



SUSTAINABILITY REPORT 2022



EMS-CHEMIE HOLDING AG

Domat/Ems Schweiz

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Dear Customers, Partners, Shareholders, Employees and other interested parties

The EMS Group has been committed to a more sustainable world for almost 90 years - and that twofold! We ourselves want to operate responsibly, resource-efficiently and profoundly in all dimensions. At the same time, through the use of our highly innovative products and services, we enable our customers to act even more sustainably themselves and to develop even more sustainable products for their part.

The fact that we have largely succeeded in this so far cannot be taken for granted. The key to this success lies in our continuing innovative strength - EMS has innovative strength virtually "in its DNA". The EMS Group has had to "reinvent" itself four times since it was founded in 1936. And sustainability has always been in the foreground: The fuel substitute made from waste wood from the Grisons was not only able to supply the Swiss army and the emergency services with vital fuel in times of war. The former Holzverzuckerungs AG and later Emser Werke also brought jobs and apprenticeships to the region and laid the foundation for today's industrial location in Grisons. Today, the then "EMSER water" would be called "bio-fuel" - i.e. fuel made from renewable raw materials and produced 100 % CO₂-free thanks to the company's own hydroelectric power plants. The reorientation towards highly durable synthetic fibers in the 1950s also stood for sustainability: The highly durable polyamide fibers were convin-

cing due to their long service life and lightness. They enabled efficient and innovative processing techniques in the textile industry. And even the by-products of wood saccharification and fiber production could be used efficiently and in a nature-friendly way as plant fertilizer and animal feed.

And today, our business activities are all the more focused on sustainability: Every day, our employees around the world work to develop even more durable, even lighter-weight and even easier-to-process high-performance polymers and solutions that reduce even more costs, weight, energy and CO₂ for our customers. In doing so, we are guided not only by our proven leadership methodologies and management principles, which compel us to develop not the "first best" but the very best, most innovative and sustainable solutions. We also take care in the design of our corporate organization and processes to remain agile, nimble, resourceful and unique - in keeping with Charles Darwin's motto: "It is not the strongest of the species nor the most intelligent that survives. It is the one that is most adaptable to change."

In the past year, we thus succeeded in continuing to live up to our sustainability claim:

After EMS was already able to reduce energy consumption by 69 % with hundreds of energy

projects between 2001 and 2020, we launched the "Energy -30 %" project in 2019 to save another 30 % energy by 2025. The project also made impressive progress in 2022, with 158 energy-saving projects completed by 2022. 191 more are planned for 2023 to 2026 or are already being implemented. As a result, we were able to reduce energy consumption by a further 2.4 % in 2022. But we also worked with our customers to develop new solutions using high-performance polymers, for example to make cars even lighter, more efficient and more environmentally friendly - whether in the precision drive system or intelligent cooling system of electric vehicles or by means of particularly low-energy bodywork protection materials - to name just a few examples.

It is of great concern to us to continuously measure and transparently present our efforts for a more careful use of resources. Our annual sustainability reporting in accordance with GRI Sustainability Reporting Standards (including sustainability indicators) and our other reporting in accordance with the ten principles of the UN Global Compact and as part of the Carbon Disclosure Project provide evidence of our sustainability efforts. The report in accordance with the requirements of the Task Force on Climate-related Financial Disclosures (TCFD report) includes risks and opportunities for EMS appropriately summarized as consequences of climate change.

And with ambitious reduction targets, we are committed to an extensive reduction of our CO₂ Scope 1-3 footprint according to the Greenhouse Gas Protocol. In Scope 1 (direct release of CO₂ within the company) and Scope 2 (indirect release of CO₂ by our energy suppliers), EMS has already reduced greenhouse gas emissions in the period 2001 to 2022 thanks to biomass and hydroelectricity by over 85 %. We compensate for the remaining, technically unavoidable CO₂ emissions through climate protection projects, so that we have already been CO₂-neutral worldwide since 2021. However, we do not intend to rest on our laurels and will further reduce Scope 1 and 2 emissions by 2035 through the use of even more energy-efficient technologies in production processes and low-emission or zero-emission fuels. For the first time, we are also reporting Scope 3 CO₂ emissions (indirect release of CO₂ from our upstream and downstream supply chain) in the Sustainability Report and are also setting ourselves an ambitious reduction target here by 2035. 90 % of Scope 3 CO₂ emissions come from our raw material suppliers. We therefore work closely with our suppliers so that they can increasingly provide zero- or lower-emission raw materials.

Being sustainable and enabling sustainability remains a central part of our corporate strategy. We are therefore proud to detail in the following report the measures taken and progress made in 2022 to promote sustainable and responsible action throughout the organization.



Magdalena Martullo
CEO, Vice-President
of the Board of Directors

As a globally active company, EMS is committed to sustainable development. EMS lives up to this corporate responsibility: with sustainable solutions for a wide range of applications with a focus on automotive engineering, the electrical and electronics industry, optics and numerous other industries, as well as with numerous measures in the areas of economic, social and environmental sustainability.

Sustainability as part of the long-term strategy

EMS was founded in 1936 and was already committed to a sustainable, long-term corporate strategy in the early years: At the beginning, EMS produced ethanol by means of wood saccharification, thus CO₂-neutral. The company location was therefore chosen close to the raw material wood, in the middle of the surrounding Grisons forests and near the Rhine river. The energy could therefore already at that time be generated 100 % from CO₂-free hydropower.

Today, polymer materials for demanding technical applications are the main business of EMS. These polymers are mainly used to replace heavy metal applications in automotive engineering, but also in a wide range of other industries. The weight reduction achieved with these materials makes a significant and sustainable contribution to reducing emissions from vehicles and in the manufacture of consumer goods. EMS thus achieves significant added value for its customers. Thus, the EMS business model is per se designed for environmental protection and sustainability. EMS develops new applications with its customers that save 64'800 tonnes of CO₂ annually.

Economic sustainability forms the foundation of EMS' industrial corporate activities. The focus is on continuous positive and long-term development.

EMS attaches great importance to environmentally friendly and sustainable production. As early as 2006, EMS reduced CO₂ emissions by more than 80 % by commissioning a biomass power plant at the world's largest production site in Domat/Ems, Switzerland. Since 2020, the electricity supply at the Swiss and German production and sales sites has also been generated 100 % from CO₂-neutral hydropower. Through further measures including the purchase of long-term CO₂ certificates, EMS has

been producing CO₂-free worldwide since July 1, 2020.

EMS plans the continuous reduction of emissions, waste and waste water and implements this in a targeted manner by means of ongoing operational improvements and with replacement and expansion investments.

The employees are the most important capital of EMS. They ensure the innovative strength and competitiveness of EMS. Their safety, health and further training have high priority.

