

# OQEMA

OQEMA AG, SCHLOSSSTRASSE 39, D-41352 KORSCHENBROICH

## SUSTAINABILITY DECLARATION 2023

*for use as non-financial declaration in accordance with the CSR Directive Implementation Act*

*Indicator set GRI SRS*

*Contact OQEMA AG*

*Emad Kakakhel  
Group Director Sustainability  
[emad.kakakhel@oqema.com](mailto:emad.kakakhel@oqema.com)*

*Date: January 2023 – April 2024*

*Source: company data. The reporting company is responsible for the information provided.*

*Based on the German Sustainability Code (DNK)*

[deutscher-nachhaltigkeitskodex.de](https://deutscher-nachhaltigkeitskodex.de)





## Table of contents

### General Information

#### CRITERIA 1–10: SUSTAINABILITY POLICY

##### Strategy

1. Strategic Analysis and Action
2. Materiality
3. Objectives
4. Depth of the Value Chain

##### Process Management

5. Responsibility
6. Rules and Processes
7. Control
  - Key Performance Indicators (5–7)
8. Incentive Systems
  - Key Performance Indicators (8)
9. Stakeholder Engagement
  - Key Performance Indicators (9)
10. Innovation and Product Management
  - Key Performance Indicators (10)

#### CRITERIA 11–20: SUSTAINABILITY ASPECTS

##### Environment

11. Usage of Natural Resources
12. Resource Management
  - Key Performance Indicators (11–12)
12. Climate-Relevant Emissions
  - Key Performance Indicators (13)

##### Society

14. Employment Rights
15. Equal Opportunities
16. Qualifications
  - Key Performance Indicators (14–16)



17. Human Rights

Key Performance Indicators (17)

18. Corporate Citizenship

Key Performance Indicators (18)

19. Political Influence

Key Performance Indicators (19)

20. Conduct that Complies with the Law and Policy

Key Performance Indicators (20)

...

Appendices

Appendix 1: Overview of the GRI indicators in the Sustainable Code declaration



## General Information

*Describe your business model (including type of company, products / services)*

OQEMA AG is one of the leading European chemical distributors of commodity and specialty chemicals with

- Presence in 55 locations in 25 countries across Europe, with headquarters in Germany
- over 1600 employees, with almost 500 sales and 400 operational focused staff
- a product portfolio of over 15,000 chemical products serving 20,000 customers with our 'full line' service offer
- an asset heavy logistics and warehouse infrastructure provide unique range of distribution services

With our individual and bundled services, we cater for a variety of chemical related solutions. Our customers include local, national and international companies in the following industries:

- chemical synthesis and industrial
- energy and utilities
- pharmaceuticals, biotechnology and life sciences
- automotive and transportation
- metal and surface treatment
- food and beverage
- textile
- household and personal care products
- water treatment

The Group has specific expertise in the technical and regulatory support of its customers. We have established an extensive range of technical expertise within the industries of our customers. Our teams support and accompany all processes along the industry-specific process chain in a committed and highly collaborative way.



Specializing in individual 360° service solutions, we cater to diverse needs from research and development to production, in both small and large quantities. As we celebrate 100 years, our motto 'Planting Seeds' reflects our commitment to growth, sustainability, and shaping a circular economy. Our flexible service portfolio includes product conception and development, raw material selection, supplier management, production and packing, and warehousing, storage, and transportation, all designed to enhance efficiency, innovation, and sustainability for our customers and suppliers. We strive to be the best employer and make a positive impact on our planet, our people, and our industry, planting the seeds today for a flourishing tomorrow.



## CRITERIA 1–10: SUSTAINABILITY POLICY

### Criteria 1–4 concerning STRATEGY

#### 1. Strategic Analysis and Action

*The company declares whether or not it pursues a sustainability strategy. It explains what concrete measures it is undertaking to operate in compliance with key recognised sector-specific, national and international standards.*

Aware of the pressing environmental and social challenges facing our world, OQEMA is committed to a clear guiding principle - sustainability. Our policy statement is more than just a document; it is the expression of our deep conviction that we as a company have a crucial role to play in shaping a sustainable future.

At OQEMA, we see sustainability as an integral part of our identity and our actions. As a family business that has always thought across generations, we take responsibility for our role as a manufacturer and distributor in the chemical industry and as a member of the global community.

Our policy statement reflects our concrete commitments to have a positive impact on the environment and society. Through clear principles, innovative approaches and a sustainable business strategy, we strive to change the way we produce, act and shape the world around us. This policy statement is our commitment to a sustainable future and a promise to all who work with us: We will continually strive to fulfil our responsibilities and contribute to a world worth living in, not just for us, but for generations to come.

OQEMA's sustainability work is carried out in our three strategic fields:

- Market & Customer
- Structures & Processes
- Culture & Values



Our sphere of influence does not solely focus on our own organization. Above all, it is the selection and development of our suppliers as well as the procurement and value creation process of our customers.

The goals associated with the strategy fields are presented in criterion 3. Measures already implemented and planned are described in the topic-specific criteria of this report.

Our sustainability strategy is based on internationally recognized standards and targets, and we are guided by the following goals of the 2030 Agenda adopted by the United Nations:

- Goal 3 – Good health and well-being
- Goal 8 – Decent work and economic growth
- Goal 11 – Sustainable cities and communities
- Goal 12 – Responsible consumption and production
- Goal 13 – Climate protection measures

In April 2024, we decided to abide by the UN Global Compact and formal signatory to UNGC is pending. We include in our mission to promote and actively implement the Ten Principles within our sphere of influence (see performance indicators 5-7):

- protection of human rights
- fair working conditions
- environmental protection
- prohibition of corruption

OQEMA's understanding of Corporate Social Responsibility was developed and influenced by the principles stated above. Further, in order to act in accordance with those requirements, these have been formalized in the OQEMA Corporate Governance Codex and in the Codes of Conduct and are thus binding for employees and suppliers.

Compliance with these requirements is ensured by numerous methods and processes within the framework of our integrated quality and environmental management system, which is certified in accordance with the DIN EN ISO 9001 and 14001 standards across many OQEMA affiliates. Furthermore, the company is striving to certify its organizational and operational structure for



occupational health and safety in accordance with the requirements of ISO 45001. The processes and specifications implemented also apply to the non-certified sites, irrespective of the existence of certification. The reporting system associated with the management system ensures the continuous improvement of processes and the continuous reduction of environmental impacts.

## 2. Materiality

*The company discloses the aspects of its business operations that have a significant impact on sustainability issues and what material impact sustainability issues have on its operations. It analyses the positive and negative effects and provides information as to how these insights are integrated into the company's processes.*

### **Material topics**

In order to analyse the aspects of our own business activities that have a material impact on aspects of sustainability (inside-out), as well as the influence of sustainability aspects on our business activities (outside-in), we conducted a baseline materiality analysis in 2022 in collaboration with various departments. The GRI reporting standards and additionally the 17 Sustainable Development Goals of the United Nations (cf. Criterion 1) were used to identify and collect potentially relevant topics. In a comprehensive survey, the rationale for materiality was defined for each of the longlist of topics, a risk assessment was carried out, and stakeholder relevance was determined. These factors were used to identify and prioritize the topics classified as material. This baseline materiality analysis is continuously reviewed and updated through the ongoing exchange of information between the sustainability department and key stakeholders (cf. criterion 9). For the reporting year 2025, the ground work is laid for conducting a materiality analysis in Q3 2024 in accordance with the requirements of the Corporate Sustainability Reporting Directive (CSRD).



The sustainability topics identified as material for our own organization are therefore:

- Development of sustainable portfolio of products and services, including new business models to support the circular economy
- Energy consumption and emissions of own operations, including emissions from own truck fleet and company vehicles
- Resource consumption in our own business activities, especially packaging materials and business paper
- Occupational safety and employee health
- Human resources development
- Business conduct in compliance with the law and own standards & guidelines
- Regulatory affairs on behalf of our distribution customers and principals



The sustainability issues identified as material that are associated with our products and services are as follows:

- Sustainability-related characteristics of the product and services portfolio, including circular economy solutions
- Due diligence in the supply chain



- Bringing transparency in products we supply and their associated supply chains
- Consumers health and safety

... Opportunities and Risks: OQEMA addresses opportunities and risks related to the handling of sustainability issues. While the transformation towards a sustainable economy poses major challenges to our current business model in some aspects, such as the reduction of our GHG emissions to “net zero”, it also offers significant opportunities for the company. Opportunities lie in the fact that market players are under pressure to act due to legal requirements and societal development and need assistance and, especially, reliable data to implement sustainable procurement strategies, for which we are developing solutions.

Conclusions: The measures already initiated as well as planned concerning the sustainability topics identified as material can be found in almost all criteria of this Sustainability Report. In particular, with regard to criterion 10 "Innovation and product management" we provide information on the sustainable choice and service offerings we have developed.



### 3. Objectives

*The company discloses what qualitative and/or quantitative as well as temporally defined sustainability goals have been set and operationalised and how their level of achievement is monitored.*

... To measure progress in the area of sustainability, OQEMA sets dedicated sustainability targets based on its corporate strategy, thus enabling systematic planning. The United Nations Sustainable Development Goals (SDGs), especially those that we can influence (see criterion 1), provide the framework for the development of the goals. In our work, we prioritize those goals and measures with a particular leverage effect in the market or with a particular influence on stakeholder awareness. These are displayed in bold in the overview.

The functional departments are each responsible for achieving the sustainability targets in their area of responsibility; overarching sustainability targets are handled by the sustainability department itself as the lead department. Overall, the central sustainability department is the umbrella for the sustainability strategy. It continuously monitors the progress of the measures and summarizes and quantifies this annually in the process of its sustainability reporting.

