainability efforts. This not only has a very concrete effect on the procurement of the CABB Group but also a great impact on general supply chain transparency. For the CABB Group it is particularly important to set high environmental, labor, and human rights standards and implement them. This applies to the products that the CABB Group manufactures itself as well as to the external products and services that the CABB Group procures.

Collaboration with All Stakeholders

The CABB Group is a learning organization. Therefore, feedback is a key element of sustainability planning and is received in multiple forms. This allows its activities to be evaluated externally and provides recommendations for areas in which the CABB Group can further improve. The Customer Audits and the Satisfaction Surveys that the CABB Group periodically conducts with its industry stakeholders are well-established platforms for reviews and opportunities for improvements. This is part of the CABB Group's routine approach to day-to-day project management, which is carried out in close collaboration with customers. The ongoing exchange of information after production starts is accompanied by regular audits by key customers and campaign reviews after the completion of a production campaign. Several customer audits were also successfully carried out in 2022. During the audits, compliance with the agreed-upon production and quality inspection processes is assessed and verified.

Rating agencies such as EcoVadis, the world's largest provider of sustainability ratings, regularly conduct assessments on the majority of the CABB Group's sites. Further assessments and audits by rating agencies, certification bodies, public authorities and clients are conducted on a regular basis. Examples include specific audits by the Chinese state authorities who acknowledged the high work security and production security standards at CABB's Jining site in China in 2021 and 2022, respectively. In 2022, the CABB Group publicly participated for the first time in the S&P Corporate Sustainability Assessment.

Complementing the close cooperation with customers, the CABB Group evaluates potential suppliers according to sustainability criteria. All existing top 15 suppliers have either signed the CABB supplier code of conduct or committed themselves to a similar set of rules. Any new supplier must accept the CABB Group's Code of Conduct when an order is placed or a contract gets signed. As has already been reported in 2021 and according to TfS, additional measures have been introduced to further increase the transparency within the supply chain. Doing so, the CABB Group also fulfills the higher regulatory requirements that come with the passing of the German Supply Chain Act and similar regulations.

EcoVadis Rating



The majority of the CABB Group sites undergo annual assessments by EcoVadis, the world's largest provider of sustainability ratings. In the latest assessment conducted in 2022, CABB's site in Pratteln, Switzerland, was awarded the gold rating for the fourth time in a row. In 2022, the production sites in Germany and China were awarded the gold rating for the first time; in 2021, they had already received a silver rating. At the end of 2022, the production site in Kokkola, Finland, even achieved a platinum rating for its assessment. Platinum is the highest rating issued by EcoVadis. As part of the assessments, EcoVadis provides valuable input on areas in which the CABB Group can continue to further improve.

Together for Sustainability



In April 2022, the CABB Group was accepted as an active member of the "Together for Sustainability" (TfS) global sustainability initiative. The initiative is a collaboration of a total of 36 internationally operating companies from the chemical-pharmaceutical industry that are committed to sustainability and wish to implement it by means of global standards within all their supply chains. The main focus here is on transparency and the measurability of complex processes. TfS defines global guidelines – particularly in the areas of environment, social and governance (ESG) – which can be used to assess the performance of partner organizations and then verifies these through audits. As a result, CABB's suppliers benefit from comprehensive feedback that enables them to improve their own sustainability efforts.

“Together for Sustainability”: Interview with Martin Renner, Head Supply Chain & Procurement

The CABB Group joined the global initiative “Together for Sustainability” (TfS) last April. In an interview with TfS, Martin Renner explained how joint forces in a complex world will enable the company to generate a higher impact in terms of supply chain transparency.

Martin, briefly describe your position at CABB.

Martin Renner: As Chief Procurement Officer (CPO) I am responsible to make sure that all our sites are suitably supplied. That means not only meeting all requirements with the best terms and conditions, but also taking into account connected aspects such as compliance and sustainability.

What does it mean to become a TfS member?

Becoming a member of “Together for Sustainability” marks an important milestone in our sustainability strategy and especially for the CABB procurement. With joint forces in a complex world, we get the chance to generate a higher impact in the field of supply chain transparency. It is particularly important to set and implement the highest environmental, labor, and human rights standards – not only for the products we produce ourselves, but also for the products and services that we procure.

Describe your approach to sustainable supply chains, sustainable procurement.

Over the past years we have made resource and energy efficiency as well as sustainability a key aspect in every procurement decision. In this context we put a lot more emphasis on social as well as classical ecological sustainability aspects such as intensifying supplier audits with EHS and ESG focus. Talking about supply chains is an indispensable starting point. As the customer in these supply chains, we have to communicate our expectations to our suppliers if we really take it seriously and at the same time, we have the responsibility to support our partners.

What drove you to take the decision to join TfS and why TfS in particular?

For us – but also for your key customers and end consumers – supply chain transparency is becoming more and more important. We are dedicated to sustainability, but at the same time our resources are limited. We are convinced: Joining forces on this complex topic is a key lever to make supply chains more transparent and resilient.

What does your company expect to gain from the TfS membership, how do you see the mid- to long-term benefits from TfS membership?

We will benefit from exchange on standards, on how to approach the topics that all of us are working on and discussing them with our suppliers and other partners. In the chemical industry many companies are suppliers and customers to each other, and so are we. We only get better becoming truly sustainable over the whole nine yards if we work together and in comparable standards. But of course, we also look forward to contributing to the initiative.

Which challenges, opportunities do you anticipate encountering when rolling out TfS in your organization?

We have started our stakeholder management many months before actually applying for the membership in order to facilitate a smooth rollout into the organization. Particularly my colleagues in the ESG department as well as QA are looking forward to the exchange.

TfS is a member-driven initiative: CPO and other professionals of the TfS member companies drive the initiative forward and shape the future of the chemical industry. What are your thoughts on this?

In our view, this is an obligation towards the initiative, the other members and ourselves. Whom should we leave to shape our future if not us? We, as an industry, must commit.

Where do you see yourself contribute to the TfS initiative, also take your sustainability expertise into account?

During the onboarding I have seen very interesting and challenging topics being discussed in several workstreams, such as the Scope 3 emissions. This is a major topic we are working on and surely can contribute to the initiative. On the other hand, the comparison with the ongoing activities at TfS will be an opportunity for us, too.



CABB – Your Partner in Fine Chemistry

The CABB Group is a leading contract development and manufacturing company (CDMO) for starting materials, active ingredients, and advanced intermediates. The CABB Group specializes in the production of customized, highly complex molecules for leading companies, particularly in crop sciences, life sciences, and performance materials industry.

With 1,200 employees and six production sites in Europe (Switzerland: Pratteln, Germany: Knapsack and Gersthofen, Finland: Korkkola), Asia (China: Jining) and the US (Galena), we generated in 2022 an annual turnover of more than 755 million euros.

Premier Contract Development and Manufacturing Company

The CABB Group has a strong focus on high-purity products based on multistep chemical synthesis. With its custom manufacturing services, the CABB Group works closely with customers to develop and optimize individual steps in their value chain for the synthesis of agrochemicals, pharmaceuticals, and other complex and – in most cases – patented chemical products.

Thanks to its unique transatlantic production network with state-of-the-art manufacturing facilities, the CABB Group is an integral part of its customers' value chains. Customers

benefit from its proven track record of securing and delivering large-scale growth projects in crop sciences and life sciences – resulting in trusted and long-lasting partnerships.

Expertise in Crop Sciences, Life Sciences, and Performance Materials

The CABB Group has been manufacturing intermediates and active ingredients for leading agricultural players for decades. When it comes to life sciences, its building blocks, derivatives, and advanced intermediates are used in the pharmaceutical industry, in personal care products and nutrition such as flavors. Within the performance materials segment, the CABB Group's fine chemicals are vital for high-tech applications in electronics, supporting megatrends in mobility and mobile communications.

Committed to Continuous Improvement and Superior ESG Standards

The CABB Group's leading production competence is based on its "Verbund System." These integrated production sites are its platform for providing differentiated, large-scale products based on high process efficiency including recycling of by-products. The CABB Group has underlined its sustainability commitment by signing the UN Global Compact and Responsible Care.

KPI Summary



6,814

tons CO₂e reduction
2022 vs. 2019
(Scope 1 + 2)



20%

women in
management positions



7.8%

**reduction of
water withdrawal**

2022 vs. 2019

25

More than
nationalities

1,200

employees



755 million

euros in sales

64 million

euros CAPEX investments
in manufacturing sites

CO ₂ e EMISSIONS		2019	2020	2021	2022	Δ 2022 vs. 2019 (%)
CO ₂ e Scope 1	t CO ₂ e	176,380	160,463	187,817	174,178	-1.2
CO ₂ e Scope 2	t CO ₂ e	190,463	171,061	193,357	185,851	-2.4
Scope 1 + 2 (market-based)	t CO ₂ e	366,843	331,524	381,173	360,029	-1.9
Scope 1 + 2 (location-based)	t CO ₂ e	393,852	358,131	402,725	385,838	-2.0
CO ₂ e Scope 3	t CO ₂ e	910,923	892,699	989,299	962,327	5.6
Scope 1 + 2 + 3 (market-based)	t CO ₂ e	1,277,766	1,224,223	1,370,472	1,322,356	3.5
CO ₂ intensity (Scope 1 + 2 + 3)	t CO ₂ per million euro sales	2,442	2,487	2,327	1,751	-28.3

ELECTRICITY, STEAM, WATER AND WASTE		2019	2020	2021	2022	Δ 2022 vs. 2019 (%)
Total electricity consumption	MWh	327,856	305,388	332,552	334,814	2.1
Total steam consumption	MWh	384,987	358,861	398,041	392,127	1.9
Total water withdrawal	m ³	34,712,587	33,266,478	31,764,957	31,988,224	-7.8
Total waste: non-hazardous	t	20,588 ²	19,017 ²	18,089 ¹	36,061	n/a ³
Total waste: hazardous	t	55,828	56,178	56,810 ¹	66,350	n/a ³

¹ Includes extrapolated data for the Gersthofen site in Germany, which is based on data from 2020.

² Excludes data from Jining (CN), which has only been collected since 2021.

³ Since 2022, we have been recording all waste categories. The reuse and recycling categories have not yet been recorded for previous years. Therefore, the quantities in 2022 are significantly higher and not comparable with previous years.

EMPLOYEES		2019	2020	2021	2022
Number of employees		1,104	1,110	1,155	1,200
Age structure in %					
<30 y		14.4	14.6	15.2	16.0
30–50 y		45.0	45.1	46.9	48.1
>50 y		40.6	40.3	37.9	35.9
Women/Men in %					
Women		14.9	14.1	15.6	16.1
Men		85.1	85.9	84.4	83.9
Women in management		16.5	17.0	19.4	20.0
Fluctuation in %		9.0	7.0	6.9	9.8
Lost time accident rate (LTAR) ¹		0.40	0.39	0.52	0.75

¹ Excluding Jining (CN).



2 Environment

“At the CABB Group, environmental protection and the efficient use of resources is an integral part of operational excellence. As a socially responsible company, the CABB Group uses its resources conscientiously.”

Tobias Schalow, COO

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2.1 Concise Climate Goals

This chapter focuses on the environmental impacts of internal production and operating processes, as well as on measures that can be taken to reduce these impacts. Particular attention is paid to the CABB Group's energy consumption, emissions and use of resources. The latter encompasses the procurement of raw materials along with the recycling of solvents and waste disposal. In addition, the conscientious use of water and the safe handling of environmentally critical materials and wastewater are always monitored carefully.

At the CABB Group, environmental protection and the efficient use of resources is an integral part of operational excellence. As a socially responsible company, the CABB Group uses its resources conscientiously. This also positively impacts economic considerations. Sustainable production methods like the CABB Group's integrated production are ways to ensure that the CABB Group can continue to offer competitive products and services in the long term and maintain and intensify strategic partnerships with its customers.

Tackling Greenhouse Gas Emissions at All Levels

The reduction in greenhouse gas (GHG) emissions is a broad and vital task for the CABB Group. Alongside direct (Scope 1) and indirect GHG emissions (Scope 2 – from the purchase of energy), indirect GHG emissions throughout the upstream value chain (Scope 3) constitute the largest share of the company's CO₂e emissions. Scope 3 encompasses, for example, the production of raw materials by suppliers, as well as their delivery. Reducing Scope 3 emissions is a very complex and long process, but within the industry it is also where the CABB Group can cut emissions the most.

Operational Excellence and Procurement in Focus

Increasing operational efficiency is a top priority for the CABB Group. Investing in the infrastructure is a vital part of this, as innovative solutions in production and energy use minimize the negative environmental impacts and create cost advantages. Examples are the upgrade of the waste incinerator at the Kokkola site in Finland as well as the renewals of technical infrastructure at the Gersthofen site in Germany, where energy consumption has been significantly reduced. Measures like these contribute substantially to the continuous improvement and long-term competitiveness of the CABB Group.

2.2 Environmental Management: Reducing Greenhouse Gas Emissions

Greenhouse gas emissions play the lead role in climate change. The CABB Group is aware of its responsibility in this regard and has set the target to lower its absolute Scope 1 and 2 emissions by 30,000 metric tons of CO₂e per year by 2025 as compared

to 2019 while growing its business and additionally reducing its Scope 3 emissions by 10% by 2030, also compared to 2019.