EMS is aware of its social responsibility and supports a wide range of activities at its sites, in sports, cultural or educational areas.

Materiality analysis

EMS used a materiality analysis to determine where the activities of the EMS Group have the greatest economic, social and environmental impact and which issues are relevant to our stakeholders. The finalized materiality analysis was reviewed and approved by the Executive Management and the Board of Directors.

In accordance with the principle of "double materiality", EMS assesses topics as material if they are of importance to EMS from an internal company perspective or have a significant economic, social or environmental impact. The material topics identified by EMS are as follows:

Economic sustainability

- Long-term profitable growth: The long-term profitable growth of the EMS Group requires the expansion of existing production plants.
- Business conduct: Ensure and promote that EMS business activities are conducted in accordance with regulations, standards and ethical principles.

Social sustainability

- Attractive employer: terms and conditions of employment, including working hours, compensation, and employer-employee relations, as well as employee satisfaction with those terms and conditions.
- Maintain and promote a safe and healthy work environment for employees involved in the production and delivery of EMS products and services.

Environmental sustainability

- Impacts on climate change, including greenhouse gas emissions along the value chain, and mitigation of climate change risks.
- Energy consumption, efficiency, and sources for the production, delivery, and operation of EMS products and services.
- Resource-efficient production: reduction of water consumption and waste per kg of product.

UN Global Compact and sustainable development goals

In July 2020, EMS joined the United Nations Global Compact as a signatory. EMS is committed to supporting the ten principles on human rights, labor standards, environmental protection and anti-corruption and making them part of its strategy, culture and daily work.

The commitment to support the Sustainable Development Goals (SDG) stems from EMS' commitment to sustainability and our participation in United Nations Global Compact.

EMS contributes to the UN 2030 Agenda for Sustainable Development, focusing on 8 of the 17 goals in total. These are:

- SDG 2 (Zero Hunger) → packaging applications;
- SDG 4 (Quality Education and Lifelong Learning) → apprentice training, Great Place to Work;
- SDG 5 (Gender Equality) → Equality laid down in the Code of Conduct;
- SDG 6 (Clean Water and Sanitation) → company owned water treatment plant;
- SDG 7 (Affordable and Clean Energy) → Process steam from a biomass power plant;
- SDG 8 (Decent Work and Economic Growth) → EMS is the most important industrial employer in the Canton Grisons, Switzerland;
- SDG 9 (Industry, Innovation and Infrastructure) → other companies at the production site profit from the existing infrastructure;
- SDG 15 (Life on Land) → forestry management through use of process steam.

Overriding human rights due diligence

Focusing on the material issues and sustainability intentions includes an overarching duty of care in the area of human rights.

As stated in the EMS Group Code of Conduct, EMS supports and respects the protection of internationally proclaimed human rights and labor standards. EMS fully respects the personal dignity, privacy and individual rights of its employees, customers, suppliers and other stakeholders.

EMS published the Declaration of Commitment on Human Rights. The aim of the Declaration of Commitment is to provide a general framework for the company's responsibility to uphold human rights. This framework is valid worldwide and underlies all EMS business activities and partnerships.

EMS is guided by international human rights frameworks, which include the "protect, respect, remedy" framework of the United Nations Guiding Principles on Business and Human Rights (UNGPs), Universal Declaration of Human Rights (UDHR), OECD Guidelines for Multinational Enterprises, ILO Core Labor Standards, ILO Child Labor Conventions no. 138 and 182, ILO-IOE Guide on Child Labor for Business, OECD Due Diligence Guide to Promote Responsible Supply Chains for Minerals from Conflict and High-Risk Areas, and Ten Principles of the UN Global Compact (UNGCG).

2022, no cases of child labor were identified throughout the EMS Group. No cases were discovered at suppliers either as part of the audits carried out.

EMS does not directly import or process conflict minerals (tin, tantalum, tungsten or gold).

Economic Sustainability

Long-term success

EMS' primary goal is to achieve its financial objectives, as failure to do so can have profound, negative implications for the future.

In order to take account of the desired economic sustainability, EMS draws up an annual medium-term plan covering three years. It is adapted to economic, political and technological developments. EMS wants to create long-term value for its stakeholders; with innovative products and services, interesting jobs and an attractive return for shareholders.

Investments

In the last five years, EMS has invested a total of CHF 345 million (excluding acquisitions). In the year under review, most of the funds went into investments in Domat/Ems, Switzerland, and in Germany.

Governance

The Board of Directors of EMS bears responsibility for sustainability and climate protection as well as climate-related risks and opportunities; the Board of Directors decides on strategy and targets.

Climate-related initiatives and measures are planned in the business units and approved and defined by the Executive Management as part of the planning process. Business unit leaders are members of the extended Management. Implementation takes place in line management.

For more information on how EMS manages sustainability risks, see the TCFD report.

Stakeholders and risk management

EMS meets the needs of business partners, employees and the environment through responsible economic, social and environmental behavior. The demands of the various stakeholders are recorded within the framework of the integrated quality management system and objectives, measures and priorities are defined and implemented at the levels of quality, safety, environment and health. All these objectives and measures are planned in the business units and approved and defined by the management

as part of the annual planning process. Implementation takes place in the line organization.

EMS is exposed to various risks. Therefore, the company has developed a comprehensive risk management system which is integrated into the planning and management process. The risk assessment by the management is discussed twice a year with the Audit Committee and the Board of Directors of EMS. A distinction is made between strategic, operational, legal and financial risks.

The objective of risk management is to:

- systematically identify risks in particular;
- establish processes to monitor, reduce and, at best, prevent risks;
- finding a balance between risks and opportunities.

Standards and compliance

Internal Audit and the Chief Compliance Officer (CCO) are responsible for monitoring compliance with applicable laws and policies and global business ethics principles. The CCO reports directly to the CEO.

Employees are also required, and business partners are encouraged, to report potential violations to the CCO by telephone or in writing via a special compliance e-mail address, to the legal department in Männedorf (Switzerland), or to report anonymously. The Group Directive describes how employees must report such violations and regulates the conduct of the recipients of the reports. Sanctions are imposed in the event of proven misconduct.

Compliance training courses are held under the direction of the CCO at the individual Group companies. The following training courses were held:

- Combating Corruption and Bribery;
- antitrust/competition law;
- Export Controls/Sanctions;
- data protection (in particular the EU General Data Protection Regulation, GDPR).

The training program is continuously developed. Employees are required to undergo further training when they start working for EMS and every two years thereafter. Upon request, employees receive general and specific legal advice or individual training.

Combatting corruption

As a member of the United Nations Global Compact, EMS is committed to a clear and strict stand on anti-corruption. Corruption is categorically rejected. There are clear guidelines for prevention and employees are trained in this area. According to an audit by the EMS internal audit department, there were no cases of corruption at EMS 2022 worldwide.