Currently, OQEMA is working on the following qualitative and quantitative sustainability goals:

#### **Area of action - Procurement & Supply Chain**

- Acceptance of the OQEMA Code of Conduct for Business Partners by 80% of all focus suppliers by 2025.
- Require all suppliers to undergo an external risk assessment to support supply chain due diligence directives using independent service provider Tacto by 2025 (initiated in 2023)
- Call on all focus suppliers to go through on independent CSR evaluation process by 2025 (internal assessment initiated in 2024)



- Develop and implement a guideline on sustainable procurement by the end of 2024, with a particular focus on the upgrading our internal processes and capabilities

#### **Area of action - Products & services**

- Formulate baseline performance metrics and growth targets for product portfolio classified as sustainable in the three main categories (bio-based, circular and innovative)
- Definition of criteria for the sustainable products in “food and feed” business segment in 2025
- Hiring of an additional person to conduct product sustainability analyses and support the expansion of sustainable product offerings in 2024
- Integration of sales targets and incentive models to commercial teams for sales development of the sustainable portfolio from 2025 onwards
- Educating our stakeholders and the interested public on sustainability aspects of our business through various formats (webinars, presentations at events and trade fairs) and acting as an exchange platform
- Offering customers cradle to gate product carbon footprint (PCF) analysis for the products we actively sell (last 2 years) based on ISO 14064 and TfS standards

#### **Area of action - Organization & workforce**

- Develop scope 3 indirect emissions targets in 2024 through participation in Carbon Disclosure Project (CDP) – *in progress OQEMA GmbH*
- Seek validation of the climate targets through the Science-Based Targets initiative (SBTi) in 2025/26
- Reduction of operational (Scope 1 and Scope 2) emissions of the Group sites by 20% by 2025 compared to the baseline year 2021 (reduction in 2023 relative to the baseline year is under assessment)



- Procurement of 100% green power at all sites where it is available by 2029 at the latest (status 2022: 7 out of 55 sites procure green power, making 18 % of total power requirements renewable)
- Successive expansion of the organizational structure and process organization in occupational health and safety and certification of the same in accordance with ISO 45001 by 2030 at the latest
- Revision of our information security management system on the basis of DIN EN ISO 27001

...  
*Details of the Sustainability Management Review, three year targets and corrective action plans found in Appendix 2.*

## 4. Depth of the Value Chain

*The company states what significance aspects of sustainability have for added value and how deep in the value chain the sustainability criteria are verified.*

OQEMA is a 'full-line' distributor of commodity and specialty chemicals products with 15,000 items in its portfolio. Along the value chain through which all these products pass, we consider various aspects of sustainability:

### **Product management**

Products cause around 45% of global greenhouse gas emissions. This figure can be seen as representative of all the other environmental and social challenges facing our planet and our society. We are always working to expand the share of socially and environmentally responsible products and production processes in our range to reduce the impact along the product life cycle. Due to the growing awareness of the urgency and relevance of sustainability issues in society, manufacturers are increasingly assigning a wide variety of sustainability features to their products (so-called green claims). As part of our development work on the sustainable portfolio (see also criterion 10), we critically review manufacturers' sustainability claims and evaluate the



requirements of the product labels in the various article groups to select the most socially and environmentally responsible products.

### **Procurement**

OQEMA is implementing new central procurement function to strengthen both commercial and sustainable procurement requirements. OQEMA fulfils its responsibility to people and the environment by partnering exclusively with suppliers who sign the Code of Conduct for Business Partners or can demonstrate having an equivalent code.

This means that compliance with sustainability-relevant standards (see performance indicators 5-7) is a prerequisite right at the start of the value chain. From 2025, we will subject our suppliers to a risk analysis by an independent CSR service provider in order to monitor the risk of non-compliance with our standards in our supply chain. We will require suppliers where the risk of non-compliance is considered high to take preventive measures where appropriate. We also ask our focus suppliers to undergo a demanding evaluation by the independent CSR assessment provider Ecovadis. The results are integrated into the supplier dialog to generally promote a cooperative improvement in sustainability performance (see criterion 17).

### **Sales**

During customer meetings and visits, our sales teams familiarize themselves with the customer's processes and the products they use and actively provide assistance in optimizing and streamlining the product portfolio with regard to cost efficiency, environmental and occupational safety aspects (economy, ecology, people). Progress is highly dependent on day-to-day business distractions such as pandemic-related supply chain disruptions or price pressure.

### **Delivery**

Our delivery (own freight fleet) is responsible for 27% of our scope 1 and 2 emissions. To drive forward the currently limited availability of zero-emission mobility solutions and the development of the necessary infrastructure, we consider participation in two related initiatives. In the meantime, to drive as efficiently as possible in terms of transport emissions despite strict customer



specifications such as delivery times, we use intelligent route planning software that ensures optimal routes with optimal vehicle utilization. In addition, we are considering offering our customers a service which, on the basis of the individual transport emissions determined for each customer, provides approaches for the joint avoidance of emissions (see criterion 10).

### **Disposal**

Product management and purchasing decisions also have an impact on the disposal and recyclability of the materials used. Therefore, such considerations are increasingly integrated into the decision making processes of product management and purchasing as well as into sustainability advisory.



## Criteria 5–10 concerning PROCESS MANAGEMENT

### 5. Responsibility

*Accountability within the company's management with regard to sustainability is disclosed.*

The three member central Sustainability Department of OQEMA, headed by Emad Kakakhel (Group Director Sustainability), is responsible for the sustainable development of the entire company. The Group Director Sustainability reports directly to the COO Philipp Junge. The staff of the Sustainability Department work closely with experts and senior managers from across the company. On the one hand, this allows for the incorporation of the valuable input of experts and senior managers with regard to developments in the departments and on the market into the work of the Sustainability Department. On the other hand, it enables the greatest possible drive to implement action in all OQEMA business units. Furthermore, the Sustainability Department also facilitates active dialogue with external stakeholders, especially with customers and suppliers.

### 6. Rules and Processes

*The company discloses how the sustainability strategy is implemented in the operational business by way of rules and processes.*

To realize the sustainability efforts embedded in the corporate strategy, we have implemented fundamental guidelines and processes at OQEMA: Rules of conduct, which are written down in the Codes of Conduct for employee and business partners (suppliers and customers), provide the formal basis for rule-compliant behaviour and thus contribute to compliance with sustainability-relevant standards. Procedural instructions in accordance with the DIN EN ISO 9001 and 14001 standards document the processes and define the relevant



responsibilities with regard to quality, the environment and occupational safety in all business units. Improvement potential from stakeholder feedback with an impact on the environment or the health and safety of employees and customers is continually incorporated so that continuous improvement of processes is ensured.

... The sustainability communication policy, which has been in force since start of 2024, defines the requirements for our sustainability-related communication and regulates the release of written information and statements on sustainability in external and internal communication. It ensures that no greenwashing can take place. The policy explicitly includes manufacturers' statements, which we critically scrutinize and compare with our own demanding comprehension of sustainability. In this context, we are already taking into account forthcoming regulation such as the EU's Green Claims Directive.

Annual audits and sustainability reporting ensure that we consistently internally review and evaluate our respective development status and our efforts with regard to our social responsibility. We also have our sustainability practices independently assessed externally by qualified rating organizations (including Ecovadis). We use the potential for improvement identified in these ratings as an incentive to continue our consistent and measurable sustainable development.

## 7. Control

*The company states how and what performance indicators related to sustainability are used in its regular internal planning and control processes. It discloses how suitable processes ensure reliability, comparability and consistency of the data used for internal management and external communication.*

At the end of a calendar year, the sustainability-relevant performance indicators are collected retrospectively for the year and then communicated by the sustainability department as part of annual reporting. This requires the reporting of the necessary data by SHEQ, Procurement, Compliance, Legal,



Controlling and Human Resources functions from all OQEMA Group affiliates to the Sustainability Department. From January 2024, the SunHat platform has been implemented to support data collection and collaboration. In all input procedures, subsequent analyses and the present reporting, the four-eyes principle ensures consistency and completeness of the data.

Environmental indicators are recorded in a standardized manner, with greenhouse gas emissions being accounted for in accordance with the GHG Protocol. This allows information on consumption and emissions to be provided both for specific sites and for the company as a whole. As a result, the strongest drivers of environmental impacts can be identified, enabling appropriate reduction measures to be initiated.

The main sustainability-related (quantitative) performance indicators for OQEMA are as follows:

#### Environmental indicators

- Energy consumption divided into trucks, cars, heating energy & electricity
- Water consumption
- Waste categorized by hazardous & non-hazardous waste
- CO<sub>2</sub>e emissions for all Scopes (1-3)

#### Employee-related indicators

- Number of employees broken down by female/male
- Occupational accidents and resulting days of absence, sickness rate

#### Supply chain-related indicators

- Proportion of material purchasing spend by endorsed or equivalent code of conduct and corresponding proportion of suppliers
- CSR assessments of material focus suppliers and resulting risk assessment with regard to compliance with our Code of Conduct



## Key Performance Indicators to criteria 5 to 7

*Key Performance Indicator GRI SRS-102-16: Values*

*The reporting organization shall report the following information:*

- a. A description of the organization's values, principles, standards, and norms of behavior.*

...

As a signatory of the UN Global Compact, OQEMA has committed to comply with the ten principles and follows the precepts of the:

- International Labor Organization for decent work and social standards (ILO).
- UN Declaration of Human Rights (Resolution 217 A (III) of 10.12.1948)
- UN Rio Declaration on Environment and Development (of 14.06.1992)
- UN Convention against Corruption (of 2003)

This commitment also continues within OQEMA AG.

According to OQEMA's CSR understanding, our main guidelines continue to be:

- *We respect and support the protection of human rights.*
- *We commit ourselves to fair and safe working conditions.*
- *We are committed to the protection of the environment.*
- *We stand up against all forms of corruption.*
- *We act in accordance with the law and act according to the precautionary principle.*
- *We promote open social dialogue.*
- *In general, our approach to sustainability is not a marketing tool. We expressly reject greenwashing. This means that all sustainability statements should be based on reliable, comparable and verifiable information.*

This understanding of values is documented in the following OQEMA guidelines and publications:



- Code of Conduct for Employees: binding guideline for action for all employees of OQEMA
- Code of Conduct for Business Partners: Code of conduct for all suppliers of OQEMA
- Corporate Governance Codex

Further guidelines in the form of process instructions, responsibilities, checklists, etc. are documented in the integrated management system.