Goals

Scope 1 and 2

Minus 30,000 t CO₂e in Scope 1 and 2 by 2025 (compared to 2019)

Scope 3

Minus 10% Scope 3 CO₂e emissions by 2030 (compared to 2019)

In the future, CABB is considering to commit to science-based targets and therefore plans to evaluate them in 2023. The Science Based Targets initiative (SBTi) is a global body enabling businesses to set ambitious emissions reductions targets in line with the latest climate science. It is focused on accelerating companies and financial institutions across the world to halve emissions before 2030 and achieve net-zero emissions before 2050. The initiative is a collaboration between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) and one of the We Mean Business Coalition commitments.¹

An important element of the measures enacted to achieve this goal is linked to the reduction of the overall energy demand of the CABB Group. Another significant focus area is the shift to renewable energies and more efficient processes and infrastructure, which can significantly reduce emissions while satisfying the same demands. Targeted measures in raw material sourcing can further combat emissions produced within the value chain.

¹ For further information see <https://sciencebasedtargets.org>

Thorough Review of All Scope 1–3 Emissions

In 2022, the CABB Group determined all its emissions in Scope 1, Scope 2 and, for the first time, Scope 3. The CABB Group measures and analyzes its emissions with state-of-the-art methods. Until the beginning of 2022, CABB analyzed the total nitrogen oxides emitted and then derived the nitrous oxide emissions based on these extensive measurements and related assumptions. To further improve on its data quality and analyses, the CABB Group commissioned an external consulting company in mid-2022 to carry out additional and comprehensive measurements with a focus on nitrous oxide emissions. During the new measurements, the CABB Group detected higher nitrous oxide emissions at its US site than previously assumed. This resulted from the fact that the earlier Scope 1 CO₂e emissions in Galena were largely based on the assumptions derived from earlier measurements from before 2022.

Since the values determined in the new process showed a higher concentration of nitrous oxide in the exhaust gas of the site, the CABB Group took immediate action to improve on this matter. A group of experts was instated to evaluate options for technical adjustments to drastically reduce the nitrous oxide emissions on-site. First adjustments have also been made to some of the emission factors which already resulted in minor, but clearly measurable changes. The higher nitrous oxide emissions are linearly related to rising production volumes on-site. In combination with the Global Warming Potential (GWP) values of nitrous oxide, this results in higher Scope 1 emissions in 2019, 2020, and 2021 than previously reported. Therefore, the key figures within Scope 1 have been thoroughly revised and are now effectively higher compared to the CABB Group's Sustainability Report 2021. All figures have been adjusted respectively in this report. Although revenue and production volumes increased, the absolute reduction in Scope 2 emissions from 2019 to 2021 resulted in 17,860 metric tons of CO₂e (approximately -10%).

2.3 Procurement: Improving Transparency throughout the Value Chain

The reduction in Scope 3 emissions is one of the reasons why the CABB Group's membership of the "Together for Sustainability" (TfS) initiative is so important. Following the admission to TfS and the initiative's publication of a methodology for calculating product carbon footprints, a standardized methodology within the chemical industry is now available. As a result, there will be a stronger focus on both improving social conditions along the upstream value chain and the importance of valid carbon footprints for the raw materials purchased.

Goals

Responsibility in the value chain

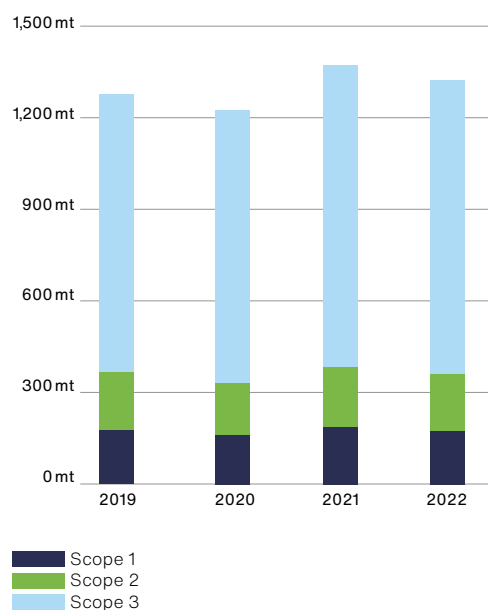
90% coverage of raw material suppliers with annual procurement volume above 200,000 € by TfS/EcoVadis/CDP assessment and/or CABB audit by 2025.

60% coverage of all suppliers with annual procurement volume above 200,000 € by TfS/EcoVadis/CDP assessment and/or CABB audit by 2030.

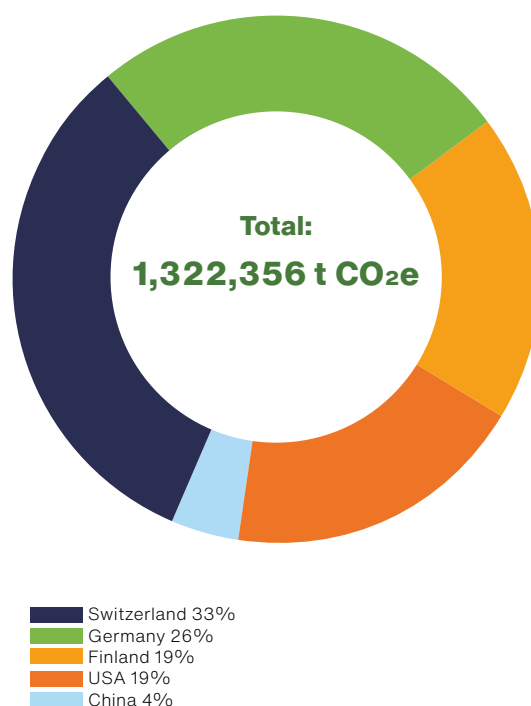
Moving Forward: Joining Forces on a Complex Issue

Transparency in the supply chain will continue to grow in importance and not just for the CABB Group, but also for major customers and end users. This will be enforced by legislators in a wide variety of countries and economic regions around the globe who will establish further requirements over the next

Corporate Carbon Footprint in mt CO₂e



Scope 1-3 GHG emissions by country (2022)



years, such as the Supply Chain Act and the Corporate Sustainability Reporting Directive, for which the CABB Group is already preparing as well.

Joining forces on such a complex issue provides key leverage in making supply chains more transparent and resilient. The cooperation within the global initiative "Together for Sustainability" (TfS) is a major improvement concerning supply chain transparency across the industry. As a global alliance of key industry representatives, TfS and its standards enable sustainable change to be pursued jointly, ensuring much better results than working alone or in smaller associations.

Although the CABB Group is constantly making improvements at its own sites, it must take particular care that the products and services purchased meet the highest environmental and social standards. The CABB Group will be working together with the growing number of members of the TfS initiative to develop and implement further measures and guidance around sustainability throughout the value chain.

2.4 Purchasing: Emission Reductions through New Materials

Purchasing has been working intensely since 2021 to find and evaluate raw materials that contain bio-based or recycled raw materials or are even made entirely from them. In addition, products manufactured with green energy or energy-efficient processes, or those made in the vicinity of the CABB Group sites, also play a key role.

The challenge lies in finding raw materials, and then evaluating them in detail by multiple departments. There are many new, innovative raw materials with a low carbon footprint on the market.

For the CABB Group, it is imperative that the raw materials are available and deliverable in sufficient quantities, and that they are reasonably priced, as many of these raw materials are still in the market launch phase. This covers a variety of possible new raw materials which either contain a bio-based share, consist of recycled content, are made from green energy and/or are made with more processes, or which are produced nearby.

Only Rigorous Testing Ensures the Highest Quality

However, to be a viable option, the costs of the new raw material must either be comparable with an existing source, or the new raw material must make the CABB Group product more valuable. Through an ongoing and rigorous selection procedure the CABB Group ensures that these raw materials meet high-quality requirements while also being commercially attractive. The evaluation process involves detailed analysis and approvals by several independent departments like Purchasing, Production, Development, Sales, Health & Safety, and Quality

Management among others. In case of existing quality agreements, the CABB Group will always seek approval of its customers prior to the use of any new raw material for their products. The evaluation process includes thorough analysis in the laboratories to whether the same specifications are still being met and whether the purity and the by-product profile are the same.

A Strong Focus on Recycling

In general, the market now offers many new innovative products with an improved carbon footprint. The CABB Group will ensure that new products meet its high-quality requirements and that the products are of commercial interest. Especially bio-based products have enormous potential, but the process of switching to them often takes time. Another opportunity lies in increasing waste recycling so that the recycled raw materials can be reused either by the CABB Group or by others. This can significantly reduce the amount of fresh raw materials that the CABB Group needs to buy.

2.5 Energy Reduction and Energy Efficiency

Energy is not only a key determinant in minimizing the CABB Group's usage of resources; its consumption is also a central cost and competitive factor. The CABB Group sets itself clear goals to achieve by 2025 and by 2030:

Goals

Energy efficiency (steam and electricity)

Increase energy efficiency by 20,000 MWh per year by 2025 compared to 2021.

Renewable electricity

Increase the share of renewable electricity to 70% by 2030.

These goals can be achieved by a variety of means: by improving processes, upgrading infrastructure and sourcing new energy sources. The CABB Group is working in all these areas to find new and better solutions for a variety of industry standards. Significant reduction of energy consumption (electricity and steam consumption) is a constant driver for improvements at all the CABB Group's sites.

Ongoing efforts are progressing well in Germany, where energy-saving measures are taking further effect: The 1.2 million euros invested in 2021 resulted in a reduction of around 1,900 metric tons of CO₂e emissions per year. This corresponds to cost savings of around half a million euros. Furthermore, 4,500 metric tons of CO₂e were reduced in Knapsack through the conversion of the steam supply. Additionally, as part of the energy-intensive raw materials industry, these savings represent

an important contribution to supporting the imminent transition toward climate neutrality, especially against the current backdrop of enormous spikes in energy prices.

ISO 50001 certification

Energy management at CABB's German production sites is certified in accordance with ISO 50001:2018. Top marks were once again awarded following an external audit in 2021. Standard compliance was met in all areas and even exceeded in six of eight standard clauses. To achieve this, the energy management system must prove its standard compliance in an annual surveillance audit and a three-year recertification audit.

At the CABB Group's Gersthofen site, substantial investments over the next two to three years will result in technical improvements in the production facilities. Four individual projects, with an investment volume of around 6 million euros, are already making significant progress. The capacity expansion for a production plant went into operation in August 2022 and the efficacy of these measures was already demonstrated in the final hot weeks of summer. Daily production was kept stable at a high level even when the cooling water was warm during the summer period.

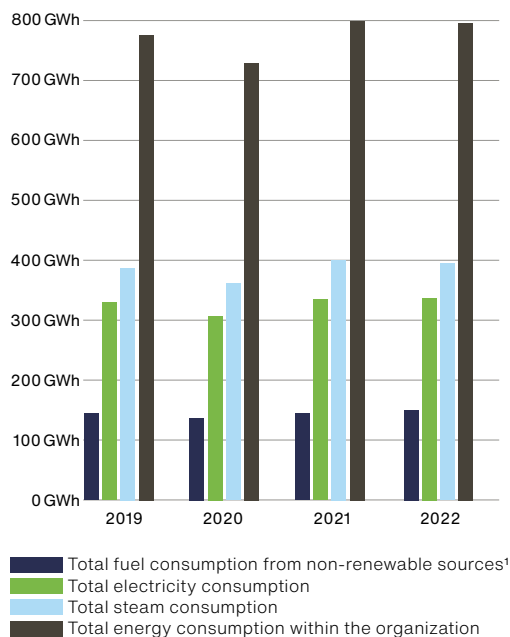
Further relevant improvements to energy consumption were made to the existing facilities in Pratteln, Switzerland. Significant energy savings were achieved due to technical changes at a production plant that is crucial for customers. Until now, the cooling system has been running at capacity. Thanks to an extension of that capacity, it has been possible to not only improve cooling but also reduce energy consumption. The overall effect according to the engineers at CABB Pratteln will be around 400 to 450 kW in cooling capacity savings and 150 to 170 kW in electricity savings.

Measuring Energy Consumption More Accurately with Software

The actual energy demand during production depends on a variety of factors. This means that the actual energy reduction is difficult to measure. For example, a few weeks of very hot summer weather can lead to higher energy consumption – even though effective energy-saving measures have, in fact, been introduced. This is very evident in the production of chlorine. When outside temperatures are lower, the required compressors run much more efficiently than during a heat wave, thus, such effects must be considered when calculating energy savings.

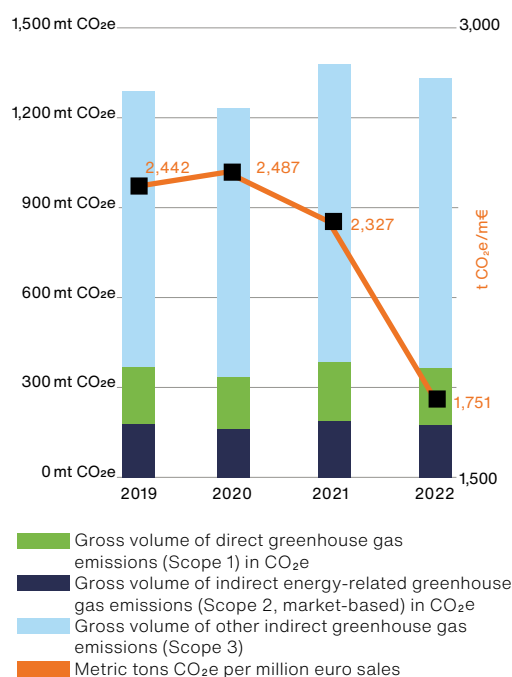
Since 2017, CABB in Germany has placed a priority on using Energy Efficiency Controlling (EnEffCo), a software program

Energy Consumption



Greenhouse Gas Emissions

To further improve transparency, CO₂e analyses (Scope 1 and Scope 2 emissions) for all sites have already been commissioned from external companies for 2020. The analyses for Scope 3 emissions have taken place in 2022.



from Ökotec that compares expected energy consumption with actual consumption while taking a wide range of variables into account. These include outside temperatures, production volumes, and process parameters (pressure, temperatures, volume flows, etc.), allowing external influences to be calculated and energy savings to be displayed. This controlling makes it possible to generate representative energy savings certificates, which are vital for relevant audits (e.g., ISO 50001). However, the software also delivers practical support during operations by flagging increased energy consumption or faulty readings that may not have been noticed otherwise.