Competition

EMS is committed to fair competition in which price fixing, cartels or other competition-distorting activities have no place. EMS handles its operational and commercial knowledge with care. In particular, EMS consistently protects its technical and commercial knowledge from loss or access by unauthorized persons.

Audits and inspections

Both the EMS internal audit department, the compliance department and the auditing body support the Board of Directors or the Audit Committee in the exercise of its monitoring and control functions. Audits and inspections make a significant contribution to this. They also present management at Group (Executive Management), business unit and local company levels with an assessment that is independent of the line management. This is done to determine whether the activities concerned comply with external, statutory and internal EMS guidelines and requirements (compliance aspect) and whether the processes and controls designed are effective. Identified deficiencies and potential for improvement are presented in reports with measures and implementation dates. Implementation of the defined measures is assessed in follow-up audits.

Audits and inspections are carried out by various functions within the EMS Group.

The EMS internal audit department is independent of the line organization and carries out Group-wide audits of key processes. The focus is on the design of the internal control system and the effectiveness of internal controls. Internal specialists also carry out internal audits in the area of legal and taxes (compliance).

In addition, internal specialists from the line organi-

zation carry out inspections of product quality, the environment, occupational safety, health, cleanliness and order at business unit level and at the individual companies. The main results of such inspections are included in the systematic reporting process to the Group and are dealt with on a risk-oriented basis at Executive Management level.

Suppliers undergo evaluation processes before business relationships are entered into. In addition, EMS also carries out risk-oriented audits of suppliers. Such audits are carried out by the purchasing organization in cooperation with internal specialists (quality or technical experts). This contributes to a continuous improvement process and promotes cooperation with suppliers, including corresponding sustainability issues.

EMS itself regularly undergoes supplier audits by major customers - especially from the automotive and industrial sectors. These audits ensure compliance with international labor norms and standards in the areas of quality, environment, safety and health.

Management systems

The quality management system of the business units EMS-GRIVORY and EMS-GRILTECH as well as EFTEC is certified according to IATF 16949:2016 and ISO 9001:2015 respectively.

EMS-GRIVORY and EMS-GRILTECH maintain an internal environmental management system in accordance with the guidelines of the Responsible Care Initiative/ISO 14001.

The following EFTEC sites have a certified environmental management system according to ISO 14001:

EFTEC AG (CH), EFTEC North America LLC (USA), EFTEC Brasil Ltda (BR), EFTEC Systems S.A. (ES), EFTEC (Czech Republic) a.s. (CZ), EFTEC NV (BE), EFTEC Ltd (UK), EFTEC (Elabuga) OOO (RU), EFTEC (Nizhnyi Novgorod) OOO (RU), EFTEC (Romania) S.R.L. (RO).

Conduct in tax matters

Principle

EMS pursues a long-term sustainable tax strategy, taking into account the applicable national and international tax legislation.

Fiscal concept

The Group's tax strategy is designed to comply with the law of all countries in which EMS operates as well as with international treaties and guidelines in all tax matters. EMS does not engage in aggressive tax planning or use complex structures to minimize its tax liability. EMS does not rely on formal tax saving schemes that lack any economic substance. EMS does not use hybrid instruments and/or structures, either for the purpose of tax avoidance, double deduction or tax exemption. EMS draws for its tax risk management with external consultants if necessary.

The company supports open and transparent cooperation with the respective tax authorities. In the event of tax audits, EMS is cooperative and provides requested information promptly.

Risk Management

The tax aspects of business activities and transactions are proactively addressed, continuously monitored and controlled at EMS. EMS acts in accordance with standard market principles and adheres to the relevant national and international regulations when setting prices for Group transactions. EMS companies maintain transfer pricing documentation as close to real time as possible.

Country-by-Country-Reporting

Since fiscal year 2018, EMS has submitted the Country-by-Country Report (CbCR) annually to the Swiss Federal Tax Administration (FTA). This OECD/G20 standard contains relevant information on profit and taxes paid per country in which the company operates. The FTA shares this report with the tax authorities of other countries in which EMS is taxable. This shows that EMS duly complies with its tax obligation in the respective country.

Social Sustainability

EMS understands social sustainability to mean responsibility as an employer and a comprehensive commitment to the community.

Sustainable personnel policy

Attractive employer

EMS values and promotes its employees and offers them employment conditions in line with the market. That is why EMS strives to have motivated and committed employees in its ranks. They make a decisive contribution to the result. After all, satisfied employees are prepared to go the extra mile to meet the needs of our customers. That is why EMS is committed to a sustainable personnel policy and to diversity in its workforce and structures.

The management tools, which have been successfully trained for many years and which commit all employees to the same principles, and the associated uniform work and management culture, contribute to EMS achieving its strategic goals.

The employee turnover rate is below 10 %. It includes all departures including retirements and expired fixed-term employment contracts.

Equal opportunities and equal pay

There are equal opportunities for women and men at EMS. At the end of 2022, the proportion of women was 18.5 % (previous year 18.4 %), and 21.7 % (previous year 22.5 %) in Management.

2020, an equal pay analysis was carried out in all Swiss EMS companies in accordance with the provisions of the Gender Equality Act. The results confirmed that equal pay between female and male employees is maintained and that the legal requirements are complied with. The certified auditing company Ernst & Young checked and confirmed that the analysis had been carried out correctly.

Employee development

EMS attaches great importance to practice-oriented further training, which ensures the employees' employability. These internal courses are based on the daily tasks of the employees. The success of the

training is directly reflected in improvements in quality and efficiency in the workplace. In addition to internal courses, EMS also offers support programs for external further training at universities of applied sciences or other institutes. EMS makes a generous contribution to such individual development measures, which are carried out as part of the annual staff appraisals.

The average training time as well as the funds spent on internal and external training measures have returned to a competitive level at the pre-Corona level.

Junior staff and career development

EMS has been training professionals with great success since 1943. Because a well-trained workforce is the cornerstone of success. The fact that vocational training is central and extremely important to EMS is also demonstrated by the specially created teaching and training centers with full-time vocational trainers. EMS invests more than CHF 5 million annually in the training of apprentices and trains around 140 of its own apprentices in 17 different professions in Switzerland, mainly at the Domat/Ems site, as well as around 120 apprentices annually for third-party companies, making it the most important apprentice training company in the canton of Grisons, Switzerland.

In addition to vocational training, university education is also a central pillar. EMS is also persistently committed to this and maintains close relations with the University of Applied Sciences Graubünden and the new University of Applied Sciences OST, but also with universities and the two Federal Institutes of Technology. EMS offers students internships, among other things, and promotes practice-based training and recruitment of young professionals and talents in cooperation with educational institutions. In this context, developments are also realized in cooperation with the universities or project weeks are offered at the workplace.