Violations of the above guidelines and principles can be reported to the line manager or via an appropriately installed reporting procedure, also anonymously, via whistle blower process, whereby the sender is not disadvantaged as a result of the report.

## 8. Incentive Systems

The company discloses how target agreements and remuneration schemes for executives and employees are also geared towards the achievement of sustainability goals and how they are aligned with long-term value creation. It discloses the extent to which the achievement of these goals forms part of the evaluation of the top managerial level (board/managing directors) conducted by the monitoring body (supervisory board/advisory board).

The achievement of sustainability goals was not explicitly rewarded or encouraged by incentive or compensation systems for managers and employees in the reporting year 2023. We all bear social responsibility, which is why it is natural to us as a family business that every employee gives his or her best to realize the common goals. However, as part of the further elaboration and concretization of the Vision 2027 growth strategy (see criterion 1), the long-term integration of incentive systems to accelerate implementation will be discussed.



## Key Performance Indicators to criteria 8

*Key Performance Indicator GRI SRS-102-35: Remuneration policies*

*The reporting organization shall report the following information:*

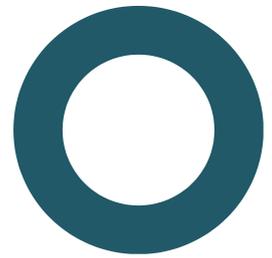
- a. *Remuneration policies for the highest governance body and senior executives for the following types of remuneration:*
  - i. *Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses, and deferred or vested shares ;*
  - ii. *Sign-on bonuses or recruitment incentive payments ;*
  - iii. *Termination payments ;*
  - iv. *Clawbacks ;*
  - v. *Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees.*
  
- b. *How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental, and social topics.*

OQEMA offers its employees and senior executives transparent, performance-based, reliable, and competitive remuneration above the statutory minimum wage. The basis of salary determination and, if applicable, bonus payments is based on the criteria of performance, complexity of tasks, responsibility, importance of the function for the company, and the employee's qualifications and experience, regardless of gender. Further details of the compensation policy are generally treated confidentially, so there is no reporting.

*Key Performance Indicator GRI SRS-102-38: Annual total compensation ratio*

*The reporting organization shall report the following information:*

- a. *Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.*



The below compensation analysis was conducted on our German based entities, OQEMA AG (holding) where our Executive Management Board, including the CEO are employed and OQEMA GmbH.

2023 (December)	OQEMA GmbH	OQEMA AG holding
Ratio of the highest compensation compared to the median compensation	5.27	3.65

## 9. Stakeholder Engagement

*The company discloses how the socially and economically relevant stakeholders are identified and integrated into the sustainability process. It states whether and how an ongoing dialogue takes place with them and how the results are integrated into the sustainability process.*

OQEMA's key stakeholders are those who are directly involved in the value creation process. These include our employees, our customers including their customers, our suppliers, and the shareholders of OQEMA AG. A systematic process for identifying other relevant stakeholders will be conducted as part of updated double materiality analysis for CSRD readiness in late 2024.

We promote open social dialog through communication with our stakeholders characterized by clarity, openness, and continuity, we want to learn and develop further, create understanding, and strengthen trust.

We inform our employees about the commitment in the company through the existing reporting and regular communication offers (e.g. Quarterly townhalls, SharePoint news bulletins). By means of various dialog formats such as internal information events and training courses, employees have the opportunity to communicate their concerns directly to OQEMA's Sustainability Department. In addition, the sustainability work will be integrated even more strongly into the departments in the coming years (see criterion 1), so that an even more intensive exchange can take place in daily business and the valuable points of view of the employees are considered even more systematically.



Our sales representatives are in constant contact with their national and regional customers. In addition, customers increasingly expect a dedicated exchange between their own and OQEMA's sustainability experts. Discussion topics include the handling of new legal requirements, mutual expectations regarding products and services, and trends and developments from different perspectives in the overall context of sustainability. The concerns and expectations expressed in these discussions are incorporated into our sustainability work and core operating business, including our selection of products.

The stakeholder dialog with suppliers is primarily maintained by the business development segment managers and product managers related to central procurement department through regular meetings. In 2023, the exchange already taking place between OQEMA's sustainability experts and their counterparts on the supplier side will be intensified to inform suppliers about OQEMA's sustainability criteria and to obtain their perspective and expertise.

The dialogue on sustainability with customers, suppliers, and other stakeholders in the value chain is also promoted through specific events, workshops, training sessions, and individual discussions, as well as in the context of larger trade fairs, networking, and industry meetings. OQEMA AG is managed in close cooperation with the Executive Board and the Advisory Board, which consists of representatives of the shareholders, so that the concerns of the shareholders are directly taken into account in the company's decisions.

## Key Performance Indicators to criteria 9

Key Performance Indicator GRI SRS-102-44: Key topics and concerns

The reporting organization shall report the following information:

- a. Key topics and concerns that have been raised through stakeholder engagement, including:
  - i. how the organization has responded to those key topics and concerns, including through its reporting;



- ii. the stakeholder groups that raised each of the key topics and concerns.

The concerns and expectations expressed by our stakeholders provide us with valuable information on the focus of our sustainability work and are included in the annual validation of our materiality analysis (see criterion 2).

Specifically, customers have expressed the following expectations, among others, as part of tenders, surveys, individual discussions, workshops and webinars:

- Support in the selection of sustainable products
- Assessment and identification of sustainability-related properties of products used
- Information on greenhouse gas emissions and Product Carbon footprint (PCF) reports for the products we supply for the preparation of greenhouse gas balances and to reduce scope 3 emissions
- Approaches/advice on saving emissions in the procurement process

These expectations are integrated into the sustainability products and service offers developed by the central team in consultation with the business segment managers. More detail under criterion 10. Innovation and Production Management.

At the same time, we also regularly exchange ideas with our suppliers, who have brought the following issues to our attention, among others:

- Raw material shortages, interruptions in the supply chain and shortages of skilled workers tie up large capacities on the supplier side.
- Investments in sustainability must be accompanied by financial added value in order to be economically viable in the long term
- Concerns about making themselves vulnerable in terms of transparency with regard to sustainability
- Lack of quality emissions data to estimate and generate the required PCF for their offered product portfolio



The concerns expressed by our suppliers are incorporated into our sustainability work in various forms. For example, in 2023 we offered webinars for our suppliers to show them the added value of expanding the sustainability of their products and making their sustainability practices transparent via a recognized CSR assessment platform.

Our employees raised the following concerns, among others, in personal discussions and in company-wide and site-specific exchange formats with their respective Management Boards:

- Harmonization of structures at the various sites
- Job security and support by the employer in view of the high rates of price increases
- Employer support for bicycle leasing (job bike).

These concerns were taken up by management and the HR department and addressed in various projects and measures. Among other things, employees in Germany were relieved by one-time payments (see also criterion 15). In addition, since 2019 OQEMA has offered a group of employees at all locations in Germany the opportunity to lease a bicycle at favorable conditions.

## 10. Innovation and Product Management

*The company discloses how innovations in products and services are enhanced through suitable processes which improve sustainability with respect to the company's utilisation of resources and with regard to users. Likewise, a further statement is made with regard to if and how the current and future impact of the key products and services in the value chain and in the product life cycle are assessed.*

Our biggest levers for sustainable development and innovation are the effective configuration of our product assortment and services, and advising our customers along their value chain. We take action here - by educating and advising our customers on sustainable procurement, because implementing



the sustainability ambition in their own company and within their procurement poses major challenges for many of our customers.

The Sustainability Department has implemented or initiated the following projects in cooperation the segment development managers and sites in 2023:

... Innovative novel chemistry: We expanded our sustainable portfolio development categories to include “innovation” which focuses on new chemistry that can replace known hazardous and toxic chemicals, some which are on ECHA Substances of Very High Concern (SVHC) lists in specific applications. In some cases, existing chemicals can also be replacements for SVHC chemicals. The Sustainability department conducts active product scouting in close cooperation with the business segment development teams to identify new suppliers and principals, and jointly support the commercial development of innovative products. In 2023 we introduced Cyrene, a bio-solvent produced by CIRCA which will be commercially available in 2026 to the German and UK markets. The longer development cycle requires customer feedback to validate application and dosage rates and is seen as an enabler for the success of such products.

Circularity as a Service -enabling circularity in chemical value chains: OQEMA is leveraging its long standing waste management and solvents recycling experience through our OQEMA Process business unit. We act as a service provider in the market to distribution customers, in partnership with waste processors and waste producers to market their recycled chemicals to our wide customer base, enabling higher adoption and value capture. In 2023 we have 3 active partnerships with leading European waste processors with over 20 products sold across our distribution network. In addition, we are developing circular economy opportunities in battery recycling, and have initiated a pilot project with Tozero, a startup battery recycler to promote and valorize their byproduct streams. Lastly, we are focusing on enabling reuse of recycled packaging materials by offering packaging return to our customers in many regions.



Systematic data collection to reliably quantify the above-mentioned projects and measures is planned for 2024 and has not yet been possible to date because some of the projects are still at an early stage. To promote the innovation process, an idea management or suggestion scheme is being implemented, because ultimately it is our employees who are best able to identify potential for improvement and develop pragmatic solution proposals. This initiative is part of employee activation plans.

...

## Key Performance Indicators to criteria 10

*Key Performance Indicator G4-FS11*

*(report also in accordance with GRI SRS): Percentage of assets subject to positive and negative environmental or social screening. (Note: the indicator should also be reported when reporting to GRI SRS)*

Financial assets are not part of our core business and are therefore not undertaken. The KPI is thus not relevant to us.