In 2022, the process analysis software Trendminer has been installed at the German sites. This software compiles large volumes of data in the production process and converts it into analyzable units. This identifies trends and information that can be used to optimize inefficiencies in production lines quickly. The software is already in use at the CABB Group's production site in Galena, USA, since 2020.

Innovative Solutions for Electricity and Energy

The CABB Group's site in Kokkola, Finland, has already been powered completely by electricity from hydropower plants since 1 January 2020. This switch to green energy reduces the site's Scope 2 CO₂e emissions by approximately 6,000 metric tons per year. Now, in order to replace the heavy fuel oil in the incineration plant, Kokkola site is currently evaluating CO₂e-neutral substitute fuels options, Tall Oil Pitch Fuel and Eco-Oil. The plan as of now is to integrate both options and split the use from each source.

First tests with Pitch Fuel in 2022 worked out well. However, the market for Pitch Fuel is very tight and prices have gone up. Availability is a challenge because the market is still small, and the demand has been increasing due to the energy crisis. But the environmental perspective of Pitch Fuel is of great value. Eco-Oil on the other hand is a start-up company from Kokkola, Finland. Eco-Oil is produced from used car tires. The industry scale production plant is planned to be up and running in February 2023. The CABB Group's engineers have tested one container of the fuel, produced at Eco-Oil's pilot plant. Further progress on this behalf will be reported in 2023.

The production site in Galena, USA, already sources 50% of its electricity from regionally generated wind energy. As an example of sustainable synergy, some of the technologies used in the wind farms are supported by molecules produced by CABB in the United States. The Gersthofen site in Germany has been using the by-product hydrogen as an energy source to produce steam since December 2021. This initiative is calculated to save about 1,800 metric tons of CO₂e annually.

Since the beginning of 2021, a significant part of the steam requirements for the German Knapsack site have been sourced from an alternative fuel power plant operated by YNCORIS,

which converts specially treated commercial and industrial waste with a very high calorific value into thermal energy safely and with low emissions. Most of the site's steam consumption is now covered by this low-emission energy. This conversion is expected to result in lower Scope 2 CO₂e emissions.

Supporting Change by Encouraging Sustainable Commuting

The CABB Group encourages employees to move to sustainable mobility practices. An array of measures has been taken to promote commutes by bike and public transport. In 2022, the Pratteln site in Switzerland has taken part in the initiative "bike to work." The initiative is a company health promotion campaign in Switzerland. The aim of the hands-on campaign is to promote health and team spirit in companies as well as encouraging employees to commute by bike, e-bike, inline skates or on foot. In Switzerland there are usually around 50,000 participants who take part every year. At CABB in Pratteln, 40 employees took part in the challenge 2022 and cumulatively achieved a total distance of 26,000 kilometers. The challenge took place in May and June, participation was voluntary. In Knapsack industrial park in Germany, the charging stations installed at the end of 2020 are already well used for electric vehicles. In Kokkola, Finland, employees also take part in commuting contests by bike such as the "Kilometrikisa," which also encourages commuters to use bicycles instead of cars on their way to work.

2.6 Water Withdrawal, Wastewater and Air

Water plays an important role in the CABB Group's production processes and is used primarily for cooling. As a result, quite large amounts of water must be withdrawn. The CABB Group assumes its responsibility in this area and makes effort to reduce its use of extracted water. In 2022 specific goals have been established to reduce the amount of water withdrawal by 10% by 2025 and reduce the wastewater production by 10% by 2030. Again, both key figures are compared to 2019.

Goals

Water withdrawal

10% lower water withdrawal by 2025 compared to 2019.

Wastewater

Reduce the amount of wastewater by 10% by 2030 compared to 2019.

The new cooling tower in Jining, China, improves the condensation effect and helps to significantly reduce the amount of wastewater. Further measures undertaken by the CABB Group also focus on the resulting wastewater at its sites, which is pre-treated whenever possible. At the Pratteln site in Switzerland,

TOTAL WATER WITHDRAWAL, DISCHARGE AND CONSUMPTION

		2019	2020	2021	2022
Total water withdrawal from areas with low water risk¹	m³	32,814,062	31,315,816	31,050,588	31,904,859
From surface water		207,472	215,711	217,975	215,609
From groundwater		17,783,678	16,396,917	16,544,693	17,027,068
From seawater		4,705,354	5,355,450	4,957,890	4,878,544
From third parties		10,117,558	9,347,738	9,330,030	9,783,638
Total water withdrawal from areas with high water risk²	m³	1,898,525	1,950,662	714,369	83,365
From surface water		0	0	0	0
From groundwater		0	0	0	0
From seawater		0	0	0	0
From third parties		1,898,525	1,950,662	714,369	83,365
Total water discharge from areas with high water risk²	m³				58,115
To surface water		–	–	–	0
To groundwater		–	–	–	0
To seawater		–	–	–	0
To third parties		–	–	–	58,115
Total water consumption from areas with high water risk²	m³	–	–	–	25,250

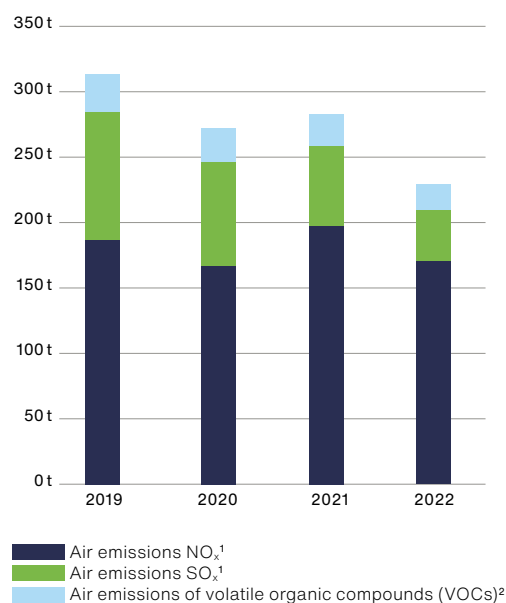
¹ Production sites with a water risk under 40%. They include Kokkola (FI), Galena (US), Pratteln (CH), Knapsack (DE), and Gersthofen (DE).

² Production sites with a water risk over 40%. They include Jining (CN).

CABB commissioned a plant in 2019 that uses state-of-the-art UV-advanced oxidation process technology to break down complex pollutant molecules into smaller molecules that are non-toxic and readily biodegradable. This plant has since then been effectively in use. It allows the wastewater to be discharged into a regular sewage treatment plant. In 2021 and 2022, CABB in Pratteln was able to significantly increase the system's capacity to treat wastewater by fine-tuning the process's pretreatment stage.

In summer 2022, CABB replaced its air compressors at the Swiss site in Pratteln. Centralized compressed air generation is a key component of the entire operations at the site, as it supplies all production facilities with control air. Twenty million cubic meters of compressed air are consumed each year. In total, the CABB site in Pratteln now has three new screw compressors which can produce up to 3,240 cubic meters per hour of compressed air. Further improvements for the purpose of sustainability were already factored into the installation process. Waste heat produced during air compression is already used. Plans are also in place to further recover and reuse heat in the future.

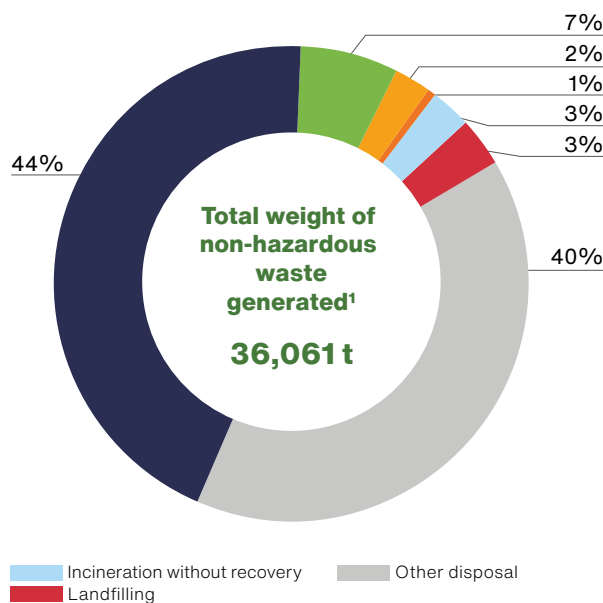
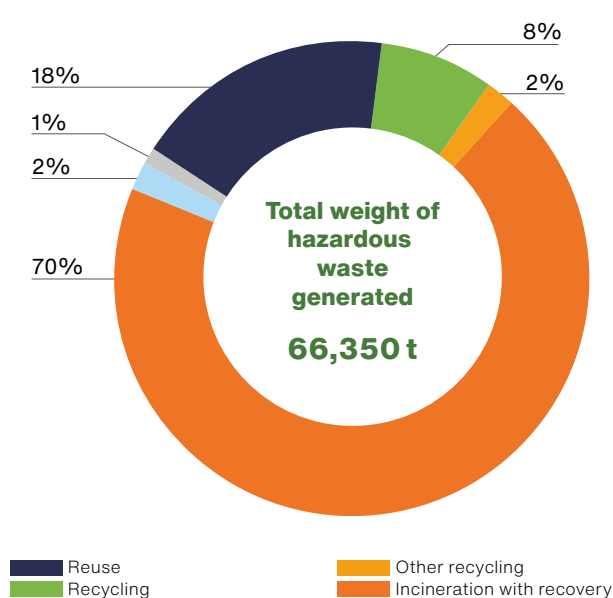
Air Emissions



¹ Not measured in Knapsack (DE) and Jining (CN). Includes extrapolated data for Gersthofen (DE), which is based on measurements from 2019.

² Not measured in Knapsack (DE) and Gersthofen (DE). In Jining (CN), data has only been collected since 2021.

Total Waste Generated 2022



¹ Includes extrapolated data for the Gersthofen site in Germany, which is based on measurements from 2020.

2.7 Reducing Waste and Reusing By-Products

Production processes always result in by-products and, of course, waste. The CABB Group wants to reuse by-products wherever it is feasible and avoid waste wherever possible. The minimum waste that is unavoidable is always treated and disposed of according to all regulations. The newly launched CABB Group's sustainability goals state that the amount of waste must be reduced by 10% by 2030. Efficiency in production has to rise as well in order to reduce the amount of waste and energy used.

Goals

Waste

Reduce the amount of waste by 10% by 2030 compared to 2019.

Flawless production

99% in-spec products in the first production step (RFT) by 2025.

Efficiency in production and processing waste are paramount for an optimized operation at all the CABB Group's sites. In Kokkola, Finland, CABB is incinerating all aqueous waste, organic solvent waste and vent gases coming out from the pro-

duction plants. On an annual basis, 28,000 tons of aqueous waste and 6,000 tons of organic solvent waste are processed like this. Furthermore, the incineration plant is also the main source for the process steam in the site's production unit.

However, depending on the amount of solvent waste, the incineration process requires further support fuel. As of now, heavy fuel oil is used as a support fuel but shall be replaced by more sustainable options like Pitch Oil or pyrolysis oil (see ch. 2.5). Smaller scale test runs of around 20 tons have been completed with very good results on both new fuels. In the ongoing project, the existing infrastructure in the incineration plant will be modified so that the site will be able to store and handle these high viscosity oils on itself. With these changes, the CABB Group will potentially be able to reduce the CO₂e emissions by further 6,000 tons per year. The modifications were completed by the end of 2022.

Waste volumes are recorded and monitored at each production site. In addition, waste volumes have been collated and tracked as part of a global ESG monitoring process since the end of 2021. Waste is further divided into "hazardous" and "non-hazardous" categories and encompasses all CABB-internal processes (excl. upstream or downstream processes). Some of the CABB Group's production sites are located in chemical parks that handle waste disposal. The CABB Group receives an annual external waste report from the parks and also has the option to conduct monthly surveys.

Further Increase of Efficiency in Production Processes

Efficiency measures benefit customers, environment, and society. A good example in 2022 is the increase in the yield of a production plant in Pratteln, Switzerland. Here, the raw material yield was increased significantly by systematically optimizing the plant operation and the raw material dosing by an impressive 2.6%. This result shows that the CABB Group is developing continuously and successfully thanks to the commitment and hard work of its employees.

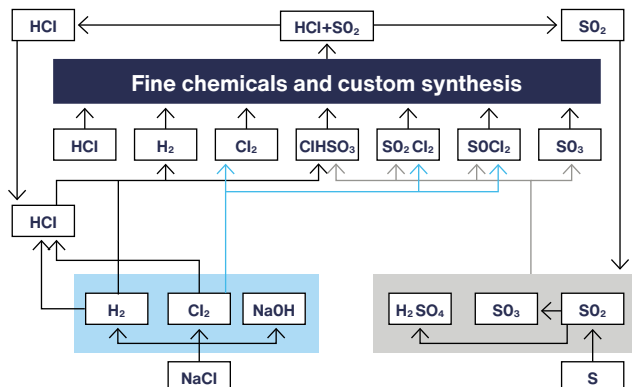
The commissioning of an additional production plant in Pratteln, Switzerland, was a further improvement in efficiency. The product manufactured in this plant is used for building active substances in pharmaceuticals. CABB decided to invest in the construction in May 2021, and the plant has been in operation since mid-October 2021. The figures are promising. The quality target was comfortably achieved from the second batch onwards, the yield is higher than planned and cycle time shorter than expected.