Occupational safety and health

To ensure the health and safety of its employees, targets are set throughout the Group, their achievement is periodically monitored and promoted by means of programs and measures.

Apprenticeship

140 apprentices in 17 different occupations ranging from plant operator to various skilled crafts and IT professions to basic commercial training. Apprenticeships last between 3 and 4 years. During their training, apprentices have the opportunity to complete assignments abroad.

For more information, scan this QR code:



Safety in the workplace has a high level. Ongoing training and continuing education with internal and external instructors ensures that this remains so. Through risk analyses, audits and regular inspections of plant and equipment, safety experts, plant managers and engineers ensure that the high standard can be maintained and even improved. The involvement of employees in safety matters is very important to EMS and is encouraged on a sustained basis. EMS has implemented special programs for reintegration into the working world.

EMS supports local occupational health and safety initiatives and is a member of the Safety Charter (SUVA).

EMS reports internally and externally, transparently and comprehensively on the subject of occupational health and safety. The focus is on key figures as well as measures and programs.

Social commitment

EMS operates worldwide and is deeply rooted at its numerous locations. As an employer, EMS must do justice to a society that is becoming older and more diverse and demands more flexibility and individual solutions – and this always with the business result in mind.

In the area of social commitment, EMS essentially concentrates on two core areas:

On the one hand, around 20 % of the current workforce in the Swiss workplace will retire by 2030. The shortage of skilled workers will be felt across the entire range of functions and at all hierarchical levels. In order to meet this challenge, EMS invests in vocational training and promotes studies for university or technical college degrees. In addition, EMS enables pupils at all school levels to gain an insight into their future careers with a focus on the MINT subjects (mathematics – informatics - natural science - technology) with various events and projects (MINT week, First Lego League, vocational show, vacation pass, future day, children's play day, business week for cantonal schools or teacher training "Simple Science").

The EMSORAMA or "EMSORAMA-Mobile" have a special significance. In 2016, EMS launched the first and only Grisons Science Center at the Domat/Ems site. This bears the name EMSORAMA and promotes fascination for natural sciences and technology. In addition, in 2019, "EMSORAMA-Mobil" was launched. In contrast to the stationary EMSORAMA, the "EMSORAMA-Mobile" visits communities in the Canton Grisons and fascinates children, young people and their parents, school classes, clubs and a broad public directly on site.

On the other hand, EMS supports and promotes cultural, sporting, social and civic events and activities. With its financial support and/or the provision of internal know-how, own resources or infrastructure, EMS makes it possible for various events and activities to be organized.

Environmental Sustainability

EMS develops new applications with its customers, saving 64'800 tonnes of CO₂ per year.

Net zero CO₂ emissions as of 2050

EMS attaches great importance to environmentally friendly and sustainable production. As early as 2006, EMS reduced CO₂ emissions by more than 80 % by commissioning a biomass power plant at the world's largest production site in Domat/Ems, Switzerland. In addition, EMS relies on hydro-power. Since 2020, the EMS Group has been CO₂-neutral worldwide and at every location.

EMS has set itself the goal of net zero CO₂ emissions (Scope 1 and Scope 2) worldwide from 2050. EMS has developed new processes that save 30-50 % energy. Two plants are already in operation. More plants will follow.

Energy

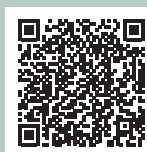
EMS is actively committed to energy efficiency and global climate protection. The goal of EMS is to sustainably reduce its own energy consumption and the associated environmental impact. To achieve this, EMS relies on efficient technologies and renewable energies.

EMS obtains 100 % of its electricity for its largest production and sales sites in Switzerland and

Biomass power plant

EMS has purchased steam from Axpo Tegra biomass power at its main site in Domat/Ems since 2005, and it has been sole supplier since 2007. Based on consumption in 2022, this will save over 44'000 t CO₂ emissions per year.

For more information, scan this QR code:



Germany from CO₂-neutral hydropower. At the world's largest production site, process steam is generated exclusively from biomass (wood). As a matter of principle, the production processes of EMS are designed to be as energy-efficient as possible. The process engineers are constantly looking for new optimization potential to further increase energy efficiency.

In order to achieve even further reductions, the "Energy -30 %" project was launched in 2019 with the aim of sustainably reducing energy costs, and thus also CO₂ emissions, at the Domat/Ems site. Between 2012 and 2022, 158 energy-saving projects were implemented at the Domat/Ems site, and 191 more are planned or in progress for the years 2023 to 2026.

In order to reduce energy requirements and the associated greenhouse gas emissions in the medium term, EMS also develops and produces fundamentally new processes and technologies. Energy-efficient techniques are used from the outset in new plants and controls are optimized, so that important energy resources are conserved and emissions are reduced to a minimum.

With weight-saving products, EMS' customers in the automotive industry can reduce vehicle weight and thus significantly reduce fleet consumption for their vehicles.

Air emissions

EMS has been committed to sustainable climate protection for many years now. With its voluntary participation in the program of the Energy Agency for Industry, EMS is committed to actively reducing CO₂ emissions and optimizing energy efficiency. EMS' target agreement is recognized worldwide by authorities and industrial partners.

Regular monitoring of exhaust air emissions is an integral part of EMS' environmental management. In addition to CO₂, EMS also continuously records the other relevant gas emissions in order to discover and implement potential for improvement. The goal is and remains to avoid emissions wherever possible.

Where this is no longer technically possible, other options are implemented to minimize the environ-

Energy -30 %

In 2019, the "Energy -30 %" project was launched, with the aim of further sustainably reducing energy costs and the associated CO₂ emissions at the Domat/Ems site. Between 2012 and 2022, 158 energy-saving projects were implemented at the Domat/Ems site, and 191 more are planned or already in progress for the years 2023 to 2026.

For more information, scan this QR code:



mental impact. For example, EMS fully offsets CO₂ emissions that cannot be further reduced in global climate protection projects. As part of Responsible Care, EMS reports on air emissions in its own environmental reports, in national surveys (climate registers, emissions reports) and in the global report of the CDP "Carbon Disclosure Project".

Water and waste

Water

Water is of utmost importance for production at EMS. EMS needs water as a coolant, solvent and cleaning agent and for transporting goods by ship. EMS is committed to responsible and sustainable use. The aim is to protect water as a resource and, through continuous improvement measures, to use it as efficiently as possible and to constantly reduce emissions.

With its high-performance polymers, EMS offers its customers solutions for the purification and treatment of water. EMS has various polymer materials in its portfolio, which are approved for use in contact with drinking water.