## Criteria 11–20: Sustainability Aspects

### Criteria 11–13 concerning ENVIRONMENTAL MATTERS

#### 11. Usage of Natural Resources

*The company discloses the extent to which natural resources are used for the company's business activities. Possible options here are materials, the input and output of water, soil, waste, energy, land and biodiversity as well as emissions for the life cycles of products and services.*

As a chemicals distribution company, OQEMA primarily utilizes the following resources in weighted order (cf. performance indicators for criteria 11 to 12): Fuel (diesel and gasoline) for the delivery of goods and travel by employees; Purchased electricity, natural gas and biogas for carrying out business activities (IT processes, forklift), building use (lighting, heating, air conditioning) and electric charging stations; refrigerant chemicals for cooling and heating equipment. The factors mentioned here are also significant for the company's direct carbon footprint (see criterion 13).

Additionally, plastic lined IBC and smaller containers / packaging for storing and shipping goods; paper for business operations and documentation; water for sanitary facilities and kitchen use, as well as cleaning used packaging materials for reuse.

Land use related to our warehouse and logistics assets (55 owned sites across Europe), is managed through our SHEQ processes to ensure no soil contamination and impact on biodiversity.



## 12. Resource Management

*The company discloses what qualitative and quantitative goals it has set itself with regard to its resource efficiency, in particular its use of renewables, the increase in raw material productivity and the reduction in the usage of ecosystem services, which measures and strategies it is pursuing to this end, how these are or will be achieved, and where it sees there to be risks.*

As a responsible distributor, we are committed to using resources carefully and consistently reducing our ecological footprint. To this end, we are working on increasing the resource efficiency of our own business processes on the one hand, and on gearing our product range towards greater sustainability on the other.

### Product range

The several thousands of products we carry in our assortment entail a high level of consumption of renewable and non-renewable resources. In addition, their production, use and disposal lead to a burden on soil, air and water. This manifests itself in the release of pollutants such as microplastics into the environment, the emission of climate-impacting gases and the loss of biodiversity due to monocultures in the production of palm oil, for example. Our leverage to minimize the negative environmental impact of the products we sell lies in our collaboration with our customers and suppliers, and, in particular, in promoting sustainable product design on the supplier side and sustainable product selection on the customer side.

Our approaches to develop a sustainable product range include:

- minimal use of resources over the entire life cycle
- minimal impact on water, soil, air, in particular reduction of the product-related carbon footprint and protection of biodiversity
- use of palm oil and conflict minerals from certified sources that guarantee compliance with specific criteria, thus minimizing potential environmental damage and human rights violations



- monitoring of manufacturers' sustainability performance by external experts (see criterion 17)
- promoting circular economy through the use of reusable solutions, reclaimed and processed chemicals and recyclable packaging and materials.

... In our corporate policy, we commit ourselves to contribute to the reduction of environmental impacts and, in particular, to improve our energy-related performance with regard to corporate operations by promoting and procuring energy-efficient products, services and processes. We meet this commitment through our DIN EN ISO 14001-certified environmental management system or equivalent, which is in place at 15 of our 55 operating sites (29%), with the same stringent requirements also applying to the remaining sites:

- regular identification and evaluation of environmental risks with regard to their extent, probability of occurrence and external relevance for the purpose of implementing preventive measures and processes
- systematic collection and monitoring of environmental indicators (including energy and material consumption)
- continuous process optimization
- investment in modern resource-saving building and vehicle technology development of the product range towards environmentally friendly alternatives

The main (indirect) environmental risks of our business include the impact on soil, air and water, particularly from the manufacture, use and disposal of the products we sell, and the environmental impact of our vehicle fleet.

This means that risk identification takes into account both risks arising from our own business processes and risks associated with the products we sell (Scope 3 perspective). Identified risks are assessed on the basis of the potential extent of damage, probability of occurrence, any existing legal obligations, and external relevance, from which a general risk score is formed. Both the gross risk score (i.e., before implementation of preventive measures) and the net risk score (after implementation of preventive measures) are determined.



Environmental management officers are appointed for the sites to ensure the continuation of the environmental management system. Control is the responsibility of the respective HSEQ leads at each affiliate company, who reports developments and results directly to the Managing Directors. Specifically, we work in our own business processes in the following fields of action:

#### Efficient use of fuels and electricity and promotion of renewable energies

... The main driver of our energy consumption is our vehicle fleet: The 89 company-owned trucks in daily use alone account for around 26% of our emissions, and company owned cars for sales representatives and managers account for an additional 18% of total emissions. . We aim to achieve a measurable reduction through targeted measures aimed at fleet and route optimization (see criterion 13). A corresponding software solution will be piloted in Germany for this purpose. By limiting the selection of company cars to economical models with strict CO2 limits, emissions from field service driving can be reduced sustainably. For this reason, a passenger car directive has been in force since May 2022 that restricts the choice of permissible company cars to models that emit a maximum of 130 g CO2 / 100 km. In 2025, it will be supplemented by a directive on electric cars and will identify sites where this is feasible.

Our purchased electricity consumption at all sites in the reporting period (2022) was 6,922 MWh and represents around 26% of our total emissions. In addition to numerous measures to increase the energy efficiency of buildings and processes, climate protection is to be driven forward by promoting renewable energies. There are several locations producing a total of 670 MWh of electricity from self-generated by photovoltaic systems. In addition, 14 OQEMA sites purchase green electricity of 1,136 MWh total consumption . The gradual conversion of further sites to green electricity is to be consistently expanded (cf. criterion 3).

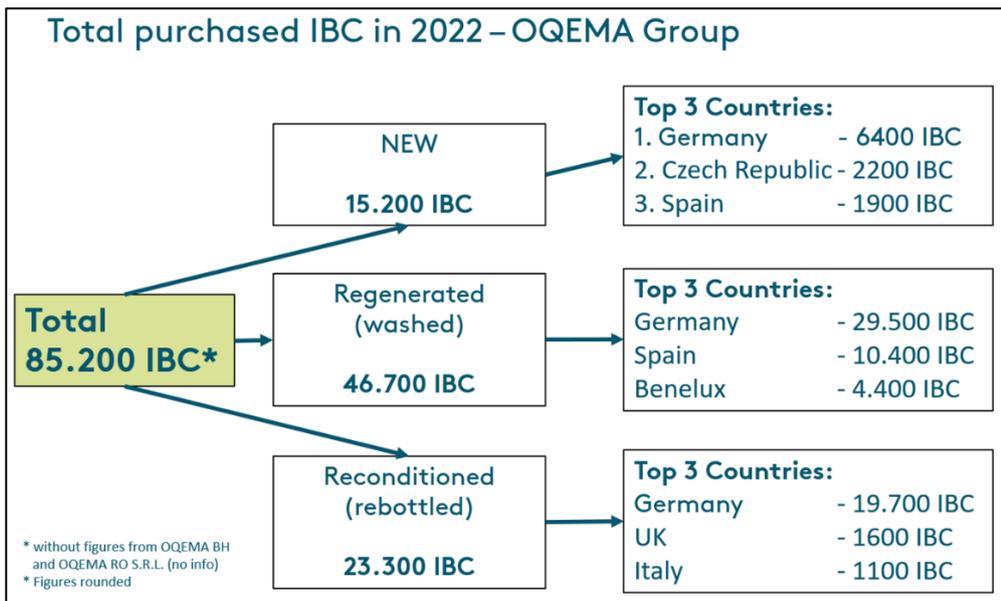
#### Reduction of packaging materials

While we do not directly influence consumption of packaging materials, specifically plastic and metal containers used to supply our distributed chemical products, we do actively promote the re-use of these containers. We



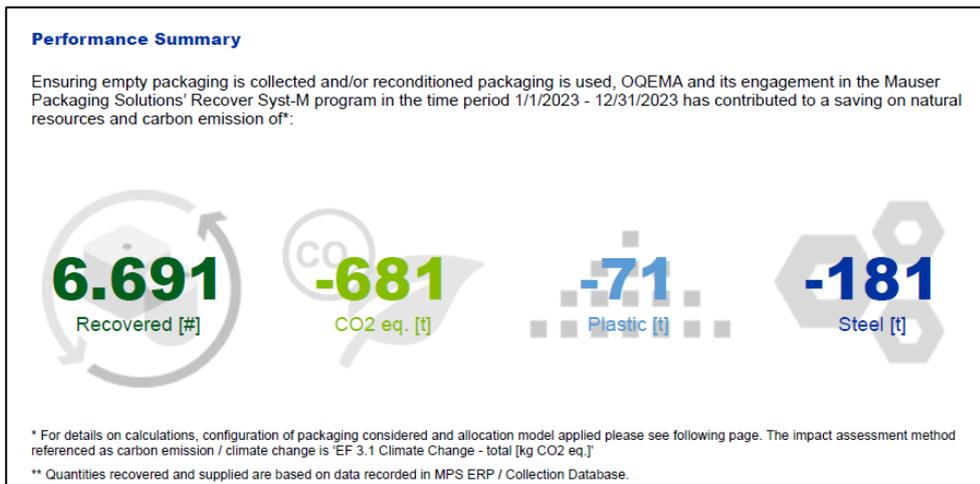
offer customers the option to supply goods in recycled / refurbished containers and at some sites we can offer empty packaging collection, cleaning and re-use. This service empowers the circular economy is growing in demand as it offers a sustainable solution and more competitive than new packaging containers.

Below chart provides an overview of the total plastic IBC units (1000 litre capacity) purchased in 2022.





## Environmental Performance Statement (EPS) from Mauser Packaging Solutions' Recover Syst-M



## Key Performance Indicators to criteria 11 to 12

### Key Performance Indicator GRI SRS-301-1: Materials used

The reporting organization shall report the following information:

- a. Total weight or volume of materials that are used to produce and package the organization's primary products and services during the reporting period, by:
  - I. non-renewable materials used ;
  - II. renewable materials used.

As we do not directly influence the consumption of packaging containers used to sell our products (this is based on customer requirements), we therefore do not track such information. These KPIs are not relevant to us.