In Gersthofen, Germany, the project "Brine Optimization" is well under way. The priority is energy savings through intelligent waste heat recovery across two plants. At the same time, the project will also improve the reliability of brine production in electrolysis, thus increasing plant availability and safety. The installation of an additional scrubber in operations has also been put into operation and is already having a positive impact on energy and material consumption.

chlorination and sulfonation reagents. In turn, these are used to produce further downstream intermediates and active ingredients. The HCl and SO₂ generated as off-gases are separated, purified and recycled.

This type of closed-loop system also has tangible financial benefits, as it can reduce costs for raw materials and waste treatments. An example of this was the green-belt project launched at CABB's Swiss production site in Pratteln in 2020, with a cross-functional team working to improve the yield of a key intermediate product while achieving additional savings in terms of energy consumption and waste. This eliminates waste by developing highly efficient processes with optimized product yields and by reusing materials within production cycles. This way, the CABB Group is effectively contributing to the creation of a circular economy.

“Verbund System”: Recyclability in a Closed-Loop System



The CABB Group remains a pioneer in the circular economy. At its Pratteln site, the closed-loop system “Verbund System” enables highly efficient and sustainable chlorination and sulfonation reactions. Chlorine and sulfur trioxide are produced as primary raw materials and used to manufacture a variety of



3 Social

“We treat each other with respect and tolerance to foster appreciative teamwork. This benefits our employees, our customers, and our community.

A company in which employees, customers, and all other stakeholders feel comfortable, included, and safe can develop and unfold sustainably.

By collaborating as equally valued contributors within a healthy and motivated work environment, we enable the CABB Group’s performance for our customers.”

Mia Meyer,
Chief Human Resources Officer

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3.1 Assuming Social Responsibility

The CABB Group strives to offer employees an attractive and inspiring work environment that provides opportunities for individual development and growth. By fostering an active feedback culture and a strong focus on learning, CABB aims to build a culture of continuous improvement and thus high performance. The company focuses on promoting diversity as an essential component for operational excellence. Thus, as one of the main pillars of its diversity strategy, the CABB Group has set itself the goal to increase the proportion of women in management positions from 16.5% in 2019 to 25% by 2025.

The physical integrity and protection of employees is a top priority for the CABB Group throughout all of its operations. Clear guidelines, rules and safety regulations are the central prerequisites for preventing occupational accidents. Several of our sites have ISO 45001:2018 or a comparable certification. This

helps the CABB Group not only to achieve its defined, Group-wide goals in the area of occupational safety and health management but to continuously improve them as well.

Using a wide array of training programs, the CABB Group raises employee awareness of safety and health issues and communicates the basics of sound business practices. In 2022 a particular focus has been set on behavioral safety. Beyond this, trainings are also held about respecting human rights as well as the ethical and morally correct treatment of all stakeholders.

The CABB Group always treats all its stakeholders as partners, which means that the company aims in all interactions for long-term, mutually beneficial solutions.

NUMBER OF EMPLOYEES WITH ENTITLEMENT TO PARENTAL LEAVE ¹	2022
Total	58
Switzerland	20
Germany	13
Finland	20
USA	2
China	3

NUMBER OF EMPLOYEES WHO TAKE PARENTAL LEAVE ¹	2022
Total	36
Switzerland	16
Germany	13
Finland	3
USA	1
China	3

NUMBER OF EMPLOYEES WHO RETURN AFTER PARENTAL LEAVE ¹	2022
Total	29
Switzerland	15
Germany	10
Finland	1
USA	0
China	3

¹ In 2022, all employees have returned from parental leave or have been still in parental leave.

NUMBER OF EMPLOYEES WHO RECEIVED PERFORMANCE REVIEW IN %	2021/2022	
	M	F
Production and technology		
Switzerland	81	89
Germany ¹	n/a	n/a
Finland	96	99
USA	100	100
China	100	100
Research and development		
Switzerland	100	80
Germany ¹	n/a	n/a
Finland	100	100
USA	100	100
China ²	n/a	n/a
Administration and sales		
Switzerland	76	63
Germany ¹	n/a	n/a
Finland	100	100
USA	100	100
China	64	80

¹ Currently no documented evaluation.

² No employees in this category.

3.2 For and with Its Customers

“YOUR PARTNER IN FINE CHEMISTRY” is the claim of the CABB Group. This principle is adhered to in every one of its customer relationships as well as on a much larger scale. As a contract development and manufacturing company (CDMO), particular emphasis in the company’s business model is given on long-term partnerships with customers – some of which span decades.

To further strengthen the dialogue with (potential) customers after the Covid-related travel restrictions, CABB has placed a focus on its presence at trade fairs in 2022. CABB exhibited at Chemspec – a leading industry trade fair at Messe Frankfurt – at the beginning of June for the first time in two years. CABB also took part in the equally highly important Tides USA research conference in Boston in May.

The CABB Group works closely with customers to develop and optimize individual steps in their value chain for the synthesis of crop protection products, drugs and other complex, mainly patented chemical products. Production sites are in Pratteln, Switzerland, in Kokkola, Finland, and in Galena, USA, as well as in Knapsack and Gersthofen, Germany, and in Jining, China. As a producer and supplier, the CABB Group not only strives for a high level of sustainability in its own operations but also supports its customers in doing the same. Thanks to its global production network and specific sites in Europe, the USA and China, the CABB Group offers its customers tailor-made, regional solutions that simplify their own supply chains as a result, thereby securing regional workplaces. The CABB Group assumes the role of a strategic partner for many of its customers. Working in tandem with them, the CABB Group undertakes the continuous optimization of production, transport, and logistics processes.

3.3 Strengthening Local Communities

The CABB Group continuously invests in new infrastructure, technologies, and products at its sites to offer customers superior-quality products and services at all times. Over the past three years, the CABB Group has invested over 60 million euros each year in the modernization and expansion of its infrastructure. These investments create vast local added value as most of them are implemented by suppliers in the vicinity of our plants. These investments are also the driver to create new job opportunities in the local communities – both within CABB but also with its suppliers. This is a regular practice throughout the group. Currently, almost 50% of the CABB Group’s annual procurement budget is spent on purchasing from local suppliers (less than 500 km from the respective CABB sites).

3.4 Putting People First

The CABB Group strives to ensure that every single one of its products and services is always of the highest quality. This goal can only be achieved with motivated and well-trained employees. Each of the 1,200 employees makes an important contribution to the success and uniqueness of the CABB Group, which is why it is even more important for the CABB Group to offer its employees an attractive, meaningful, and inspiring work environment. Working for the CABB Group should bring satisfaction, and collaborative successes are celebrated.

The CABB Group operates in a competitive market. It relies on experienced specialists and at the same time wants to attract promising new candidates and offer them long-term prospects and development opportunities to ensure continuous reliable operations in a changing demographic environment. Consequently, the Group devotes considerable attention to ensuring sustainable HR planning and HR policies. To facilitate best practice sharing and process standardization across the whole group, the CABB Group created the new position of a Chief Human Resources Officer (CHRO), which has been successfully staffed with Mia Meyer since 1 September 2022. The CHRO will assume Group-wide responsibility across all sites for the CABB Group’s HR division. This includes CABB’s strategic positioning at Group level with a view to successfully tackling the challenges that the future will bring in terms of demographic change, development of employees including managers, and digitalization. Its consolidated approach across all sites is part of the implementation of the CABB Group’s “Vision 2025,” in which elements such as inspiring leadership to unite and develop employees and bringing process management to the next level play an important role.

Planning for the Future

As a result of strategic and thorough HR development and recruitment, the next generation of young professionals under 30 already makes up around 16% of the entire CABB Group workforce. These young employees represent the future of our production, and they can be reassured that at the CABB Group, they have an employer who supports them with the necessary technical resources and development opportunities.

Personal development in the company is just as essential as the education of young talent. For the latter, the CABB site in Gersthofen, Germany, maintains a close cooperation with the IHK Akademie Schwaben in Augsburg. Together, they have created the part-time education program “Specialist for Chemical Production and Plant Engineering.” In summer 2022, the first four graduates successfully passed their exams.

In 2022, the Pratteln site in Switzerland was also able to offer six apprenticeships for chemical technologists and laboratory assistants. This is an excellent way for the CABB Group to fulfill its social responsibility and train the chemical industry’s next

generation. The CABB Group offers young, motivated employees and managers attractive conditions for personal and professional development (see chapter 3.4, Putting People First).

Prudent Management

All levels of management at the CABB Group lead by example and give teams the support they need to actively live the CABB values. Building on this leadership style, the CABB Group ensures a work environment in which all employees are trained and equipped to not only do an excellent job but also pursue continuous improvement. These efforts foster an all-encompassing culture of workplace safety and sustainability for each individual employee.

Employee development is another key priority for the CABB Group. Conducting employee interviews and providing internal opportunities for advancement are a goal-oriented and vital method to identify and develop skills.

Defining measurable targets relating to safety and the environment in the target agreements of all Executive Committee members and all managers in global management positions ensures that the issue of sustainability is given the necessary priority during day-to-day activities.

Dialogue and Proactive Communication

Teamwork is a key element at the CABB Group. Collaboration across geographic boundaries, positions and levels is essential to achieving goals. All employees should and can contribute to this end. The exchange of knowledge, opinions and ideas is actively encouraged, as this is vital to optimize existing solutions and create completely new ones. There are appropriate channels available for building up and maintaining this dialogue, both verbally and in writing.

At the same time, Group management exemplifies open and proactive communication. Townhall meetings are regularly convened under the direction of the CEO highlighting topics such as current business development or strategic directions. The quarterly employee magazine "CABB INFO" keeps employees up to date on important news from the CABB Group as well as from the different sites. On a local level, a "CABB FLASH" is also published – sometimes several times a week – and provides current updates on local site news such as new employees or operational improvements.

Listening to Employees

The CABB Group conducted its first international employee satisfaction survey back in September 2020 to gauge the mood of its employees. The biyearly Group-wide survey was repeated in fall 2022. All employees had the opportunity to make their voices heard and the response rate was again considerable at 66%.

Overall, the CABB Group employees again provided high satisfaction rates about their own team, their work and the customer focus. These three dimensions had the highest rating also in 2020 and all remained on a similarly high level. Compared to previous results from Switzerland, Finland, USA and China, a clear improvement has been achieved for employee development which was clearly rated higher in 2022 than in 2020. Room for improvement has been raised on how the CABB team deals with changes and about the speed at which these changes happen.

The CABB Group analyzed the survey results thoroughly. The detailed findings were presented in a transparent manner to all sites across the entire group. This fulfilled a strongly expressed demand for information and communication, which, according to the previous survey, were an area where there is still potential for improvement. The actions according to the findings of the employee survey were defined in a top-down and bottom-up approach. Managers were called upon to define concrete measures, in workshops teams were empowered to define measures themselves about how employee satisfaction can be further increased.

In the 2020 survey, the need for communication and information remained a major concern for employees. Especially after the Covid pandemic, there has been a conscious effort to promote function-specific and cross-site exchange at various levels. For example, all international site managers were invited to a first-ever site manager meeting in Gersthofen in June 2022. The meeting served not only as a platform to exchange experiences on a personal level, but also improved the existing collaboration between the various CABB sites by focusing on various operational topics. Keeping with the ONE CABB concept, the contact should be always maintained, and site manager meetings will be held regularly. These improvements paid off: the satisfaction rates on how the local and global management informs about changes clearly improved compared to the 2020 results.

Engaging with employees of all functions and positions is very important to the CABB Group and its respective production sites. On a more informal level, the sites in Kokkola and Pratteln both invited to a summer party for all employees and their families, in Pratteln for the first time since the pandemic and with almost 400 employees on a larger scope than before. In Gersthofen, Germany, the site management organizes a Christmas Party for its employees on a regular basis as well as in Knap-sack, Germany, where the site management traditionally sponsors the Christmas activities of its respective departments. Another popular local event is the Knapsack site's shopping voucher raffles among all its employees who voluntarily propose suggestions for on-site improvements.

Activities in physical exercise are highlighted at the CABB Group as well. The sites in Germany and Switzerland regularly partake in company runs throughout the year, such as the popular B2RUN series in German-speaking parts of Europe. Apart from company runs, CABB promotes all kind of initiatives for physical activities which can strengthen the team spirit and the health of all employees. Various sites facilitate the building of company teams in sports like soccer and tennis. To further promote individual mobility and personal well-being, the Pratteln site has taken part in the initiative "bike to work," which again took place in May and June 2022 (see chapter 2.5, Energy Reduction and Energy Efficiency). "bike to work" is a specific company health promotion campaign in Switzerland, aiming for healthier and more sustainable commutes.

Employee Development and HR Structure

The CABB Group compiles several key figures to assess the status of personnel development and to quantify future progress. As of 31 December 2022, the CABB Group employed 1,200 people worldwide (previous year: 1,155). The employee turnover rate rose in the year under review to 9.8% across the Group (previous year: 6.9%). This includes all terminations and departures initiated by both employees and employers, as well as outsourcing, retirements, and deaths. To keep staff turnover as low as possible and to offer employees an individual development perspective, development and succession planning initiatives have been implemented in 2022 at both the Pratteln and Kokkola sites.