EMS reports transparently and comprehensively on the topic of water. In addition to its own environ-

EMS saves an additional 64'800 CO₂ with its customers

By reducing vehicle weight and replacing metal parts with much lighter polymer components, the fuel consumption of the vehicles built can be reduced. A weight saving of approx. 100 kg per automobile enables savings of approx. 64'800 t CO₂ to be achieved annually through lower fuel consumption. This corresponds to more than 190'000 economy class flights from Zurich to New York.

For more information, scan this QR code:



tal reports, EMS also communicates on the topic of water within the framework of Responsible Care and the non-profit organization CDP.

Waste water

Wastewater is produced when water is used as an auxiliary medium for cooling, dissolving or cleaning. One special factor is that a considerable part of the water is also recreated as a by-product during polymerization. This so-called "reaction water" is split from the raw materials and results in the water output of EMS being greater than the input.

Part of the water used evaporates and is discharged in vapor form via the exhaust air. The liquid wastewater portion is treated according to its intended use. Uncontaminated wastewater from cooling is returned directly to the natural water system after testing and inspection. Contaminated wastewater is taken to the wastewater treatment plant. At its main site in Domat/Ems, Switzerland, EMS operates its own wastewater treatment plant (WWTP) for this purpose. This treatment plant not only cleans the plant's wastewater, but also the wastewater of the surrounding communities.

Through continuous improvements of the treatment plant, efficiency has been continuously increased and is at a very high level compared to other industries.

EMS reports extensively on the subject of wastewater and wastewater quality. In addition to the company's own environmental reports, wastewater indicators can also be found in the reports of the Responsible Care initiative and in the reports of the national environmental authorities.

Waste

EMS is constantly working on new solutions for the circular economy and improved recycling. Materials are first reprocessed internally whenever possible, thus avoiding waste. Materials that cannot be recycled internally are recycled wherever possible. The strategy of EMS is to maximize recycling. Materials such as polymers, metals, glass, wood, paper and packaging materials are removed from production refuse, sorted into different types and sent for recycling.

The remaining waste is mainly polymer waste, which has a particularly high heat value, and most of which is sent for thermal recycling. As secondary fuels, this waste replaces fossil fuels such as oil or gas, especially in the energy-intensive plants of the cement industry. Only the low heat value waste is burned in waste incineration plants.

In the case of hazardous waste, the aim is to reduce the quantity by continuously taking optimization measures (substitution, increasing process stability, measurements, etc.). Hazardous waste is disposed of exclusively via authorized disposal companies and without exception in approved hazardous waste treatment facilities.

Recycling and disposal

Hazardous goods and chemicals are transported, stored and disposed of after use in accordance with applicable legal requirements. The collection points set up internally ensure that employees separate and dispose of waste properly so that a large proportion can be recycled. Specialized companies are commissioned to recycle specific materials (e.g. metals) in a professional and ecologically optimal manner.

Chemicals and dangerous substances

EMS, as a chemical company, is subject to international chemical legislation, both at the production sites and in the export markets. For example, EU Regulation No. 1907/2007 ("REACH") requires the registration of all chemicals imported into or produced in the EU in quantities greater than 1 tonne per year. As a supplier of polymer materials, EMS is indirectly affected by this registration obligation through the raw materials it uses and, together with its raw material manufacturers, ensures that only REACH-compliant products are exported from the Swiss site to the EU.

The Regulatory Affairs department at the two main Swiss sites coordinates activities worldwide to meet the chemical regulatory requirements for EMS products, and continuously monitors latest developments. Compliance with legal and customer requirements is confirmed in corresponding conformity documents.

GreenLine

Under the general term GreenLine, the High Performance Polymers division of the EMS Group markets a wide range of biobased polyamides which are manufactured partly or entirely from renewable raw materials.

For more information, scan this QR code:



TCFD Report

The requirements of the "Task Force on Climate-related Financial Disclosures" (TCFD) cover the areas of governance, strategy, risk management, targets and key figures. Reporting according to the TCFD is focused on publicizing risks and opportunities resulting from climate change in an appropriate way.

1. Governance

The Board of Directors determines the strategy of the company including sustainability, which also includes the CO₂ strategy. The Executive Management is responsible for implementation of this strategy. The Board of Directors reviews target achievement at least once a year.

Executive Management defines the operational measures for sustainable development of the company based on the sustainability strategy. The business unit leaders are responsible for implementing these measures. Executive Management regularly reviews whether the measures are implemented successfully. In the event of deviations, corrective measures are initiated.

The Environment and Safety Department supports Executive Management in further developing the sustainability strategy. It develops methods for identifying, assessing, monitoring and reporting climate-related risks and opportunities, and is also responsible for annual sustainability reporting in

accordance with GRI, Key Figures Sustainability and various other reporting standards such as UNGC, and reporting under the Carbon Disclosure Project (CDP).

For more information, see:

- Corporate Governance Report as part of the Annual Report 2022/2023
- CDP Climate Change Questionnaire, C1.1a/C1.1b/C1.2a/C2.1a
- Sustainability Report 2022, Governance, page 6

2. Strategy

According to the TCFD guidelines, a distinction is made between physical risks resulting from the direct effects of climate change, such as extreme weather incidents, and transition risks related to the transition to a low-carbon economy (e.g. CO₂ pricing). As part of its risk management, EMS regularly examines and evaluates significant risks and their financial impact.

Assessment of risks and opportunities due to climate change

The following table shows the most important climate-related risks and opportunities identified and assessed by EMS to date, and which could have an impact on the company:

Physical risks		
Type	Impact on EMS (risks and opportunities)	Measures
Acute		
Extreme weather incidents such as storms, floods or landslides	Risk Extreme weather incidents can affect EMS' own production or the supply chain.	Risk minimization – Shorten the supply chain as much as possible and build up alternative suppliers – Increase the flexibility of production sites to relocate products to other plants

Type	Impact on EMS (risks and opportunities)	Measures
Chronic		
Long-term local impacts of climate change, such as rising average temperatures, rising sea levels, or more drought	<p>Risk Rising average temperatures lead to an increased energy demand in summer for cooling machines, processes and workplaces. This raises costs.</p> <p>Chance Rising average temperatures lead to lower heating requirements in winter and reduces heating costs.</p>	<p>Minimizing risk and exploiting opportunities</p> <ul style="list-style-type: none"> – Continuing investment in resource and energy-efficient production
Transition risks and opportunities		
Regulatory & legal		
Demands for increased energy efficiency and use of renewable energy, as well as increased CO ₂ taxes on fossil fuels and chemicals	<p>Risk Increased CO₂ taxes on fossil fuels and chemicals lead in general to increased operating and production costs.</p> <p>Chance Due to EMS' industry-leading profitability, competitors will be more affected by higher costs. EMS can use this as leverage to expand market share.</p>	<p>Risk minimization</p> <ul style="list-style-type: none"> – Implementation of measures to save energy and increase efficiency at the production sites
Tighter regulations in the area of circular economy, in particular through the EU Green Deal action plan	<p>Chance The high quality and durability of the products means that EMS can gain market share in the face of stricter regulation and/or increased sensitivity to the circular economy.</p>	<p>Taking advantage of opportunities</p> <ul style="list-style-type: none"> – Continuous further development of GreenLine products – Closing of internal material cycles and use of production waste as a recyclable material – Higher proportion of recycled raw materials used in products