Key Performance Indicator GRI SRS-302-1: Energy consumption The reporting organization shall report the following information:



- a. Total fuel consumption within the organization from non- renewable sources, in joules or multiples, and including fuel types used.
- b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used.
- c. In joules, watt-hours or multiples, the total:
- I. electricity consumption
  - II. heating consumption
  - III. cooling consumption
  - IV. steam consumption
- d. In joules, watt-hours or multiples, the total:
- I. electricity sold
  - II. heating sold
  - III. cooling sold
  - IV. steam sold
- e. Total energy consumption within the organization, in joules or MWh
- f. Standards, methodologies, assumptions, and/or calculation tools used.
- g. Source of the conversion factors used.

In the following, the energy consumption of all sites of OQEMA is listed, divided into fuel, electricity and heat. The data used for the calculation is based on the information provided by the individual sites for 2022 and was recorded as part of the greenhouse gas reporting (cf. criterion 13). The source of the conversion factors is ecoact our contracted 3<sup>rd</sup> party assessor.

<b>Total energy consumption in MWh</b>	<b>18,793</b>
<b>Renewable energy consumption in MWh</b>	<b>2,128</b>
Purchased green electricity in MWh	1,326
Self-generated solar power in MWh	670
Purchased biogas and wood in MWh	454
<b>Non-renewable energy consumption in MWh</b>	<b>16,665</b>
Purchased natural gas in MWh	10,368
Purchased conventional electricity in MWh	5,551
Purchased other fuels (incl gasoline, diesel) in MWh	379



*Key Performance Indicator GRI SRS-302-4: Reduction of energy consumption*  
The reporting organization shall report the following information:

- a. Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples.
- b. Types of energy included in the reductions ; whether fuel, electricity, heating, cooling, steam, or all.
- c. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.
- d. Standards, methodologies, assumptions, and/or calculation tools used.

Compared to the previous year (2021), total energy consumption decreased by 5% (940 MWh). This reduction is due, in particular, to the reduction of heat consumption and fuel consumption of the truck fleet. The reduction in heat consumption was partly because additional energy saving measures were taken in the wake of the announced gas shortage.

*Key Performance Indicator GRI SRS-306-3: Waste generated*

The reporting organization shall report the following information:

- a. Total weight of waste generated in metric tons, and a breakdown of this total by composition of the waste.
- b. Contextual information necessary to understand the data and how the data has been compiled

#### Waste generated from operations - 2022

	m2	Emissions (kgCO2e)	Total Emissions (tCO2e)
Waste	282,611	817,925	818
Wastewater	283,111	19,610	20
<b>TOTAL</b>	<b>565,723</b>	<b>837,534</b>	<b>838</b>

	Metric tons
Hazardous waste (chemical)	4,989

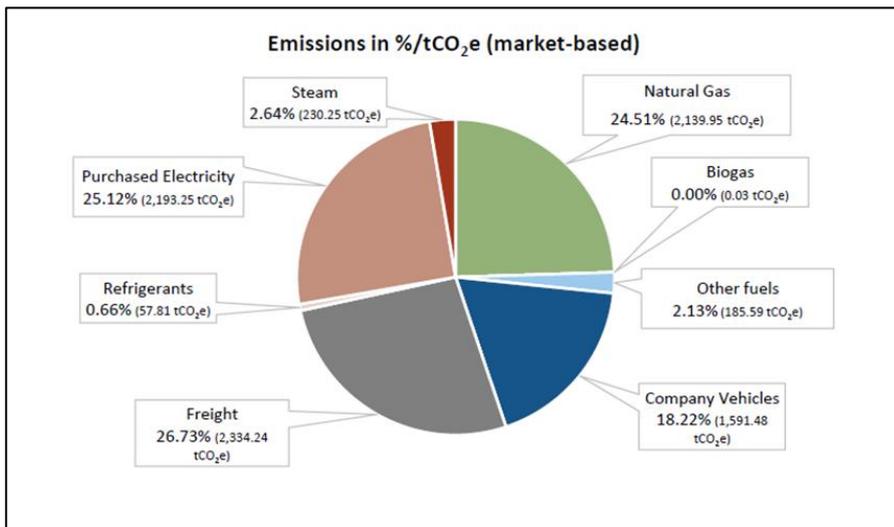


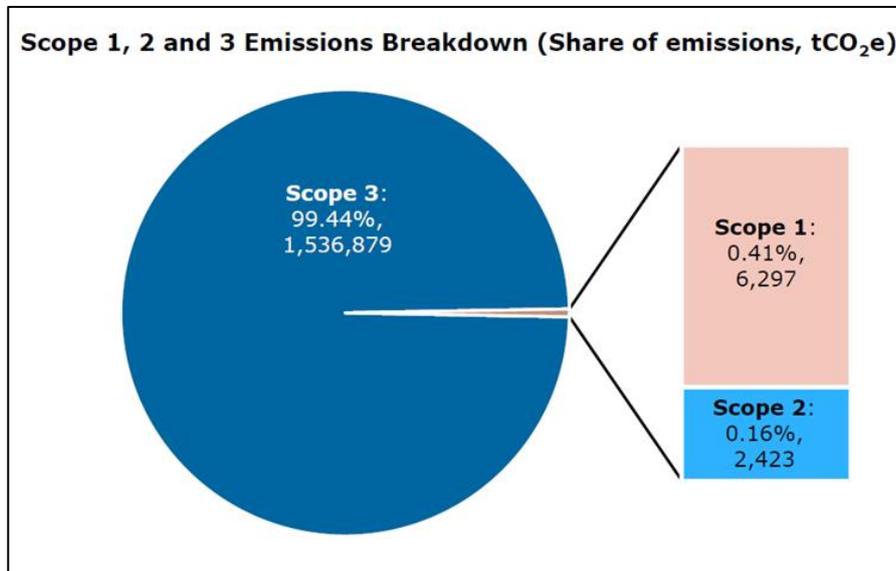
### 13. Climate-Relevant Emissions

The company discloses the GHG emissions in accordance with the Greenhouse Gas (GHG) Protocol or standards based on it and states the goals it has set itself to reduce emissions, as well as its results thus far.

Since 2021, we have been preparing a greenhouse gas report based on the GHG Protocol for all sites in OQEMA. The greenhouse gas emissions caused by OQEMA AG (Scope 1 and 2) are mainly influenced by fuel consumption, by the consumption of heating energy, and purchased electricity at the different sites. Other main emission sources are freight and company vehicles. As expected, emissions from purchased good and services (scope 3), which were collected for the first time for 2023, account for the majority of emissions (99%).

#### Results of corporate carbon footprint 2022 baseline refresh





In order to sustainably reduce the greenhouse gas emissions we directly cause, we have set a target to reduce Scope 1 and 2 emissions by 60% by 2030 (compared to the base year 2021) (see criterion 3).

We plan to develop a science-based climate target for OQEMA which shall be approved by the Science-Based Target Initiative (SBTi). This will be undertaken once we have established target for scope 3 emissions reduction with the support of our participation in Carbon Disclosure Project (CDP) in 2024.

To achieve our climate target, we are working primarily on the following starting points:

**Emissions during delivery** Emissions from deliveries are determined by fuel consumption, which in turn is a function of the truck's own weight, the weight of the goods transported and the distance travelled. The decisive factor for fuel consumption is the vehicle fleet, which currently consists of modern diesel vehicles. The selection of suitable climate-friendly models for our purposes (distribution transport) is still limited. To promote the availability of emission-free hydrogen mobility solutions and the development of the necessary infrastructure, we are considering participation in two corresponding initiatives. We use special software to optimise the utilization of vehicles and



economic travel routes. However, there is still potential for optimisation and CO2 savings in the frequency of deliveries to the individual shipping addresses. In order to exploit this potential, we need the willingness and cooperation of our customers. In addition to educational work, we offer individual evaluations of the transport emissions as well as savings simulations of the transport emissions with changed delivery rhythms. If necessary, we support the optimisation of ordering processes, storage rooms, product portfolios, etc. and provide training to the employees concerned.

**Emissions from sales activities** Regarding company-owned cars, the main levers for reducing greenhouse gas emissions lie primarily in the engine and the distance travelled. For this reason, a car policy has been in force since start 2023, which restricts the selection of permissible company cars to models that emit a maximum of 130 g CO<sub>2</sub> / 100 km. In the first half of 2025, it will also be supplemented by a policy on electric cars to apply to identified feasible locations.

**Emissions from electricity consumption** (cf. criterion 12) is managed through use of renewable energies, a key lever besides increasing energy efficiency. OQEMA produces its own solar power at a total of seven locations. In addition, 14 of the total of 93 locations have been purchasing green electricity in 2022. The goal is to increase the share of renewable energies in total electricity consumption to 100% through self-produced solar energy and the use of green electricity, and to reduce the associated CO<sub>2</sub> footprint to a minimum accordingly.

## Key Performance Indicators to criteria 13

*Key Performance Indicator GRI SRS-305-1: Direct (Scope 1) GHG emissions*

*Key Performance Indicator GRI SRS-305-2: Energy indirect (Scope 2) GHG emissions*

*The reporting organization shall report the following information:*

- a. Gross direct (Scope 1) GHG emissions in metric tons of CO<sub>2</sub> equivalent.*
- b. Base year for the calculation, if applicable, including:*



- I. the rationale for choosing it ;*
- II. emissions in the base year ;*
- III. the context for any significant changes in emissions that triggered recalculations of base year emissions.*
- c. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.*
- d. Consolidation approach for emissions ; whether equity share, financial control, or operational control.*
- e. Standards, methodologies, assumptions, and/or calculation tools used.*

Since 2021, we have been preparing a greenhouse gas report based on the GHG Protocol for all sites in OQEMA. In accordance with the Kyoto Protocol, the following six greenhouse gases are included in the calculation: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFC), perfluorocarbons (PFC), sulphur hexafluoride (SF<sub>6</sub>) and nitrogen trifluoride (NF<sub>3</sub>).