3.5 Fostering a Learning Organization

Only with highly qualified and well-trained employees can the CABB Group rise to meet the challenges of tomorrow. For this reason, the CABB Group places great emphasis on the development of its employees and, in its role as a responsible employer, invests substantially in them. With a broad selection of internal training and external courses available to its employees, the CABB Group ensures that it continues to train new talent and keeps its employees' knowledge up to date, whatever the area of expertise – be it technology, diversity, compliance, safety, or market development.

Site-Specific Training

Training programs are vital for employees and the CABB Group as an employer alike. In Kokkola, Finland, CABB offers specific on-the-job training programs that allow highly qualified employees to enter the workforce on-site. For instance, graduates of the local adult education center in Central Ostrobothnia can enter a three-month on-the-job training after their training in chemical or technical engineering. This allows for a practical approach to the matter and creates many opportunities for permanent positions with the CABB Group.

All CABB's sites offer in-house education and training sessions for all employees. For example, since August 2022 CABB in Germany has offered its employees LinkedIn Learning as a new e-learning platform. Interested employees can develop or deepen professional skills, improve software knowledge, or receive targeted training in other areas. The training lessons must be related to the individual activity at CABB. The completion of the training takes place during working hours and in coordination with your supervisor.

Many Paths Lead to the CABB Group

All CABB Group sites offer a broad range of training and development opportunities that encompass everything from vocational apprenticeships to career changers. On-the-job training is very popular within the CABB Group, while seasonal jobs and internships are also in high demand. All of these allow for highly qualified employees to be integrated easily into the company which in turn increases the probability that they stay at the CABB Group in the long term.

Attractive Apprenticeships

New talent – recruiting and retaining motivated young employees who want to make a career in the chemical industry – requires the right vocational training. Many careers start this way across the CABB Group, as the company strives to retain the apprentices on all continents after their training whenever possible. Many young people entering the workforce are oftentimes trained at the CABB Group sites via apprenticeships. On average, there are two apprentices for every one hundred employees. The clear leader is the site in the United States, where around 15% of the workforce are currently apprentices.

Motivating Youth

One of the CABB Group's priorities is to share the fascination and versatility of the fine chemical industry with youth and young adults. Various initiatives and measures are aimed at achieving this goal. The Knapsack site in Germany once again participated in the "Meine Position ist Spitze" (My position is great) campaign in 2022. Launched by ChemCologne, the Rhineland chemical industry network, the initiative allows potential young professionals (students aged 16 and over) to apply to spend a day in the executive suite of a leading fine chemical company. CABB in Germany advertised the position of site manager Knapsack for the campaign. A young person was "hired" for the day on 23 August 2022.

Since 2022, CABB in Switzerland supports several practical educational initiatives. One is SimplyScience Foundation's educational project SimplyNano which provides innovative learning media for Science Technology Engineering Mathematics (STEM) promotion on secondary levels. Through exciting experiments and explorative learning, young people are to be inspired for STEM and corresponding occupational fields. Furthermore, CABB is also a partner in practical offerings from the Basel Chamber of Commerce to provide recruitment know-how and

business insights to schools: With the “Coaching” program business coaches prepare students specifically and individually for the job application process. With “Rent a Boss,” the Chamber of Commerce provides leaders for parents’ evenings and other information events on career choices.

On 10 November 2022, CABB in Switzerland organized once again a varied program as part of the canton of Basel-Landschaft’s Gender Day. This future-oriented day is aimed at daughters and sons of the CABB Group employees in 5th to 7th grade, who are offered an inside look at what their parents do every day at work.

Job Fairs Act as Talent Pool

CABB in Switzerland regularly participates in job fairs. In November 2022, CABB was again an exhibitor at the graduate fair in Basel. Together with 40 other employers, CABB encountered around 1,000 students and graduates of STEM courses, economics, and other disciplines. In addition, CABB in Germany was present at “Job-Messe” in Knapsack this year. The CABB Group seeks to establish direct communication with young and motivated people as often as possible.

3.6 Embracing Diversity

Diversity and inclusion are a top priority at the CABB Group. An important prerequisite for embracing diversity is the establishment of and adherence to universally recognized values and rules. To ensure that the CABB Group can lead by example in this area, CEO Valerie Diele-Braun signed the “Diversity Charter” in April 2021. The CABB Group’s aim is to promote the recognition, appreciation, and integration of diversity in the workplace.

Continuing to Improve Equal Opportunities

Diversity is closely linked to values, leadership and serving as a role model. However, it is equally related to ensuring positive and inspiring teamwork, job security for employees, and safety in the workplace. The CABB Group actively promotes diversity and enables people with different genders, origins, religions, and sexual orientations, as well as educational background, outlooks, experiences, and values to work together in teams built on a foundation of trust.

Diversity that is genuinely embraced contributes equally to the company’s own growth and to the satisfaction of its employees. The CABB Group is therefore committed to providing equal opportunities.

Continually Increasing the Proportion of Women

Historically, the chemical industry has been male dominated. The CABB Group wants to change this inequality and therefore promotes gender diversity in its workforce and, more specifical-

ly, in its management teams. At the end of 2022, approximately 16% of the entire Group workforce were women. With a total of 40%, the proportion of women is highest at the Group’s headquarters in Sulzbach, Germany, followed by 21% at the site in Jining, China, and 20% in Kokkola, Finland.

A key objective of the CABB Group’s diversity strategy, however, is to have women on 25% of the management positions worldwide by 2025. As of December 2022, the total percentage of women in management was at 20%. In Pratteln, Switzerland, the percentage of women in such positions is approximately 13%, in Kokkola, Finland, 31%, in Germany collectively 13% (including Knapsack, Gersthofen, Sulzbach), in Jining, China, 38% and in Galena, USA, 19%. The CABB Group is well on its way but acknowledges that there is still work to be done.

Possibility of Part-Time Employment

Across the Group, around 5% of the workforce is employed on a part-time basis. This proportion is highest at the Group’s headquarters in Sulzbach with over 16%, followed by the Pratteln and Gersthofen sites with between 8 and 9%. Balancing family and career is a major concern for the CABB Group. If an employee expresses a desire for part-time employment, individual solutions are sought.

Equal Pay Validated Externally

CABB conducts a pay equity analysis every four years which is then reviewed by an independent agency. Various criteria are taken into account in the analysis, in detail the areas of education, level of competence and professional status. Carried out in March 2022, the review showed that the CABB site in Pratteln meets the requirements (gender pay gap below 5%) of the Gender Equality Act. Taking into account differences in qualification and job-related characteristics, women earn 3% less than men.

3.7 Bringing Occupational Safety and Health to the Next Level

When it comes to people, occupational safety is the foundation for everything else. It takes a safe work environment to be able to focus on increasing efficiency or reducing environmental impacts. Our top concern is therefore that all employees stay healthy, and leave work each day with no injuries. The CABB Group wants to create a safety culture in which everyone always works safely and without any accidents. Over the past few years, the CABB Group has been able to improve the accident rate significantly through site-specific safety initiatives such as training, process improvements, and technical measures. At the CABB Group, the “Lost Time Accident Rate” (LTAR) is taken as the key performance index to measure occupational safety.

The LTAR in 2022 was on group level (excluding Jining in China) at 0.75, slightly higher than in the previous year (0.52 in 2021), but below the benchmark for the chemical industry from the Occupational Safety and Health Administration (OSHA) which was in 2021 at 0.8 (0.7 in 2020). Going beyond the standard parameter of LTAR, the CABB Group also tracks and analyzes “level 1 accidents” which lead to lost labor time of less than one day. This is done in the conviction that addressing small issues can help avoid greater harm.

Group-Wide #BehaviouralSafety Project to Raise Awareness

Taking the LTAR, CABB has not yet achieved the goal of zero accidents. To reach this goal, the #BehaviouralSafety project has been launched in 2022. The program started first at the CABB site in Kokkola, Finland, as a pilot, soon followed by the other European sites. In the third quarter 2022, it has started in the US as well. The program is receiving external support from Institute Bruno Schmaeling (IBS), a successful industry specialist in this field. The project started at all sites with a safety culture survey where so far 755 employees participated. As part of a behavior-based safety campaign, an assessment was carried out at the CABB site in Pratteln, Switzerland, during the first half of the year to determine the extent to which the safety culture is already developed and where further potential for improvement lies. This happened – among other measures – by safety walks with experts and a safety survey with all employees. These measures had been followed-up by workshops to review results and to identify improvement potentials.

The #BehaviouralSafety project has been given top priority for the entire CABB Group. Within the framework of the ongoing project, safety routines are now optimized across the entire Group rather than just at one site only. Joining forces together as ONE CABB is the only way to further reduce incidents – and achieve our clear goal of zero accidents. For that reason, collaboration between the sites is being stepped up on a continuous basis. As part of this initiative, the Health & Safety Managers from all CABB sites met in Gersthofen, Germany, in October 2022 to discuss best practices in the field of safety. In addition, the new position of Global HSE Manager has been established with effect from 1 December 2022. This will help the CABB Group to further improve cooperation across all sites.

The personal behavior of every single employee is the most important factor for always guaranteeing occupational safety. The ongoing #BehaviouralSafety project of the CABB Group places a strong emphasis on accident-prevention training in this regard. Such programs typically include sessions related to workplace safety, process safety, plant safety and standard operating procedures. Since 2019, twelve HSE training hours per

employee (in a classroom or online) have been the minimum annual target at all sites. This target was achieved once again in 2022. These figures have been systematically tracked and reported since 2021 within the framework of the sustainability scorecard.

Contact Points for Safety-Related Topics

The CABB Group employees have a high awareness of safety and prevention issues. For the CABB Group, creating a safe work environment means systematically analyzing the risks associated with certain activities. These job hazard assessments lead to technical or process optimizations as well as specific training programs. Such reviews are especially important when changes are made to infrastructure, facilities, or processes. The CABB Group maintains a safety scorecard to track the systematic realization of these assessments.

The employees who work in the production plants every day have a heightened sense of the potential workplace hazards associated with their daily activities. Together with its employees, the CABB Group systematically compiles this knowledge to define and implement appropriate measures that can improve occupational safety. The CABB plant in Finland introduced this type of program in 2021 to identify hazardous working conditions and has since achieved very positive results from it. To date, more than 120 hazardous conditions or near misses have been reported and appropriate countermeasures taken. The program further reinforces employee safety awareness and is an important tool for creating an even safer work environment.

There are contact points at every CABB Group site so that safety-relevant issues can be reported by all employees at any time. The primary method for this is “near-miss reporting,” a tool that is integrated into the CABB Group’s online training system.

Successful Certifications

In 2021, the CABB Group’s sites in Switzerland and Finland successfully obtained certification to ISO 45001:2018. CABB in China has raised its “Safety production standardization system” from level 3 to level 2. CABB already completed the certification process at the end of last year, and the certificate was issued in August 2022. Level-2-certified companies are very rare in the region and even throughout China. Accordingly, the CABB site in Jining is regarded as an outstanding model for workplace safety. The “Safety production standardization system” is the Chinese equivalent to ISO 45001.

The CABB Group ensures that it has a reliable management system in place across all sites. The safety and physical integrity of all its employees, as well as that of visitors, suppliers, and customers, is a top priority for the company.

3.8 Intensifying the Stakeholder Dialogue

The CABB Group firmly believes that trust-based and considerate interactions with its surrounding environment result in added value for all its stakeholders. The CABB Group fosters these multifaceted relationships through its memberships and involvement in associations, regular face-to-face interactions with decision makers, and by supporting and organizing events in the local community.

Given the sensitive nature of their operations, chemical companies have a special obligation to engage with local communities to ensure they feel informed and safe. The sites voluntarily support initiatives and events in their region and organize citizen dialogues. As an example, in Pratteln, Switzerland, several site visits have been offered in 2022 to various associations and groups to foster the dialogue with neighbors. A semi-annual neighborhood dialogue was once again held at the Knapsack chemical park in April 2022. CABB in Germany also participated in both well-attended events for the local community.

The CABB site in Gersthofen, Germany, sponsors the “Kids Academy” every year. Two elementary school classes from the neighborhood each get to spend a morning at the CABB training center and try their hand at chemistry experiments under

supervision. In addition, hydrogen is supplied to the Gersthofen free balloon club at attractive conditions, thus promoting ballooning in the region.

The CABB Group maintains an interactive dialogue with public authorities and politicians at all levels, both through the site managers and the global leadership team. The focus of every exchange is building trust and fostering acceptance for current and future business-relevant topics. At the same time, these discussions serve as a barometer to gauge the concerns, questions, and expectations of politicians and the public. In these discussions – e.g., during the “Feierabend Knapsack” political event – it is gratifying to sense the ever-present will to collaborate in shaping the future, as well as a commitment to the unconditional preservation and expansion of existing jobs. Across all its locations, the CABB Group is a valued company and a respected employer. It participates in industry-specific discussions and advocates for interests that relate to its own business activities. Otherwise, the CABB Group is politically independent and, more specifically, does not make donations to any political parties.

Memberships and Initiatives

The CABB Group is an active member of several business and professional associations worldwide. Exchanges with other in-

NUMBER OF EMPLOYEES	2019	2020	2021	2022
Switzerland	378	376	396	410
Germany	333	331	327	338
Finland	209	221	240	258
USA	121	122	130	132
China	63	60	62	62
Total CABB Group	1,104	1,110	1,155	1,200
Permanent employees in %	97.6	97.8	97.4	96.3
Fixed-term employees in %	2.4	2.2	2.6	3.7
Total fluctuation of employees in %	9.0	7.0	6.9	9.8

DIVERSITY THROUGHOUT THE CABB GROUP	2019	2020	2021	2022
Proportion of women in %	14.9	14.1	15.6	16.1
Proportion of women in management in %	16.5	17.0	19.4	20.0

PART-TIME EMPLOYEES	2019	2020	2021	2022
Part-time employees in %	5.3	5.0	4.8	5.3

dustry representatives – always in consideration and compliance with antitrust laws – are important for the CABB Group to facilitate working together to achieve attractive framework conditions that are conducive to innovation and healthy competition.