Type	Impact on EMS (risks and opportunities)	Measures
Energy and technology		
Energy security and stable energy costs	<p>Risk The business activities of EMS are associated with high energy consumption. Energy costs are therefore, an important factor.</p> <p>Chance EMS actively manages its energy requirements (including forward contracts) and benefits from rising energy costs compared to its competitors.</p>	<p>Minimizing risk and exploiting opportunities</p> <ul style="list-style-type: none"> – Continuous optimization of processes with regard to energy requirements for reliable production, even in the event of bottlenecks – Conclusion of long-term energy purchasing rights
New technologies such as energy-efficient machines or CO ₂ -reduced or CO ₂ -neutral production processes with alternative fuels	<p>Risk Increased acquisition costs of new energy-efficient machinery.</p> <p>Chance EMS benefits from its high levels of investment.</p>	<p>Minimizing risk and exploiting opportunities</p> <ul style="list-style-type: none"> – Continual modernization of machinery and infrastructure as well as ongoing investment in the latest technology
Market		
Changing customer needs and preferences	<p>Risk Competitors are catching up when it comes to sustainability and sustainable products.</p> <p>Chance With its innovative strength, EMS can further expand its portfolio in the field of biobased products.</p>	<p>Minimizing risk and exploiting opportunities</p> <ul style="list-style-type: none"> – Significant investment in energy and resource-saving technologies and products – Continual further development of GreenLine products
Reputation		
Changing expectations of employees, customers and society	<p>Risk Competitors position themselves as leaders in sustainability.</p> <p>Chance EMS continues to expand its position as a pioneer in innovative and sustainable weight reducing solutions.</p>	<p>Minimizing risk and exploiting opportunities</p> <ul style="list-style-type: none"> – Carrying out regular employee and customer surveys – Improved communication of sustainability efforts incorporated for decades.

Energy

A central pillar of EMS' CO₂ strategy is energy saving, efficiency improvement and energy procurement. Corresponding measures are planned by the business areas and approved by Executive Management as part of annual planning.

EMS attaches great importance to environmentally friendly and sustainable production. As early as 2006, EMS reduced CO₂ emissions by more than 80 % by commissioning a biomass power plant at the world's largest production site in Domat/Ems, Switzerland. Since 2020, the power supply at the Swiss and German production and sales sites has also been generated 100 % from CO₂-neutral hydroelectric power.

Sustainable supply chain

EMS relies on a comparatively depth of production and thus on a large proportion of purchased raw materials. Raw materials with the lowest possible CO₂ emissions are gaining in importance. EMS takes this into account when selecting suppliers. Management of sustainable raw material procurement strategies helps to better control and reduce climate risks in supply chains.

Compensation or elimination

The aim of EMS is to reduce CO₂ emissions as far as possible through its own efforts. Currently unavoidable CO₂ emissions, which ultimately also occur when renewable energy sources are purchased, are offset with investments in compensation projects.

Scenario analyses

Based on TCFD guidelines, EMS developed a scenario analysis, which examines potential impacts of various climate scenarios on the company.

Scenario 1: Compliance with the Paris Convention (global warming <2° C)

In this scenario, current global greenhouse gas emissions are at their peak and decline steadily thereafter.

Potential impact on EMS:

- Increasing demand for low-emission products:

Growing global demand for more environmentally friendly materials and technologies could lead to increased demand for low-emission products produced by EMS. EMS is preparing for this.

- Rising energy costs: In order to achieve the goals of the Paris Convention, energy prices could rise. EMS is looking into investing in renewable energies and energy efficiency to counteract these rising costs.
- Regulatory Requirements: More stringent climate regulation could result in EMS having to invest in additional environmental regulation and reporting. EMS is preparing for this.

Scenario 2: Delayed transition (3-4° C globalwarming)

In this scenario, global greenhouse gas emissions do not peak until after 2030 and then slowly decline.

Potential impact on EMS:

- Increased risk of environmental impacts: In this scenario, effects of climate change, such as extreme weather events and a rising sea level, could affect EMS operations and supply chains. EMS takes precautions.
- Tightening of regulatory requirements: Due to the delayed transition, governments could adopt stricter climate protection measures in future, which could lead to higher costs. EMS wants to be prepared for this.
- Reputational risks: In a scenario of higher global temperatures, companies that do not respond adequately to climate change could face increased reputational risk. EMS takes preventive measures.

Measures

EMS will implement the following measures:

- Investment in environmentally friendly technologies and innovations: In order to benefit from the increasing demand for low-emission products, EMS invests in research and development.
- Adaptation to climate-related risks: To minimize the risk of supply chain and operational disruptions, EMS regularly conducts a comprehensive risk assessment and develops appropriate adaptation strategies.
- Energy efficiency and renewable energies: To counteract rising energy costs, EMS will invest in

energy-efficient and environmentally friendly technology and will increase use of renewable energy in its operations.

- Active communication of sustainability initiatives: To minimize reputational risks and strengthen the trust of investors and customers, EMS reports transparently on its measures in the area of climate protection and sustainability.
- Collaboration with suppliers and partners: In order to make the entire value chain more sustainable, EMS works with its suppliers and partners to achieve common sustainability goals and reduce climate-related risks.

The TCFD scenario analysis shows that climate change will create both opportunities and challenges for EMS. Overall, however, the trends and changes addressed result primarily in opportunities for EMS. CO₂ reduction is central to the EMS business model. By replacing metal with EMS specialty polymers, customers can save up to two thirds of the original weight, depending on the component. In the automotive sector, for example, this leads to considerable weight saving and consequently, to fuel savings, which significantly reduces CO₂ emissions.

For more information, see:

- p. 4 (chapter on sustainability as part of the long-term strategy)
- CDP questionnaire (C2.1, C2.1a, C2.2, C2.3a, C2.4, C2.4a, C3.1a, C3.1b, C3.1d, C3.1e)

3. Risk management

The EMS Group has a risk management system approved by its Board of Directors. In this system, risks are identified, analyzed and evaluated according to their probability and degree of occurrence, and measures are defined to address them. Risks related to climate change are an important part of this. Executive Management business unit leaders and local company leaders implement specific measures to identify and reduce risks. Internal Audit coordinates the risk management process and reports to the Board of Directors. Significant risks are also addressed on an ongoing basis in regular executive management and board meetings.