For 2022, the latest year for which this exercise is conducted, the total Scope 1 and 2 GHG emissions across OQEMA's global operations were calculated as 8,732.58 tCO<sub>2</sub>e (market-based) and 8,671.06 tCO<sub>2</sub>e (location-based) respectively. The table below shows the breakdown across the Scopes.

Scope	Emissions 2022 (tCO <sub>2</sub> e)	%
Scope 1	<b>6,309.08</b>	72.25% / 72.76%
Scope 2	(Market-Based)	2,423.50
	(Location-Based)	2,361.98
<b>Total</b>	<b>(Market-Based)</b>	<b>8,732.58</b>
<b>Total</b>	<b>(Location-Based)</b>	<b>8,671.06</b>
		<b>100%</b>

The market-based method uses the individual emission factors of the electricity suppliers, if available, particularly regarding the purchase of green electricity. The location-based method is based on the average CO<sub>2</sub> intensity



at country level. For the calculation of total greenhouse gas emissions, we have used the emission volumes calculated according to the market-based method, as this reflects the emission values most reliably for OQEMA sites.

*Key Performance Indicator GRI SRS-305-3: Other indirect (Scope 3) GHG emissions*

*The reporting organization shall report the following information:*

- a. Gross direct (Scope 1) GHG emissions in metric tons of CO<sub>2</sub> equivalent.*
- b. Base year for the calculation, if applicable, including:
  - I. the rationale for choosing it ;*
  - II. emissions in the base year ;*
  - III. the context for any significant changes in emissions that triggered recalculations of base year emissions.**
- c. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.*
- d. Consolidation approach for emissions ; whether equity share, financial control, or operational control.*
- e. Standards, methodologies, assumptions, and/or calculation tools used.*

Indirect emissions by third parties (due to purchased goods and services) amount to 1,511,148 tCO<sub>2</sub>e in 2022, the first year scope 3 has been estimated.

To calculate the emissions, we use emission factors from the Defra database, CEDA Global and EcolInvent.

In order to prioritize the collection of emissions in the individual Scope 3 categories, we carried out an initial screening using the criteria specified in the Corporate Value Chain (Scope 3) Accounting and Reporting Standard of the GHG Protocol.



### Indirect emissions Scope 3 categories – 2022

Scope 3 Breakdown	2022 Emissions (tCO <sub>2</sub> e)	% of Total Scope 3
1. Purchased Goods and Services	1,511,148	98.33%
2. Capital Goods	3,509	0.23%
3. Fuel- and energy-related activities	3,604	0.23%
4. Upstream transport and distribution	5,358	0.35%
5. Waste generated in operations	838	0.05%
6. Business travel	1,071	0.07%
7. Employee commuting	993	0.06%
11. Use of sold products	32	0.00%
12. End of life treatment	6,106	0.40%
15. Investments	4,220	0.27%
<b>TOTAL</b>	<b>1,536,879</b>	<b>100%</b>



## Criteria 14–20 concerning SOCIETY

### Criteria 14–16 concerning EMPLOYEE-RELATED MATTERS

#### 14. Employment Rights

*The company reports on how it complies with nationally and internationally recognised standards relating to employee rights as well as on how it fosters staff involvement in the company and in sustainability management, what goals it has set itself in this regard, what results it has achieved thus far and where it sees risks.*

In order to ensure the rights of employees in accordance with the ILO core labour standards and other sustainability standards (see performance indicators 5-7) in the company, we pursue various measures at OQEMA. These include firmly installed processes and audit mechanisms, which are backed up by the Human Resources Department.

The employer-employee relationship at OQEMA is characterized by its origin in family-owned medium-sized companies and is characterized by amicable and respectful interaction between employees and managers. Within very clear structures and within the framework of new formats at OQEMA AG, concerns can be raised quickly and directly - even with the management and the Executive Board. For example, there is a quarterly interactive question and answer session for all employees and with the entire Executive Board, in which the latter openly addresses questions from the workforce. Employees also use departmental meetings, management meetings and the company suggestion scheme, as well as receptions to honour company anniversaries, summer parties, Christmas celebrations and other gatherings as an opportunity to openly communicate their interests, so that the formal route of employee representation is rarely chosen (53% of the workforce is represented by



officially elected employee representatives, as of December 2023). This is because employee participation is expressly desired in our family-owned company. This is particularly true with regard to sustainability management. To this end, the sustainability department encourages dialog with our employees through engagement and activation activities, information webinars and training events and deals with the resulting issues in individual workshops with the relevant departments. To promote the innovation process, an idea management or suggestion scheme is being implemented, because ultimately it is our employees who are best able to identify potential for improvement and develop pragmatic solution proposals. (cf. criterion 10). Moreover, all departments of the central operations were included in the strategy process (cf. criterion 1).

OQEMA is a company which operates Europe-wide with subsidiaries in 25 countries. The design of the occupational safety management in the international subsidiaries is based on the respective national legislation.

## 15. Equal Opportunities

*The company discloses in what way it has implemented national and international processes and what goals it has for the promotion of equal opportunities and diversity, occupational health and safety, participation rights, the integration of migrants and people with disabilities, fair pay as well as a work-life balance and how it will achieve these.*

The promotion of equal opportunities and diversity, occupational health and safety, employee participation (see criterion 14), reconciliation of private and professional life, and the guarantee of adequate remuneration are cornerstones of OQEMA's commitment and an essential part of the OQEMA Code of Conduct.



### Equal opportunities and diversity

As a matter of principle, equal opportunities are provided to every person in the company regardless of skin colour, nationality, social origin, any disability, sexual orientation, political or religious conviction, gender or age. We do not tolerate unacceptable treatment of employees of any kind, such as psychological hardship, sexual and personal harassment or discrimination. Currently, 24 % of our managers are female, with women making up 42 % of the workforce overall (as of December 2023). Recruitment decisions will continue to be based on the qualifications and experience of the candidates.

### Occupational safety and health protection

The requirements for occupational health and safety are already largely based on the international management system standard for occupational health and safety. They are implemented through our integrated management system and regularly reviewed by internal and external auditors. According to external audits by the employers' liability insurance associations and company physicians, it can be concluded that processes were in compliance with the law and occupational health and safety standards were high in the reporting period. We also promote the health of our employees through targeted preventive measures at our sites in the form of various offers such as company runs or subsidies for fitness centres (see criterion 16).

Work-life balance To support work-life balance that takes into account different life circumstances, we offer our employees flexible working hours, remote working and part-time jobs where possible. The requirements for remote working are detailed in a corresponding guideline adopted for the German sites at the beginning of 2022 and are therefore transparent for all employees. For both white-collar and blue-collar employees, great importance is attached to regulated working hours, which are strictly in line with statutory requirements.

Our professional drivers are on the road during the day, so that they are home every evening. If overtime is worked, it is compensated either financially or through time off. In some sites, the costs incurred for kindergartens are also subsidized.



Remuneration OQEMA offers its employees a comprehensible, performance-based, reliable and competitive remuneration above the legal minimum wage. The basis of salary determination and, if applicable, variables are based on the following criteria, regardless of gender and other differentiating characteristics: performance, complexity of tasks, responsibility, importance of the function for the company, and the experience of the employee. In addition, non-management employees receive vacation and Christmas bonuses. The management was aware of the personal challenges faced by employees due to rising consumer costs in 2022 and saw it as its responsibility to support employees financially.

## 16. Qualifications

*The company discloses what goals it has set and what measures it has taken to promote the employability of all employees, i.e. the ability of all employees to participate in the working and professional world, and in view of adapting to demographic change, and where risks are seen.*

We keep, develop, and attract the best employees - we have committed ourselves to this in our strategy. To enable consistent management in this regard these topics, we have initiated Group wide HR network in the start of 2023. Focus will be on the definition of targets and a uniform risk assessment regarding employee retention, recruitment, and qualification. As a result, no uniform targets were defined throughout the company for the 2023 reporting year. Nevertheless, various measures have long been effective at the sites to promote the employability of our employees and equip them for the requirements of the future.

### Employee development

Our employees are our company's greatest asset, which is why we invest in their qualifications on an ongoing basis. In regular performance reviews, managers and employees jointly agree and follow up on the employee's personal development plan and the corresponding qualification measures (see performance indicators for criteria 14-16). This process is fundamental to succession planning and the continuous recruitment of talent from within the company. Furthermore, within the framework of our online training platform



OQademy, which has been in place since 2022, and implementation of LinkedIn Learning in 2023, we offer a wide range of training courses in the areas of technical, methodological, leadership, and personal skills.

#### Health promotion

The health of our employees is crucial to our joint success. For this reason, various measures for targeted prevention have been implemented at the sites, from health information days to offers on ergonomics at the workplace, company sports events, company runs and subsidies for fitness centres to massages. In 2023, we initiated the first elements of occupational health management system at Germany and Spain, and plan to implement group-wide management system in 2025 which will be supported by the creation of a new position for the area. Initially, the health management system will focus in particular on occupational health measures (preventive medical check-ups, flu vaccinations) and health promotion measures for employees with physically demanding work.

#### Promoting young talent

Vocational training has been an important part of OQEMA's long-term planning for many decades. In addition, we employ interns and working students parallel to their studies and issue calls for topics for bachelor's and master's theses, which we subsequently supervise. In the form of trainee programs, we prepare university graduates for professional practice.

## Key Performance Indicators to criteria 14 to 16

Key Performance Indicator GRI SRS-403-9: Work-related injuries The reporting organization shall report the following information:

- a. For all employees:
  - i. The number and rate of fatalities as a result of work-related injury;
  - ii. The number and rate of high-consequence work-related injuries (excluding fatalities);
  - iii. The number and rate of recordable work-related injuries;
  - iv. The main types of work-related injury;
  - v. The number of hours worked.



OQEMA is in the process of implementing a Group wide management and reporting system for occupational safety and health protection and monitoring. In 2023, we have collected metrics from Germany, Spain and UK (comprising total of 553 employees). A total of 7 work-related reportable accidents were recorded in 2023, with no fatalities. There have been no fatalities across all affiliates in the Group in the reporting period.