- American Chemistry Council
- Avenir Suisse (joined in 2022)
- CEFIC/EFCG/Eurochlor
- Chemical Industry Federation of Finland
- co2ncept plus network/Verband der Wirtschaft für Emissionshandel und Klimaschutz e.V. (Business Association for Emissions Trading and Climate Protection)
- German Chemical Industry Association (VCI)
- Basel Chamber of Commerce and Industry (HKBB)
- IGEB (Swiss Association of Energy-Intensive Industries)
- scienceindustries
- Swiss Chemical Society (SCS)
- Swiss Process and Chemical Engineers (SGVC)
- United Nations Global Compact
- Hydrogen Alliance Bavaria
- Together for Sustainability (joined 2022)
- Unternehmensnetzwerk Klimaschutz (Corporate network climate protection; founding member in 2022)
- Wirtschaftskammer Baselland (Chamber of Commerce)

Furthermore, the CABB Group is a signatory of the “Responsible Care Global Charter.” This voluntary initiative from the chemical-pharmaceutical industry focuses on the safe management of chemicals throughout their life cycle while promoting their role in improving quality of life and contributing to sustainable development.

CABB Germany and its Knapsack site are participating in the “Sustainable Rhineland Chemical Region” initiative from Chem-Cologne to actively promote and help shape the regional transformation process in the Rhineland. Knowledge acquired from regional experiences or realities is channeled back into the company on a Group level when appropriate so that potential synergies can be harnessed for the other CABB Group sites.

In Pratteln, Switzerland, the CABB Group welcomed the specialist meeting of the Chlorine Working Group (“Arbeitskreis Chlor”) and the Inorganic Sulfur Compounds Association (“Fachvereinigung Anorganische Schwefelverbindungen”) of the German Chemical Industry Association (“Verband der Chemischen Industrie e.V.,” VCI) at the end of November and beginning of December 2022. These VCI committees include specialist staff from industry-leading companies. They work actively on the further development of the chemical industry within the scope of their specialist areas. The goals of the working group meetings include the exchange of knowledge and the further development of safety and industry standards in chemical production.



4 Governance

“Continuous improvement is the path to success. Within the CABB Group, employees put this motto into practice and are proactive in looking for ways to make the company better. Various initiatives and programs are conducted at all the sites so that employees can actively participate.”

Markus Schürholz, CFO

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4.1 Corporate Governance Enables a Sustainable Business

As a globally active company, the CABB Group bears responsibility towards stakeholders. The CABB Group is committed to the strict compliance with all applicable laws and regulations. Corporate governance sets guidelines, rules, and incentives for employees to act with integrity within the company and externally with third parties.

Due to ever increasing risks in technology and cybercrime, the general security concerning data and IT infrastructure has been given a high priority during 2022. A variety of concise technical measures have been implemented globally and all employees undergo specific training (see chapter 4.4, Data Security and Cybersecurity). The CABB Group's IT department further improved the stability of all systems and implemented a green-energy schedule to reduce energy consumption within its infrastructure. To streamline its global operations planning procedures, the CABB Group is evaluating a new global enterprise resource planning (ERP) system.

In the face of geopolitical conflicts driven by the Russia-Ukraine conflict, the energy crisis in Europe and the soaring inflation around the globe, the CABB Group launched specific risk analyses and monitors the global situation. Regular updates on potential business impacts and mitigation actions are given to the Executive Committee and to the Board.

The CABB Group's drive to continuously improve and strive for excellence is a vital part of the CABB DNA. For this reason, the CABB Group encourages employees to actively engage in enhancing and developing the business by facilitating employee involvement. Customers and stakeholders play an important role, giving input for improvement by a variety of different channels, opportunities and by means of a proactive communication.

4.2 Rules and Regulations for Sustainable Corporate Governance

To ensure that the CABB Group lives up to its responsibility, a compliance organization was set up, comprising a Chief Compliance Officer and a Head of Risk and Compliance, as well as written compliance guidelines and policies, including specific employee trainings.

The CABB Group's Board has discussed the main compliance risks and identified relevant specific risk areas, amongst others, in the field of anti-bribery and corruption. Based on this risk assessment and practical experience, the compliance measures currently in place have grown through the last years and are reviewed on an ongoing basis and expanded whenever considered necessary.

Binding Guidelines, Policies and Instructions

The CABB Group fulfills this responsibility by requiring employees, suppliers and service providers to conduct themselves with lawfulness, integrity and responsibility. The underlying standards are set out and implemented in the following guidelines and policies:

- Anti-Corruption Policy (09/2019)
- Antitrust and Competition Law Policy (01/2022)
- Code of Conduct (12/2022)
- Code of Conduct for Suppliers and Service Providers (01/2023)
- Delegation of Authority (01/2023)
- ESG & CSR Management (12/2021)

The Corporate ESG Guideline acts as a global framework to define the strategy, KPI, roles and responsibilities, and puts key compliance documents in relation. In addition to above mentioned documents, the CABB Group has various process instructions and systems in place regarding trade sanctions and export control.

To be well ready for new upcoming regulations like the Corporate Sustainability Reporting Directive (CSRD), CABB installed in 2022 a project team to prepare for the new reporting standards.

Employee Training

Virtual compliance trainings are provided to all employees to encourage and ensure diligent compliance. They take place, for example, with all employees on an annual basis for issues mentioned in the CoC and on an annual basis with employees dealing with external parties regarding anti-corruption prevention. As part of the training on the CoC, employees were also informed of the key contacts for whistleblowing and how their information is handled confidentially.

Anti-Bribery and Anti-Corruption Measures

The CABB Group's Guideline regarding Gifts, Hospitality and Invitations provides specific guidance for employees, managers, and directors on how to avoid and reduce risks of bribery and corruption. It sets value thresholds for granting and accepting benefits that apply to all the CABB Group employees worldwide, irrespective of local customs and traditions.

All affected employees standing in contact with third parties are taught in relevant training sessions on the principles of the CABB Group's anti-bribery and -corruption measures. In the context of the CABB Group's anti-bribery and -corruption measures, no current businesses or other relationships with government entities or public officials can be reported as of December 2022. Anticipatory to this, a so-called Know-Your-Customer check is already implemented. As of December 2022, no cash payments are existing in practice within the operations of the CABB Group. In general, payments to or by CABB in cash are forbidden, except where the sums involved are negligible.

Comprehensive Compliance Management System

To ensure compliance with all necessary regulations, the CABB Group has established a Compliance Management System. This includes an external Ombudsman, nominated by the CABB Group (especially for anti-corruption violations), to whom employees can anonymously report suspicions of (anti-corruption) violations. Furthermore, the Chief Compliance Officer as well as an external lawyer can be contacted in that regard at any time.

The Head of Risk and Compliance develops an annual audit plan together with an independent internal audit company, which is approved by the internal Audit Committee. On this basis, the internal audit company carries out audits in the following year and makes recommendations for compliance measures.

In 2022, no known past material breaches of law and internal compliance regulations, including antitrust and monopoly laws as well as anti-bribery and -corruption laws, could be reported. Neither were any criminal or administrative penalties imposed on any entity of the CABB Group, its representatives, or employees. Further, there were no external investigations or audits showing signs of violations of law, of anticompetitive behavior, or of violations of internal rules for representatives, employees, business partners or consultants in the past five years.

4.3 Managing Risks at the CABB Group

As a fine chemicals company that operates internationally, the CABB Group is exposed to macroeconomic, financial, industry-specific, and company-specific risks that must be carefully and actively managed. To identify and evaluate these and take appropriate measures to avoid their occurrence or to reduce their impact, the CABB Group introduced a detailed risk management policy. It encompasses strategic, financial, operational and compliance risks.

The CABB Group installed Risk Management as an integral part to its existing business processes, instead of having an independent risk management organization. The risk management process (identification, evaluation, treatment, controlling and reporting) is led by the corporate risk management department. One of its core principles is that operational levels and management regularly communicate with each other, and position decisions at the appropriate hierarchical level. This means that if a risk management decision cannot be taken at one hierarchical level, it must be taken to the next higher level. This ensures that every risk is appropriately responded to. The CABB Group's risk management policy is being reviewed regularly and updated as deemed necessary based on best practices and lessons learned.

Robust Sourcing Network

The CABB Group is committed to being a reliable partner for its customers, no matter the circumstances. Sourcing processes have remained strained in 2022 due to ongoing global issues such as China's zero-tolerance policy regarding Covid or the Russia-Ukraine conflict. Shortages of raw and packaging materials as well as technical equipment, coupled with interruptions and/or delays in logistics and soaring energy costs presented the purchasing department with major challenges in terms of availability and price increases.

The focus of purchasing during the past year continued to be on securing supplies for the sites by quickly establishing new supply channels or searching for and evaluating new suppliers – all without compromising quality or compliance in any way. Therefore, the CABB Group also joined the "Together for Sustainability" global initiative in April (see chapters 1 and 2) as an active member. The initiative's stated goal is to use global standards to drive and deliver measurable improvements that make supply chains more sustainable and crisis-proof.

4.4 Data Security and Cybersecurity

Cybercrime is increasing at a rapid pace, as confirmed by the official statistics in all the countries where the CABB Group has sites, as well as by the “Digital Defense Report 2022” from Microsoft. These attacks have long since been directed not only against government institutions, but also against a diverse range of companies throughout the industry. During 2022, a significant rise of cybercrimes has been registered. The CABB Group launched a thorough cyber hygiene program in 2022 and has taken a series of technical and organizational measures to meet the ever-increasing demands in cybersecurity.

The CABB Group’s IT keeps up a regular schedule of warnings for its employees concerning phishing and other threats that have become increasingly popular with cybercriminals, partly due to global work-from-home measures during the Covid pandemic. Other measures include the marking of external e-mails with a warning tagline, deactivation of web-based logins for company e-mail and the global rollout of a strict two-factor authentication, that further enhances the security of the employees’ user accounts.

Since user behavior always poses one of the most critical risks in terms of cybersecurity, the CABB Group deployed a training program for its employees. In accordance with the above mentioned technical safety measures, all users are specifically educated and trained in terms of cyber risks and safe online behavior, especially with regards to phishing attacks. Combined with the company-wide periodic updates on cyber risks, this raised user awareness builds an additional important security wall against the threats of cybercriminality.

Measures for the stabilization of the IT infrastructure and more energy efficiency have been implemented as well, such as auto-logouts during prolonged SAP sessions and improved energy savings, using more climate-neutral energy sources and further reducing the IT carbon footprint. To further improve the processes of IT services, the group IT has reorganized its internal structure by October 2022, aligning its resources and processes in accordance with Operations.

To streamline its operations planning procedures, the CABB Group is evaluating a new global enterprise resource planning (ERP) system. The Executive Committee and the Advisory Board decided to evaluate successor systems for the diverse ERP systems in use as of today. It is the aim to introduce a uniform system over the next years in collaboration with the global sites as the foundation for a more harmonized resource planning.

Data Protection through GDPR Compliance

The data processing activities of the CABB Group mainly relate to the processing of employee personal data (including data of applicants) and business contact information of customers and

suppliers. In Germany and Finland, such processing activities are subject to the EU General Data Protection Regulation (“GDPR”) and the German Federal Data Protection Act (Bundesdatenschutzgesetz).

In order to implement the requirements pursuant to the GDPR in Germany, the German CABB GmbH has conducted an implementation project to achieve GDPR compliance. In this context, a gap analysis was conducted in 2018 to identify the remaining fields of potential improvement in the GDPR compliance system and data protection policies and procedures were implemented and/or ameliorated.

CABB has taken various steps to achieve GDPR compliance, including:

- Generating data privacy policies for business partners and employees to meet informative obligations.
- Preparing and maintaining records of data processing activities.
- Entering into data processing agreements where CABB in Germany processes personal data on behalf of a third party or vice versa.
- Implementing a process to ensure that the rights of the data subjects can be fulfilled within the timelines prescribed by the GDPR.
- Developing a data breach response plan.
- Setting up a data protection policy and periodically conducting trainings for employees.

Further Measures to Increase Data Protection

An external data protection officer who reports directly to the CFO together with specialized internal data protection coordinators within the CABB Group have been responsible for the implementation of the GDPR and the general data protection compliance. The data protection officer and responsible personnel regularly work on the continuous improvement of the data protection system.

The CABB Group further encourages every employee to support contribution to data protection, as employees are generally the first line of defense against cybercrime. To facilitate this, the CABB Group launched a campaign to inform employees about so-called “phishing” and offer advice on how to recognize and stop these attacks.

No Data Breach to Be Reported

During the past three years, CABB in Germany has not been subject to any claims, complaints, investigations, proceedings, and decisions relating to any breach of applicable data protection laws brought by any data subject, regulatory authorities, enforcement, or judiciary authorities or other third parties. In 2019, there was one and in 2022 there were two minor incidents identified, but no material loss of data was detected due to effective security measures.

4.5 Complaint Management as a Source for Improvement

One of the sometimes overlooked yet key characteristics of authentic management is a willingness to admit mistakes and make improvements. Customer complaints are particularly insightful as they give a company the chance to identify failures at the source and introduce effective measures. The CABB Group has made its complaint management a central component in achieving its goal of continuous improvement.