For more information, see:

- p. 5 (chapter Stakeholders and risk management)

- CDP questionnaire (C2.2, C2.2a)

4. Key figures and targets

EMS publishes comprehensive key figures and targets on sustainability and CO₂ within the scope of the sustainability report.

For more information, see:

- p. 18 (Key figures environment chapter)
- CDP questionnaire (C4.1, C4.1a, C4.2, C6.1, C6.3, C6.5, C9.1)

Energy consumption

		2022	2021	+/- %	Target 2035
Electricity	[MWh/t product]	0.69	0.69	+1.1 %	
Fossil fuel	[MWh/t product]	0.87	0.83	+4.6 %	
Renewable fuel (timber)	[MWh/t product]	0.20	0.20	-1.6 %	
Total energy consumption	[MWh/t product]	1.76	1.72	+2.5 %	< 1.50

Electricity mix

		Renewable ¹⁾		Fossil		Nuclear	
		2022	2021	2022	2021	2022	2021
Switzerland ²⁾	[%]	100	100	0	0	0	0
Germany ²⁾	[%]	100	100	0	0	0	0
Europe (without Switzerland/Germany)	[%]	46.1	46.1	31.8	31.7	22.2	22.2
North and South America	[%]	14.4	10.8	54.1	56.1	31.5	33.1
Asia ³⁾	[%]	21.3	17.5	65.8	74.0	5.2	8.5
EMS worldwide	[%]	93.0	93.3	4.9	4.8	2.1	1.8

1) Water, sun, wind, geothermics, biomass

2) Production and sales locations with energy from renewable sources (Proof of origin hydropower)

3) without China – no official data available

Water and waste water

		2022	2021	+/- %	Target 2035
Drinking, river, lake water	[m ³ /t product]	53.1	54.0	-1.8 %	< 45
Waste water load	[kg TOC/t product]	0.16	0.18	-13.5 %	< 0.15

Waste

		2022	2021	+/- %	Target 2035
Waste	[kg/t product]	33.6	32.3	+4.0 %	< 30
Recycling quota	[%]	71.0	70.6	+0.6 %	> 75

Emissions (without CO2 emissions)

		2022	2021	+/- %	Target 2035
VOC ¹⁾	[kg/t product]	0.11	0.12	-7.2 %	< 0.10
Dust	[kg/t product]	0.038	0.039	-2.0 %	< 0.03
Anorg. gases	[kg/t product]	0.010	0.008	+24.5 %	< 0.01

1) Volatile organic compounds

CO₂-Emissionen

		2022	2021	+/- %	Ref. 2001	Target 2035
CO ₂ Scope 1	[kg/t product]	32.8	37.0	-11.4 %	270.9	23.5 ³⁾
	[t]	20'279	22'378	-9.4 %	27'088	20'000
CO ₂ Scope 2	[kg/t product]	141.6	144.3	-1.9 %	937.1	102.2 ⁴⁾
	[t]	87'456	87'311	+0.2 %	93'713	87'000
Total CO ₂ ¹⁾	[kg/t product]	174.4	181.3	-3.8 %	1'208.0	125.7
	[t]	107'735	109'689	-1.8 %	120'801	107'000
Compensation CO ₂ ²⁾	[kg/t product]	-176.1	-183.1	-3.8 %	0	-125.7
	[t]	-108'812	-110'786	-1.8 %	0	-107'000
Total CO ₂ minus compensation	[kg/t product]	-1.7	-1.8		1'208.0	0

1) All EMS Group locations worldwide (Scope 1+2). Scope 2 was calculated using country-specific factors wherever possible.

2)) Compensation of unavoidable CO₂ emissions through climate protection projects (Verified Carbon Standard)

3) **Target achievement Scope 1:** Implementation of energy-efficient technologies in the production processes to reduce direct energy consumption; use of low-emission or zero-emission fuels in the production facilities to minimise combustion emissions; use of renewable energies in the production processes to reduce direct energy consumption; low-emission or zero-emission fuels in the production facilities to minimise combustion emissions.

4) **Target achievement Scope 2:** Improve energy efficiency in own buildings and facilities to reduce overall energy consumption.

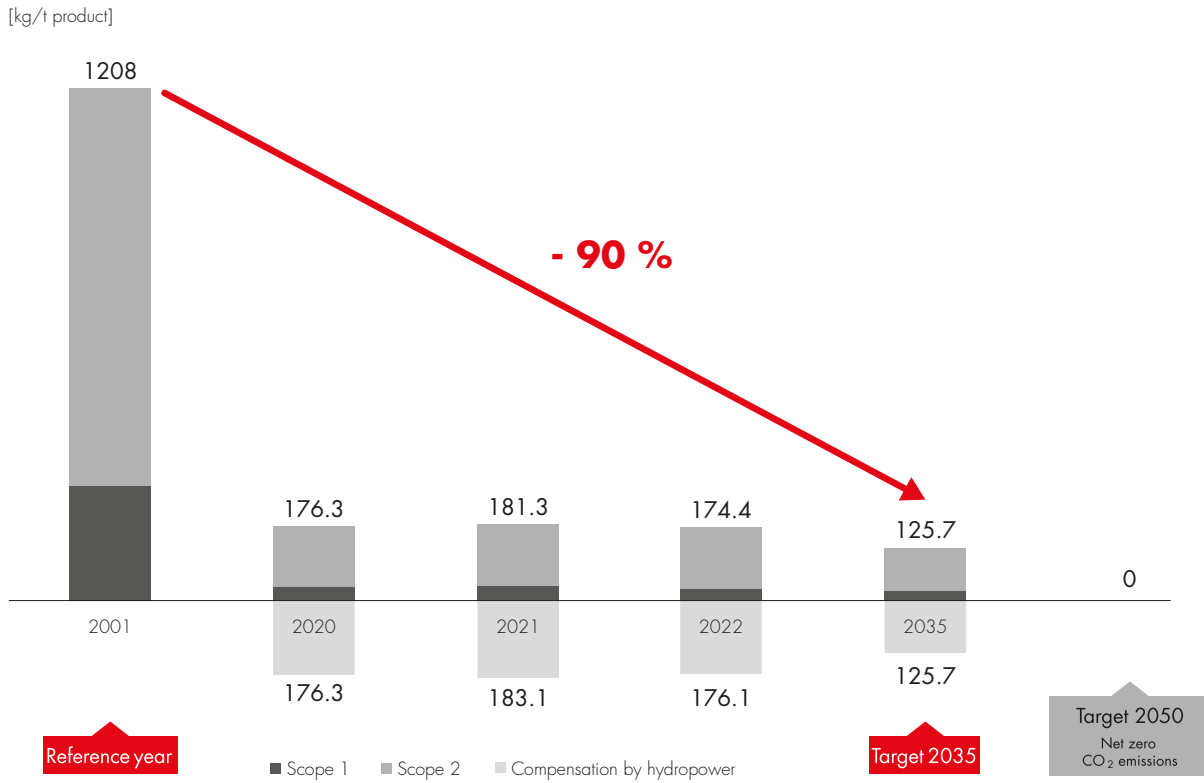
		2022	2021	+/- %	Ref. 2001	Target 2035
CO ₂ Scope 3 ¹⁾	[kg/t product]	22'540	22'557	-0.1 %	24'346	19'800 ²⁾
	[Mio. t]	13.9	13.6	+2.0 %	2.4 ³⁾	16.9