2023 (full year)	#	LTI
<b>Fatalities as a result of work-related injury</b>	<b>0</b>	<b>0</b>
<b>High-consequence work-related injuries (excluding fatalities)</b>	<b>7</b>	<b>6.59</b>
<b>Hours worked ('000)</b>	<b>1,061</b>	

*Key Performance Indicator GRI SRS-403-4: Worker participation on occupational health and safety*

*The reporting organization shall report the following information for employees and for workers who are not employees but whose work and/or workplace is controlled by the organization:*

*a. A description of the processes for worker participation and consultation in the development, implementation, and evaluation of the occupational health and safety management system, and for providing access to and communicating relevant information on occupational health and safety to workers.*

*b. Where formal joint management-worker health and safety committees exist, a description of their responsibilities, meeting frequency, decision-making authority, and whether and, if so, why any workers are not represented by these committees.*

OQEMA is in the process of implementing a Group wide management and reporting system for occupational safety and health protection and monitoring. In early 2024, we have hired a full time employee as Group HSE Coordinator reporting into Group SHEQ function. Individual affiliates have their



own systems in place which conduct continuous risk assessments for each individual site, operating instructions for all processes and machines that involve hazards, hygiene specifications, mandatory training for employees, etc.

The review includes document inspection as well as on-site visits to all sites and interviews with employees, so that all aspects of occupational safety and thus a large part of human rights at work are examined. These related to legal compliance, and for the auditing for quality and environmental management (part of DIN EN ISO 14001 or equivalent standard).

*Key Performance Indicator GRI SRS-404-1: Average hours of training*  
*The reporting organization shall report the following information:*

- a. *Average hours of training that the organization's employees have undertaken during the reporting period, by:*
  - i. *gender;*
  - ii. *employee category.*

The training offered by OQEMA includes legally required occupational safety and compliance training for all employees according to their respective area of activity, as well as product training for sales and purchasing, and individual qualification measures. In total, an average of 5.3 hours per employee per year were spent on training and further education in the reporting period 2023. The documentation of training hours is not standardized, so we assume that the actual number of training hours is higher.

In the reporting period, 73% of employees have received an performance appraisal, and career development plans were conducted on 37% of employees.

Specifically:

- all warehouse employees and drivers were instructed in the handling of hazardous substances/dangerous goods.
- the sales team is regularly trained on innovations in the market and their impact on the environment (advantages/disadvantages), as well as our internal and external measures in this regard.



- new employees are trained on environmental and sustainability issues as part of their induction

A breakdown of the training data by gender and employee group is not possible for the 2023 reporting period due to lack of associated harmonization of the HR IT systems but is planned for 2025 (GoPeople project).

*Key Performance Indicator GRI SRS-405-1: Diversity*

*The reporting organization shall report the following information:*

*a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories:*

- I. Gender ;*
- II. Age group: under 30 years old, 30-50 years old, over 50 years old ;*
- III. Other indicators of diversity where relevant (such as minority or vulnerable groups).*

*b. Percentage of employees per employee category in each of the following diversity categories:*

- I. Gender ;*
- II. Age group: under 30 years old, 30-50 years old, over 50 years old ;*
- III. Other indicators of diversity where relevant (such as minority or vulnerable groups).*

The following figures relate to all sites, excluding Ukraine and three German affiliates (CB Chemie, Claus Nitsche & Sohn, and Oqemiqs). The employee figures are reported in " headcount" and reflect the status as of December 2023.

2023 (December)	Headcount	Share
Employees by gender (female)	607	42%
Executive Board by gender (female)	0	0%
Top executive positions by gender (female)	144	24%
Number of employees with disabilities	24	2%

As OQEMA AG is complying to local legislation, i.e. the Anti-Discrimination Law in Germany (AGG – Allgemeines Gleichbehandlungsgesetz) we are keeping records on gender (f/m/others) for all employees in its own workforce. On



voluntary notification by the respective employee OQEMA Group/AG in Germany is keeping records on disability, in order to provide required working conditions, grant allowances and fulfil legal claims of the respective employees (e.g. additional days-off). In order to comply with German AGG OQEMA Group/AG does not and is not allowed to keep records on any other minority aspects like e.g. race or sexual orientation.

*Key Performance Indicator GRI SRS-406-1: Incidents of discrimination*

*The reporting organization shall report the following information:*

- a. *Total number of incidents of discrimination during the reporting period.*
- b. *Status of the incidents and actions taken with reference to the following:*
  - I. *Incident reviewed by the organization ;*
  - II. *Remediation plans being implemented ;*
  - III. *Remediation plans that have been implemented, with results reviewed through routine internal management review processes ;*
  - IV. *Incident no longer subject to action.*

	<b>2023</b>
<b>Number of reported incidents of discrimination</b>	<b>0</b>

## Criterion 17 concerning RESPECT FOR HUMAN RIGHTS

### 17. Human Rights

*The company discloses what measures it takes, strategies it pursues and targets it sets for itself and for the supply chain for ensuring that human rights are respected globally and that forced and child labour as well as all forms of exploitation are prevented. Information should also be provided on the results of the measures and on any relevant risks.*



With the Letter of Commitment to the UN Global Compact, signed in April 2024, we have committed ourselves to respect international human rights and not to be complicit in human rights violations.

This commitment is formalized through the Codes of Conduct for Employees and Business Partners (Suppliers) with reference to the Universal Declaration of Human Rights and a large part of the ILO core labour standards and is binding for all employees and suppliers of OQEMA in all locations and subsidiaries in Europe. Hereby, in particular forced labour and child labour as well as any form of exploitation are excluded. An explicit policy statement on the human rights strategy will be adopted in 2025. To ensure compliance with due diligence requirements, a dedicated committee will also be appointed in 2025, consisting of interdisciplinary specialists and managers from various departments.

#### Human rights within the organization

15 of our 55 operating sites (29%) are DIN EN ISO 14001-certified environmental management system or equivalent. The risk of a violation is systematically assessed as part of the risk assessment for the employees' health and safety. The risk of human rights violations can be reduced to a minimum through a wide range of procedural instructions, inspection processes and training measures provided by Human Resources and will be included in the Group wide occupational safety management system. Nevertheless, employees can turn to the Groupwide whistleblower system, if necessary even anonymously. The sender is explicitly not disadvantaged as a result of the report.

#### Human rights in the supply chain

The protection of human rights in the supply chain is the responsibility of the Group Director Procurement, in cooperation with the Sustainability Department. Key developments are regularly communicated to the Executive Board by the heads of these departments via well-established reporting lines. The prerequisite for cooperation with (existing and new) suppliers is first of all the written confirmation of the OQEMA Code of Conduct for Business Partners as a part of cooperative contracts. By this, the supplier commits, among other things, to respect the basic rights of employees, the prohibition of child labour, and health and safety also with regard to their supply chain. Given the large



number of our suppliers from all over the world, monitoring in this regard is very complex and therefore cannot (yet) be ensured for all suppliers (see criterion 3).

In order to maintain transparency with regard to the sustainability performance of our suppliers and compliance with our human rights expectations formulated in the Code of Conduct, and to promote good CSR practices, we are evaluating the use of independent platforms such as EcoVadis for recording, evaluating and disclosing the sustainability performance of companies with regard to the ten principles of the UN Global Compact. Human rights and labour standards, especially concerning the prohibition of child labour, are given special consideration in the assessment. The results are integrated into both the overall supply chain risk assessment and the joint supplier dialogue to promote cooperative improvement of sustainability performance. In case of identification of substantial sustainability risks, e.g. persistent poor assessment results in the area of labour standards and human rights, remedial actions are requested and a personal on-site audit at the supplier is considered.

In the meantime, we conduct CSR assessments via questionnaires of our material focus suppliers, and evaluate their performance (EcoVadis), applicable certifications (ISO standards or equivalent) and review their Code of Conduct documents for equivalence. We aim to grow the scope of this internal review to cover at least 80% of total supplier base.

#### Due diligence requirements in the supply chain (LkSG)

Adoption of the Supply Chain Due Diligence Act (in German Lieferkettensorgfaltspflichtengesetz - LkSG), which will affect companies with more than 3,000 German based employees for the first time in 2023 (and more than 1000 employees in 2024), is accompanied by new and extensive requirements - in particular human rights due diligence obligations for companies. These relate both to the company's own business operations and to the suppliers in the respective value chain. OQEMA, however we serve many customers who are directly affected by this legislation and have already made intensive preparations to support their regulatory requirements.



*Key Performance Indicators to criteria 17*

*Key Performance Indicator GRI SRS-412-3: Investment agreements subject to human rights screenings*

*The reporting organization shall report the following information:*

No investment agreements were made in the reporting year, therefore the KPI is not relevant to us.

... *Key Performance Indicator GRI SRS-412-1: Operations subject to human rights reviews*

*The reporting organization shall report the following information:*

- a. Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.*

All our operating sites are in Europe and comply with follow the local regulatory requirements with regards to human rights. 15 of our 55 operating sites (29%) are DIN EN ISO 14001-certified environmental management system or equivalent and are internally audited for human rights aspects.

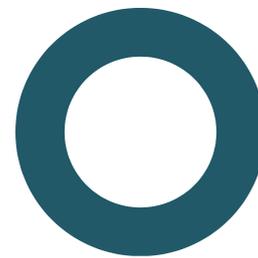
2023 (full year)	#	%
Operational sites that have been subject to human rights reviews or human rights impact assessments	21	38

*Key Performance Indicator GRI SRS-414-1: New suppliers subject to social screening*

*The reporting organization shall report the following information:*

- a. Percentage of new suppliers that were screened using social criteria.*

In the reporting year, no systematic review of social aspects was carried out before a new supplier was added to the portfolio. Therefore, no reporting is possible for 2023. From 2025 onwards, all suppliers, including new suppliers, will be assessed for their CSR risks by an independent external service provider.