Complaint Management System Compliant with ISO 9001:2015

The CABB Group has implemented customer complaint management systems at its sites that ensure an effective and transparent approach to handling incoming complaints. Each production site has a procedure in place that has been customized to match its particular context and that also meets or exceeds the requirements of ISO 9001:2015.

4.6 Aiming for Excellence with Continuous Improvement

Continuous improvement is the path to success. Within the CABB Group, employees put this motto into practice and are proactive in looking for ways to make the company better. Various initiatives and programs are conducted at all the sites so that employees can actively participate.

During a normal workday, poor communication can quickly give rise to misunderstandings and ambiguities. With the "Four Steps to Clear Communication" concept launched at the Pratteln site in 2021, CABB in Switzerland was laying the foundation for more structured communication. This improves understanding for one another among employees, while also increasing work efficiency in general. When mistakes caused by imprecise communication and misunderstandings are avoided, the working atmosphere improves as well. In 2022, CABB continued in Pratteln with the structured communications trainings for its HSE task forces, further nurturing structured and active communication skills on site for its safety personnel.

The Kokkola production site in Finland launched a program that allows employees to make recommendations for improvements to production processes, working conditions and safety. The initiatives are reviewed by a committee that is made up of employees from all divisions and meets three to four times a year.

5 Annex

ENERGY CONSUMPTION		2019	2020	2021	2022
Total fuel consumption from non-renewable sources¹	MWh	143,777	136,335	143,859	149,028
Pratteln (CH)		33,539	31,536	31,046	33,378
Gersthofen (DE)		2,697	2,658	1,277	584
Knapsack (DE)		109	119	123	116
Kokkola (FI)		21,046	25,393	30,885	28,855
Galena (US)		86,340	76,588	80,483	86,046
Jining (CN)		46	41	45	49
Total electricity consumption	MWh	327,856	305,388	332,552	334,814
Pratteln (CH)		131,843	118,418	135,987	144,329
Gersthofen (DE)		138,979	128,441	136,377	130,481
Knapsack (DE)		9,598	10,186	9,900	9,632
Kokkola (FI)		24,533	25,026	25,492	24,940
Galena (US)		20,590	19,796	20,274	20,560
Jining (CN)		2,312	3,521	4,522	4,872
Total steam consumption	MWh	384,987	358,861	398,041	392,127
Pratteln (CH)		179,083	151,513	180,460	182,156
Gersthofen (DE)		46,514	51,301	51,709	41,600
Knapsack (DE)		21,663	22,891	23,971	23,585
Kokkola (FI)		41,414	46,060	49,054	45,765
Galena (US)		86,340	76,588	80,483	86,046
Jining (CN)		9,973	10,508	12,364	12,975
Total energy consumption	MWh	770,279	723,996	793,969	789,923
Pratteln (CH)		344,465	301,467	347,493	359,863
Gersthofen (DE)		188,190	182,400	189,363	172,665
Knapsack (DE)		31,370	33,196	33,994	33,333
Kokkola (FI)		86,993	96,479	105,431	99,560
Galena (US)		106,930	96,384	100,757	106,606
Jining (CN)		12,331	14,070	16,931	17,896

¹ These include diesel, gasoline, propane, natural gas, fuel oil, heavy oil, and sulfur (sulfur is used by CABB in Switzerland as a raw material; with the waste heat of the process, steam is generated).

CO ₂ e EMISSIONS		2019	2020	2021	2022
CO₂e emissions (Scope 1 + Scope 2, location-based)	t	393,852	358,131	402,725	385,838
Savings through the procurement of low-carbon electricity	t	27,009	26,607	21,552	25,809
CO₂e emissions (Scope 1 + Scope 2, market-based)	t	366,843	331,524	381,173	360,029
CO₂e emissions (Scope 1 + Scope 2 + Scope 3)	t	1,277,766	1,224,223	1,370,472	1,322,356
Gross volume of direct greenhouse gas emissions (Scope 1)	t	176,380	160,463	187,817	174,178
Switzerland		1,922	1,368	1,223	640
Germany		6,331	6,845	7,007	6,255
Finland		4,621	5,390	7,837	6,280
USA		163,277	146,632	171,516	160,774
China		229	228	235	229
Gross volume of indirect energy-related greenhouse gas emissions (Scope 2, market-based)	t	190,463	171,061	193,357	185,851
Switzerland		51,540	41,046	49,468	49,463
Germany		102,053	92,910	104,980	98,794
Finland		20,976	21,196	21,892	20,174
USA		11,222	10,789	11,049	11,205
China		4,673	5,120	5,968	6,214
Gross volume of other indirect greenhouse gas emissions (Scope 3)	t	910,923	892,699	989,299	962,327
Switzerland		357,087	316,201	365,836	380,212
Germany		260,560	287,663	271,540	241,243
Finland		199,196	210,332	229,540	219,797
USA		54,067	55,072	80,969	75,681
China		40,014	23,430	41,413	45,395

OTHER AIR EMISSIONS

		2019	2020	2021	2022
Air emissions NO_x	kg	186,474	166,730	197,341	170,334
Pratteln (CH)		1,939	1,930	1,444	1,315
Gersthofen (DE)		1,697 ¹	1,697 ¹	1,697 ¹	1,697 ¹
Knapsack (DE)		n/a	n/a	n/a	n/a
Kokkola (FI)		22,810	25,430	23,990	16,539
Galena (US)		160,028	137,673	170,210 ¹	150,783
Jining (CN)		n/a	n/a	n/a	n/a
Air emissions SO_x	kg	98,052	79,162	60,661	39,660
Pratteln (CH)		96,814	77,571	58,888	38,424
Gersthofen (DE)		847 ¹	847 ¹	847 ¹	847 ¹
Knapsack (DE)		n/a	n/a	n/a	n/a
Kokkola (FI)		256	601	791	268
Galena (US)		135	143	135	121 ²
Jining (CN)		n/a	n/a	n/a	n/a
Air emissions of volatile organic compounds (VOCs)	kg	28,938	26,427	24,852	19,643
Pratteln (CH)		8,305	8,627	7,174	6,569
Gersthofen (DE)		n/a	n/a	n/a	n/a
Knapsack (DE)		n/a	n/a	n/a	n/a
Kokkola (FI)		76	77	120	97
Galena (US)		20,557	17,723	17,168 ²	12,403
Jining (CN)		n/a ³	n/a ³	390	574

¹ Data taken from measurements in 2019.

² Projection based on data from 30 November 2021.

³ Data collection only since 2021.

TOTAL WATER WITHDRAWAL

BY PRODUCTION SITE AND EXTRACTION TYPE

		2019	2020	2021	2022
Total water withdrawal	m³	34,712,587	33,266,478	31,764,957	31,988,224
From surface water	m³	207,472	215,711	217,975	215,609
Pratteln (CH)		0	0	0	0
Gersthofen (DE)		0	0	0	0
Knapsack (DE)		0	0	0	0
Kokkola (FI)		185,902	207,711	209,696	205,001
Galena (US)		21,570	8,000	8,279	10,608
Jining (CN) ¹		0	0	0	0
From groundwater	m³	17,783,678	16,396,917	16,544,693	17,027,068
Pratteln (CH)		17,618,578	16,214,017	16,374,453	16,849,732
Gersthofen (DE)		0	0	0	0
Knapsack (DE)		0	0	0	0
Kokkola (FI)		0	0	0	0
Galena (US)		165,100	182,900	170,240	177,336
Jining (CN) ¹		0	0	0	0
From seawater	m³	4,705,354	5,355,450	4,957,890	4,878,544
Pratteln (CH)		0	0	0	0
Gersthofen (DE)		0	0	0	0
Knapsack (DE)		0	0	0	0
Kokkola (FI)		4,705,354	5,355,450	4,957,890	4,878,544
Galena (US)		0	0	0	0
Jining (CN) ¹		0	0	0	0
From third parties	m³	12,016,083	11,298,400	10,044,399	9,867,003
Pratteln (CH)		253,118	226,269	353,692	316,225
Gersthofen (DE)		9,522,215	8,795,060	8,585,031	9,097,336
Knapsack (DE)		162,435	149,582	182,861	157,600
Kokkola (FI)		179,790	169,527	200,716	204,938
Galena (US)		0	7,300	7,730	7,539
Jining (CN) ¹		1,898,525	1,950,662	714,369	83,365

¹ Area with high water risk (>40%).

**TOTAL WATER DISCHARGE
FROM AREAS WITH HIGH WATER RISK¹**

		2019	2020	2021	2022
Total	m³	–	–	–	58,115
To surface water		–	–	–	0
To groundwater		–	–	–	0
To seawater		–	–	–	0
To third parties		–	–	–	58,115

**TOTAL WATER CONSUMPTION
FROM AREAS WITH HIGH WATER RISK¹**

		2019	2020	2021	2022
Total	m³	–	–	–	25,250

¹ KPI has been newly introduced in 2022.

WASTE

		2019	2020	2021	2022
Total weight of hazardous waste generated	t	55,828	56,178	56,810	66,350¹
Pratteln (CH)		20,619	16,525	13,682	21,788
Gersthofen (DE)		94	110	171	153
Knapsack (DE)		13	26	22	16
Kokkola (FI)		31,225	36,403	39,951	38,923
Galena (US)		3,860	3,074	2,939	5,463
Jining (CN)		17	40	45	7
Total weight of non-hazardous waste generated	t	20,588	19,017	18,089	36,061¹
Pratteln (CH)		500	626	565	290
Gersthofen (DE)		1,992	2,008	1,943	3,156
Knapsack (DE)		159	293	41	58
Kokkola (FI)		61	73	84	1,126
Galena (US)		17,876	16,017	15,441	31,420
Jining (CN)		n/a	n/a	15	11

¹ Since 2022, we have been recording all waste categories. The reuse and recycling categories have not yet been recorded for previous years. Therefore, the quantities in 2022 are significantly higher and not comparable with previous years.

Data collection only since 2022

	2022		
Total weight of waste diverted from disposal (hazardous)	t	18,141	Reuse (hazardous)¹
Pratteln (CH)	13,984		t
Gersthofen (DE)	42		11,680
Knapsack (DE)	7		Pratteln (CH)
Kokkola (FI)	1,611		11,413
Galena (US)	2,497		Gersthofen (DE)
Jining (CN)	0		0
Total weight of waste diverted from disposal (non-hazardous)	t	19,243	Knapsack (DE)
Pratteln (CH)	116		7
Gersthofen (DE)	2,086		Kokkola (FI)
Knapsack (DE)	42		260
Kokkola (FI)	1,064		Galena (US)
Galena (US)	15,935		0
Jining (CN)	0		Jining (CN)
			0
			Recycling (hazardous)¹
			t
			5,110
			Pratteln (CH)
			2,572
			Gersthofen (DE)
			42
			Knapsack (DE)
			0
			Kokkola (FI)
			0
			Galena (US)
			2,497
			Jining (CN)
			0

Other recycling (hazardous)¹	t	1,351
Pratteln (CH)		0
Gersthofen (DE)		0
Knapsack (DE)		0
Kokkola (FI)		1,351
Galena (US)		0
Jining (CN)		0
Reuse (non-hazardous)¹	t	15,947
Pratteln (CH)		0
Gersthofen (DE)		0
Knapsack (DE)		11
Kokkola (FI)		0
Galena (US)		15,935
Jining (CN)		0
Recycling (non-hazardous)¹	t	2,469
Pratteln (CH)		116
Gersthofen (DE)		2,086
Knapsack (DE)		31
Kokkola (FI)		236
Galena (US)		0
Jining (CN)		0
Other recycling (non-hazardous)¹	t	828
Pratteln (CH)		0
Gersthofen (DE)		0
Knapsack (DE)		0
Kokkola (FI)		828
Galena (US)		0
Jining (CN)		0
Total weight of waste directed to disposal (hazardous)	t	48,209
Pratteln (CH)		7,804
Gersthofen (DE)		111
Knapsack (DE)		9
Kokkola (FI)		37,312
Galena (US)		2,966
Jining (CN)		7
Total weight of waste directed to disposal (non-hazardous)	t	16,818
Pratteln (CH)		174
Gersthofen (DE)		1,070
Knapsack (DE)		16
Kokkola (FI)		62
Galena (US)		15,485
Jining (CN)		11
Incineration with recovery (hazardous)¹	t	46,213
Pratteln (CH)		7,804
Gersthofen (DE)		111
Knapsack (DE)		0
Kokkola (FI)		36,574
Galena (US)		1,724
Jining (CN)		0
Incineration without recovery (hazardous)¹	t	1,199
Pratteln (CH)		0
Gersthofen (DE)		0
Knapsack (DE)		7
Kokkola (FI)		0
Galena (US)		1,185
Jining (CN)		7

Landfilling (hazardous)¹	t	33
Pratteln (CH)		0
Gersthofen (DE)		0
Knapsack (DE)		2
Kokkola (FI)		31
Galena (US)		0
Jining (CN)		0
Other disposal (hazardous)¹	t	764
Pratteln (CH)		0
Gersthofen (DE)		0
Knapsack (DE)		0
Kokkola (FI)		707
Galena (US)		57
Jining (CN)		0
Incineration with recovery (non-hazardous)¹	t	256
Pratteln (CH)		174
Gersthofen (DE)		0
Knapsack (DE)		0
Kokkola (FI)		62
Galena (US)		20
Jining (CN)		0
Incineration without recovery (non-hazardous)¹	t	1,001
Pratteln (CH)		0
Gersthofen (DE)		0
Knapsack (DE)		3
Kokkola (FI)		0
Galena (US)		987
Jining (CN)		11
Landfilling (non-hazardous)¹	t	1,157
Pratteln (CH)		0
Gersthofen (DE)		1,070
Knapsack (DE)		13
Kokkola (FI)		0
Galena (US)		74
Jining (CN)		0
Other disposal (non-hazardous)¹	t	14,404
Pratteln (CH)		0
Gersthofen (DE)		0
Knapsack (DE)		0
Kokkola (FI)		0
Galena (US)		14,404
Jining (CN)		0

¹ KPI has been newly introduced in 2022.

NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT AND GENDER	2019		2020		2021		2022	
	M	F	M	F	M	F	M	F
Total	939	165	951	159	975	180	1,007	193
Temporary	16	10	20	4	22	8	37	7
Switzerland	2	4	1	0	2	2	3	1
Germany	5	2	8	1	6	4	16	2
Finland	9	4	11	3	14	2	18	4
USA	0	0	0	0	0	0	0	0
China	0	0	0	0	0	0	0	0
Permanent	923	155	931	155	953	172	970	186
Switzerland	324	48	329	46	341	51	348	58
Germany	275	51	272	50	267	60	268	52
Finland	163	33	172	35	179	45	189	47
USA	110	12	110	12	117	13	116	13
China	51	12	48	12	49	13	49	13

NUMBER OF EMPLOYEES BY EMPLOYMENT TYPE AND GENDER	2019		2020		2021		2022	
	M	F	M	F	M	F	M	F
Total	939	165	951	159	975	180	1,007	193
Full-time	925	121	933	122	959	140	981	155
Switzerland	316	30	318	30	333	35	332	41
Germany	276	30	274	31	267	33	279	35
Finland	172	36	183	37	193	46	207	50
USA	110	11	110	12	117	13	114	16
China	51	12	48	12	49	13	49	13
Part-time	14	44	18	37	16	40	26	38
Switzerland	10	22	12	16	10	18	19	18
Germany	4	21	6	20	6	21	5	19
Finland	0	1	0	1	0	1	0	1
USA	0	0	0	0	0	0	2	0
China	0	0	0	0	0	0	0	0

PERCENTAGE OF EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS	2019	2020	2021	2022
Total in %	78	78	77	76
Switzerland	20	20	19	19
Germany	25	25	24	24
Finland	19	20	21	21
USA	8	8	8	7
China	6	5	5	5

NUMBER OF EMPLOYEES BY AGE	2019		2020		2021		2022	
	M	F	M	F	M	F	M	F
Total	939	165	953	157	975	180	1,007	193
Under 30 years old	126	33	135	27	148	27	158	34
Switzerland	36	12	34	8	37	5	42	9
Germany	44	10	52	9	43	9	47	11
Finland	20	5	22	5	31	6	31	6
USA	11	1	19	1	27	2	32	3
China	15	5	8	4	10	5	6	5
30–50 years old	406	91	413	88	434	108	466	111
Switzerland	139	29	141	28	148	39	153	40
Germany	105	28	102	26	103	28	117	25
Finland	92	19	96	18	101	25	115	26
USA	36	8	35	8	43	8	39	12
China	34	7	39	8	39	8	42	8
Over 50 years old	407	41	405	42	393	45	383	48
Switzerland	151	11	155	10	158	9	156	10
Germany	131	15	126	16	127	17	120	18
Finland	62	11	67	13	61	16	61	19
USA	61	4	56	3	47	3	45	1
China	2	0	1	0	0	0	1	0

NUMBER OF NEW EMPLOYEE HIRES DURING THE REPORTING PERIOD	2019		2020		2021		2022	
	M	F	M	F	M	F	M	F
Total	91	23	80	14	89	27	153	45
Under 30 years old	30	10	44	7	30	6	64	22
Switzerland	6	3	10	0	12	3	14	5
Germany	7	2	14	4	12	2	15	8
Finland	4	2	4	1	2	1	18	5
USA	10	0	13	2	1	0	13	3
China	3	3	3	0	3	0	4	1
30–50 years old	46	9	30	6	40	19	67	19
Switzerland	34	3	20	4	27	14	32	7
Germany	4	2	5	0	2	2	17	3
Finland	3	3	3	1	6	2	12	6
USA	3	0	2	0	0	1	2	3
China	2	1	0	1	5	0	4	0
Over 50 years old	15	4	6	1	19	2	22	4
Switzerland	14	3	6	0	16	1	19	1
Germany	1	1	0	1	3	1	3	1
Finland	0	0	0	0	0	0	0	0
USA	0	0	0	0	0	0	0	1
China	0	0	0	0	0	0	0	0

EMPLOYEE TURNOVER IN %	2019		2020		2021		2022	
	ALL	ONLY FEMALE	ALL	ONLY FEMALE	ALL	ONLY FEMALE	ALL	ONLY FEMALE
Total	9.0	1.4	7.0	1.4	6.9	1.0	9.8	1.7
Switzerland	11.6	1.1	6.6	1.6	11.4	2.0	13.2	1.2
Germany	7.5	2.1	7.9	2.1	7.6	0.9	8.6	3.3
Finland	1.9	0.0	1.8	0.0	0.8	0.0	4.7	0.4
USA	6.6	0.0	13.1	0.8	2.3	0.8	9.8	0.8
China	28.6	7.9	11.7	1.7	8.1	0.0	14.5	3.2

**PERCENTAGE OF EMPLOYEES
WHO RECEIVED PERFORMANCE REVIEW
IN %¹**

2021/2022

	M	F
Production and technology		
Switzerland	81	89
Germany ²	n/a	n/a
Finland	96	99
USA	100	100
China	100	100
Research and development		
Switzerland	100	80
Germany ²	n/a	n/a
Finland	100	100
USA	100	100
China ³	n/a	n/a
Administration and sales		
Switzerland	77	63
Germany ²	n/a	n/a
Finland	100	100
USA	100	100
China	64	80

¹ KPI has been newly introduced in 2022.

² Currently no documented evaluation.

³ No employees in this category.

**NUMBER OF EMPLOYEES
WITH PARENTAL LEAVE^{1,2}**

2022

	M	F
Total	107	16
Entitlement of parental leave	51	7
Switzerland	19	1
Germany	9	4
Finland	18	2
USA	2	0
China	3	0
Taking parental leave	29	7
Switzerland	15	1
Germany	9	4
Finland	1	2
USA	1	0
China	3	0
Returning after parental leave	27	2
Switzerland	14	1
Germany	9	1
Finland	1	0
USA	0	0
China	3	0

¹ In 2022, all employees have returned from parental leave or have been still in parental leave.

² KPI has been newly introduced in 2022.

**LOST TIME ACCIDENT RATE
(LTAR)¹**

	2019	2020	2021	2022
LTAR	0.40	0.39	0.52	0.75

¹ Excluding Jining (CN).

6 About this Report

Transparency through Global Reporting Standards

The CABB Group is working towards making its future sustainability reports fully compliant with the “Global Reporting Initiative” (GRI). These guidelines support and standardize the preparation of sustainability reports by clearly defining disclosures. This improves comparability and underlines our commitment to transparency vis-à-vis our stakeholders. Until all the information required by GRI can be collected, processes still need to be adapted within our organization in order to be able to determine all the data correctly and consistently. This report is therefore already based on some GRI disclosures but cannot yet fully meet the requirements. Information that meets the GRI requirements is already marked for clarity.

GRI 102: General Disclosures 2016

GRI STANDARD	DISCLOSURE	SDG	PAGE
Organizational profile	102-7 Size of the organization		14, 15, 34
	102-8 Information on employees and other workers	8 & 10	14, 15, 34
	102-9 Supply chain		8
	102-11 Precautionary approach or precautionary principle		41
	102-12 External initiatives		33–35
	102-13 Membership in associations and interest groups		35
Ethics and integrity	102-16 Values, principles, standards and norms of conduct	16	4, 5, 13, 38
Stakeholder engagement	102-41 Collective bargaining agreements	8	46
	102-42 Stakeholder identification and selection		10, 11
	102-43 Approach to stakeholder engagement		9–12
	102-44 Key issues and concerns raised		8
Reporting practice	Approach to determining report content and differentiating between issues		10–13
	102-46 List of key topics		8
	102-50 Reporting period: 1 January to 31 December 2021		52
	102-51 Date of last report: January 2021 (only for part of the CABB Group)		–
	102-52 Report cycle: yearly		–
	102-53 Contact person for questions regarding the report		52

Environment

GRI STANDARD	DISCLOSURE	SDG	PAGE
GRI 103 Management Approach 2016	103-1 Explanation of the material topic and its boundary		8–13, 18–19
	103-2 The management approach and its components		8–13, 18–19
	103-3 Evaluation of the management approach		8–13, 18–19
GRI 302 Energy 2016	302-1 Energy consumption within the organization	7, 8, 12, 13	15, 18–20
GRI 303 Water and Effluents 2018	303-3 Water withdrawal	6	14, 15, 21–23, 43–44
			14, 15, 18–20, 42–43
GRI 305 Emissions 2016	305-1 Direct (Scope 1) greenhouse gas emissions	3, 12, 13, 14, 15	15, 18–20, 42–43
	305-2 Energy indirect (Scope 2) GHG emission	3, 12, 13, 14, 15	15, 18–20, 42–43
	305-3 Other indirect (Scope 3) GHG emissions		15, 18–20, 42–43
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	3, 12, 14, 15	15, 23, 43
GRI 306 Waste 2020	306-2 Waste by type and disposal method	3, 6, 8, 12	15, 24–25, 44–45
	306-3 Waste generated		15, 24–25, 44–45
	306-4 Waste diverted from disposal		15, 24–25, 44–45
	306-5 Waste directed to disposal		15, 24–25, 44–45

Social

GRI STANDARD		DISCLOSURE	SDG	PAGE
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its boundary		8–13, 28–29
	103-2	The management approach and its components		8–13, 28–29
	103-3	Evaluation of the management approach		8–13, 28–29
GRI 401 Employment 2016	401-1	New employee hires and employee turnover	5, 8, 10	29, 34, 47–48
	401-3	Parental leave		28, 48
GRI 403 Occupational Health and Safety 2018	403-1	Occupational health and safety management system	8	32–33
		Hazard identification, risk assessment, and incident investigation	8	31–32
	403-2	Occupational health services	8	23–33
		Employee participation, consultation, and communication on occupational health and safety	8	32–33
	403-3	Worker training on occupational health and safety	8	32–33
	403-4	Promotion of worker health	3	32–33
		Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	8	32–33
	403-5	Workers covered by an occupational health and safety management system	8	32–33
	403-6	Work-related injuries	8	15
	404-3	Percentage of employees receiving regular performance and career development reviews		28, 48
GRI 413 Local Communities 2016	413-1	Operation sites with local community involvement, impact assessments and support programs		32–33, 35
GRI 415 Public Policy 2016	415-1	Party donations	16	34–35

Governance

GRI STANDARD		DISCLOSURE	SDG	PAGE
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its boundary		8–13, 18–19
	103-2	The management approach and its components		8–13, 38, 39
	103-3	Evaluation of the management approach		8–11, 18
GRI 205 Anti-Corruption 2016	205-1	Operating sites that have been assessed for corruption risks	16	38, 39
	205-2	Communication and training on anti-corruption policies and procedures	16	38
	205-3	Confirmed incidents of corruption and actions taken	16	38, 39
GRI 206 Anticompetitive Behavior 2016	206-1	Legal proceedings due to anticompetitive behavior, cartel and monopoly formation	16	38, 39
GRI 412 Human Rights Assessment	412-2	Employee training on human rights policies and procedures		28, 29
GRI 418 Customer Privacy 2016	418-1	Substantiated complaints related to breaches of customer privacy and loss of customer data	16	40, 41

Further certificates related to ISO, EcoVadis, the code of conduct, the supplier code of conduct and additional key performance indicators can be downloaded on the CABB Group website (<https://cabb-chemicals.com/about-us/downloads/>).

Switzerland (CABB AG)

- ISO 9001:2015, 14001:2015 and 45001:2018
- EcoVadis Gold Medal 2022

USA (Jayhawk Fine Chemicals)

- ISO 9001:2015, 14001:2015

Finland (CABB Oy)

- ISO 9001:2015, 14001:2015 and 45001:2018
- EcoVadis Platin Medal 2022

Germany (CABB GmbH)

- ISO 9001:2015, 14001:2015 and 50001:2018
- EcoVadis Gold Medal 2022

China (CABB Jinwei Specialty Chemicals)

- ISO 9001:2015, 14001:2015
- EcoVadis Gold Medal 2022

Disclaimer

This report includes forward-looking statements based on assumptions and estimates. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this report, including, without limitation, those regarding our strategy, plans, objectives, goals, and targets. In some cases, you can identify forward-looking statements by terminology such as “aim,” “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “guidance,” “intend,” “may,” “plan,” “potential,” “predict,” “projected,” “should,” or “will,” or the negative of such terms or other comparable terminology. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and are based on numerous assumptions and that our actual results of operations may differ materially from those made in, or suggested by, the forward-looking statements contained in this report. In addition, even if our results of operations are consistent with the forward-looking statements contained in this report, those results or developments may not be indicative of results or developments in subsequent periods. Certain information contained in this report relates to or is based on studies, publications, and other data obtained from third-party sources. While we believe these third-party studies, publications, and other data to be reliable, this has not been independently verified. Nothing herein is to be construed as a representation or warranty of any kind, express or implied. This report has been issued for information purposes only and is not intended to constitute an investment advice or an offer to sell securities, or a solicitation of an offer to buy securities.

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