Key Performance Indicator GRI SRS-414-2: Social impacts in the supply chain  
The reporting organization shall report the following information:

- a. Number of suppliers assessed for social impacts.
- b. Number of suppliers identified as having significant actual and potential negative social impacts.
- c. Significant actual and potential negative social impacts identified in the supply chain.
- d. Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment.
- e. Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why.

Our internal review of sustainable procurement of focus suppliers conducted in April 2024 reveal that 23 suppliers (82%) have EcoVadis medal rating, and 93% rated as low risk by Tacto. None were identified as having significant actual and potential negative social impacts.

Review of focus suppliers for sustainable procurement (April 2024) can be found in Appendix 3. The scope will be extended in 2025 to coverage to up to 80% of procurement spend, or approx. 150 suppliers.

#### Focus supplier sustainable procurement survey

As of April 2024	number	Share
Suppliers with EcoVadis medal (bronze or above)	23	82%
Suppliers with Tacto low risk rating	26	93%
Suppliers with relevant ISO standards (14001, 45001)	23	82%
Suppliers with equivalent Code of Conduct	27	96%
Coverage of total spend (2023)	-	51%



## Criterion 18 concerning SOCIAL MATTERS

### 18. Corporate Citizenship

*The company discloses how it contributes to corporate citizenship in the regions in which it conducts its core business activities*

As a family-owned businesses, we feel connected to the communities in which we operate, because we have been acting there for generations. We are part of these communities and see it as our duty and an opportunity to actively shape and promote local social life in line with our vision.

As a rule, the engagement of the affiliate companies primarily benefits social projects and aid organizations that help children and disadvantaged people in communicates where we operate. These are supported, among other things, through donations of money and goods, collection campaigns, or volunteer work.

However, a systematic risk review regarding positive and negative impacts of our business activities, relationships, products and services on the community has not been carried out. Also, there was no personnel or organizational capacity available to set specific targets in this regard. This topic is therefore addressed in the course of the CSR strategy development for OQEMA for 2025.

### Key Performance Indicators to criteria 18

*Key Performance Indicator GRI SRS-201-1: Direct economic value generated and distributed*

*The reporting organization shall report the following information:*

- a. *Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for the organization's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components:*



- I. *Direct economic value generated: revenues ;*
- II. *Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments ;*
- III. *Economic value retained: 'direct economic value generated' less 'economic value distributed'.*

- b. *Where significant, report EVG&D separately at country, regional, or market levels, and the criteria used for defining significance.*

In 2023, OQEMA group wide turnover of € 1.545 bn was achieved. Internal evaluations and reports are available for further key business figures, which are not published.

## Criteria 19–20 concerning ANTI-CORRUPTION AND BRIBERY MATTERS

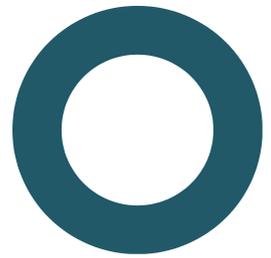
### 19. Political Influence

*All significant input relating to legislative procedures, all entries in lobby lists, all significant payments of membership fees, all contributions to governments as well as all donations to political parties and politicians should be disclosed by country in a differentiated way.*

OQEMA does not actively influence legislation.

In addition, OQEMA is active in various producer, distributor and customer associations in order to follow and, if necessary, support the market development of specific customer segments. These include the following:

- Verband Chemiehandel (VCH) – Germany chemical distributors association
- FECC – European chemicals distributor association
- European Solvent Recyclers Group (ESRG)



OQEMA has applied for signatory status at the United Nations Global Compact (UNGC), the world's largest initiative for sustainable corporate governance. As a signatory, we would participate in the election of the steering committee and the direction of the organisation's activities. OQEMA would support the UN Global Compact with USD 15,000 annually.

There is no entry in lobby lists for OQEMA

## Key Performance Indicators to criteria 19

*Key Performance Indicator GRI SRS-415-1: Political contributions The reporting organization shall report the following information:*

- a. Total monetary value of financial and in-kind political contributions made directly and indirectly by the organization by country and recipient/beneficiary.*
- b. If applicable, how the monetary value of in-kind contributions was estimated.*

In the reporting year, no membership fees, donations, or contributions were made to political or government institutions.

## 20. Conduct that Complies with the Law and Policy

*The company discloses which measures, standards, systems and processes are in place to prevent unlawful conduct and, in particular, corruption, how they are verified, which results have been achieved to date and where it sees there to be risks. The company depicts how corruption and other contraventions in the company are prevented and exposed and what sanctions are imposed.*



We act in accordance with the applicable laws and regulations and, as a matter of principle, according to the precautionary principle. These are the main compliance rules of OQEMA. They are documented accordingly in the OQEMA Codes of Conduct, and are binding for all employees and suppliers. This also applies to the ban of corruption and bribery, to which we have further explicitly committed ourselves as part of our support for the UN Global Compact.

... We ensure compliance with legal requirements through our sophisticated quality and environmental management system, which is certified in accordance with the DIN EN ISO 9001:2015 and 14001:2015 standards. Monitoring takes place at least annually as part of audits and reviews by internal officer functions, external consultants and auditors, and regulatory bodies, which helps minimize the risk of noncompliance. Among others, the legal departments, an external institute for product and data audits, quality and environmental management officers, safety officers, data protection officers, tax consultants and auditors, officers for hazardous substances, dangerous goods and toxic substances. 15 of 55 operating sites have their environmental and quality management systems certified. The non-certified sites also operate according to the same strict requirements.

The necessary data for the legally compliant handling of products (storage, transport, application, etc.) are provided to us by the manufacturers in the form of safety data sheets and other product information sheets. These are made available in our central article database and online so that employees and customers can access them at any time. Articles that are subject to legal regulations are also specially labelled to ensure automated monitoring of the completeness of the required data and documents. Among other things, we have signed declarations from all our chemical suppliers that all products made of or containing chemicals delivered to OQEMA are registered, evaluated, and approved in accordance with the REACH regulation. In total, over 95% of the articles in our range are subject to legal regulations in Germany. Risks of legal violations may arise from the handling, storage and transportation of hazardous goods. As a rule, full responsibility for product quality and safety lies with the manufacturers, which is underpinned by corresponding contractual agreements.



Changes in the law that we are not aware of are seen as another significant risk of legal non-compliance. Therefore, external information services are used which announce changes in the critical areas of hazardous substances, dangerous goods, product, waste, and environmental law. Above-mentioned internal officers evaluate the changes with regard to the circumstances at OQEMA and, if necessary, define the necessary measures as a requirement for the respective processes. Furthermore, there is a risk of legal violations through employee misconduct due to lack of knowledge or instruction. For this reason, a systematic training system is being installed to ensure that all necessary instructions are carried out and monitored. Since 2023, e-training courses have been available to our employees in Germany on third party platforms, including LinkedIn Learning. These trainings include mandatory trainings required by law and trainings required for their respective field. An overview of participation rates is presented under the sector-specific supplement participation in ethics training. In the context of IT-supported processes, a wide range of IT security risks can also be anticipated. To comply with the General Data Protection Regulation and ensure information security, numerous management processes have been installed that include both technical and organizational measures, and are monitored by quality management:

- regular systematic risk assessments for information security
- non-disclosure agreements, detailed procedural guidelines and technical security measures to protect personal and corporate data (including corresponding contractual obligations of third parties)
- appointment of data protection officers
- mandatory training on data privacy and information security for employees.



## Key Performance Indicators to criteria 20

*Key Performance Indicator GRI SRS-205-1: Operations assessed for risks related to corruption*

*The reporting organization shall report the following information:*

- a. Total number and percentage of operations assessed for risks related to corruption.*
- b. Significant risks related to corruption identified through the risk assessment.*

To date, there have been no dedicated systematic investigations into corruption risks, so the percentage of audited operations is 0%. Compliance with legal regulations in the subsidiaries is always checked by means of quality management audits. In 2025, an anti-corruption programme will also be developed, which will address, among other things, risk identification.

As of April 2024	Share of total
Business ethics training	48 %
General compliance training, including corruption and bribery (targeted employee groups, valid for 3 years)	36 %
Data privacy & information security training (SoSafe)	52 %



**Appendix 1: Overview of the GRI indicators in the Sustainable Code declaration**

*In this Sustainable Code declaration, we have reported according to the "comply or explain" principle on the GRI indicators listed below. This document refers to the GRI Standards 2016, unless otherwise noted in the table.*

Areas	Sustainable Code criteria	GRI SRS indicators
STRATEGY	1. Strategic Analysis and Action	
	2. Materiality	
	3. Objectives	
	4. Depth of the Value Chain	
PROCESS MANAGEMENT	5. Responsibility	GRI SRS 102-16
	6. Rules and Processes	
	7. Control	
	8. Incentive Systems	GRI SRS 102-35 GRI SRS 102-38
	9. Stakeholder Engagement	GRI SRS 102-44
	10. Innovation and Product Management	G4-FS11
ENVIRONMENT	11. Usage of Natural Resources	GRI SRS 301-1
	12. Resource-Management	GRI SRS 302-1 GRI SRS 302-4 GRI SRS 303-3 (2018) GRI SRS 306-2 (2020)*
	13. Climate-Relevant Emission	GRI SRS 305-1 GRI SRS 305-2 GRI SRS 305-3 GRI SRS 305-5
SOCIETY	14. Employment Rights	GRI SRS 403-4 (2018)
	15. Equal-Opportunities	GRI SRS 403-9 (2018)
	16. Qualifications	GRI SRS 403-10 (2018) GRI SRS 404-1 GRI SRS 405-1 GRI SRS 406-1
	17. Human Rights	GRI SRS 412-3 GRI SRS 412-1 GRI SRS 414-1 GRI SRS 414-2
	18. Corporate-Citizenship	GRI SRS 201-1
	19. Political Influence	GRI SRS 415-1
	20. Conduct that Complies with the Law and Policy	GRI SRS 205-1 GRI SRS 205-3 GRI SRS 419-1