1) Scope 3 is composed of total 15 categories according to the GHG Protocol. Categories 1, 3, 4, 5, 6, 9 and 12 were taken into consideration for calculation of Scope 3.

2) **Achievement of Scope 3 targets:** Identification, setting of targets and cooperation with suppliers in order to ensure measures for the sustainable reduction of CO₂ footprint along the entire supply chain, the entire supply chain. All relevant participants along this supply chain demonstrate in a binding and sustainable manner how they will decarbonise their energy-related processes. (Scope 3 depends to approx. 90 % on the energy source of the raw material suppliers of EMS). In addition, transport, storage and logistics processes in general, In addition, transport, storage and logistics processes in general are being scrutinised and improved, for example through the use of low-emission vehicles and optimisation of transport routes. Also central are the development of environmentally friendly products and solutions, as well as massively higher recycling rates, which lead to a reduction in customers' own emissions and subsequently to sustainable decarbonisation.

3) Since 2001, production volumes have increased six-fold. The absolute amount of Scope 3 emissions has increased accordingly since then.

Development of greenhouse gas emissions of the EMS Group (Scope 1 and 2) Schematic representation



Key Figures Employees

Workforce as of 31.12.¹⁾

	2022	Share	2021	Share
Europe	1'570	58.3 %	1'631	61.6 %
<i>thereof Switzerland</i>	<i>1'084</i>	<i>40.3 %</i>	<i>998</i>	<i>37.7 %</i>
North and South America	417	15.5 %	361	13.6 %
Asia	706	26.2 %	654	24.7 %
Worldwide	2'693		2'646	

1) Without apprentices (2022: 136; 2021: 134)

Diversity

	Management		Employees	
	2022	2021	2022	2021
Percentage of women	21.7 %	22.5 %	18.5 %	18.4 %

Age structure

	2022	2021
> 45 Jahre	41.5 %	41.2 %
30 – 45 Jahre	45.8 %	45.7 %
< 30 Jahre	13.6 %	13.1 %

Personnel expenditure

	2022 TCHF	2021 TCHF	+/- %
Wages and salaries	188'406	179'021	+5.2 %
Subcontractor salaries	18'959	16'235	+16.8 %
Expenses for defined benefit plans	7'831	9'248	-15.3 %
Legal/contractual social insurance	23'490	24'539	-4.3 %
Other personnel expenses	7'683	7'126	+7.8 %
Total personnel expenditure	246'369	236'169	+4.3 %

Health and work safety

	2022	2021	+/- %	Target 2035
Work accidents per 100 with working lost employees	4.4	5.0	-12.3 %	< 2



CONTENT INDEX
ESSENTIALS SERVICE

2023

EMS has reported in accordance with the GRI Sustainability Reporting Standards for the period 1 January 2022 to 31 December 2022. For the Service Content Index Essentials, GRI Services verified that the GRI Index is presented clearly and in accordance with the Standards and that the references for statements 2-1 to 2-5, 3-1 and 3-2 are consistent with the corresponding sections in the body of the report. This service was provided for the German version of the report.

GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	None

2 General Disclosures

GRI Standard/ Disclosures	Title / comment	Page*
GRI 2:	General Disclosures 2021	
	The organization and its reporting practices	
2-1	Organizational Details	
2-1 a	Legal name <i>EMS-CHEMIE HOLDING AG</i>	
2-1 b	Ownership and legal form	AR p. 9
2-1 c	Head office <i>c/o EMS-CHEMIE AG 7013 Domat/Ems, Schweiz</i>	
2-1 d	Countries of operation	AR p. 68 ff.
2-2	Entities included in the organization's sustainability reporting	
2-2 a	Entities included in its sustainability reporting	AR p. 54 ff.
2-2 b	Entities included in the consolidated financial statements	AR p. 54 ff.
2-2 c	Approach used for consolidating the information	AR p. 54 ff.
2-3	Reporting period, frequency and contact point	

2-3 a	Reporting period for, and the frequency of, the sustainability reporting	
	01.01.2022-31.12.2022	
2-3 b	Reporting period for the financial report	
	EMS-Gruppe: 01.01.2022-31.12.2022 EMS-CHEMIE HOLDING AG: 01.05.2021-30.04.2023	
2-3 c	Date of publication	
	14.07.2023	
2-3 d	Contact point for questions about the report	
	www.ems-group.com/de/bottomnavigation/impressum/	
2-4	Restatements of information	
	None.	
2-5	External assurance	
	None.	
Activities and workers		
2-6	Activities, value chain and other business relationships	
2-6 a	Sector; significant changes from previous years, if applicable	
	No significant changes in 2022.	
2-6 b	Value chain (including activities, products, services and markets served; supply chain; downstream businesses; and material changes from previous years, if applicable)	p. 4, 17 AR p. 6
	No significant changes in 2022.	
2-6 c	Other relevant business relationships and material changes from previous years, if applicable	
	No significant changes in 2022.	
2-7	Employees	
2-7 a)	Total number of employees by gender and by region	p. 22
2-7 b)	Total number of permanent employees, temporary employees, employees with non-guaranteed working hours, full-time and part-time employees by gender and region	p. 22
2-7 c)	Methodologies and assumptions	
	Information from personnel information system	
2-7 e)	Significant fluctuations	p. 8

2-8	Workers who are not employees	
	<i>EMS employs temporary staff. The main reasons are their specific skills, which are not available at EMS or in case of resource bottlenecks.</i>	
Governance		
2-9	Governance structure and composition	AR p. 14
2-10	Nomination and selection of the highest governance body	AR p. 12
2-11	Chair of the highest governance body	AR p. 10
2-12	Role of the highest governance body in overseeing the management of impacts	AR p. 12 f.
2-13	Delegation of responsibility for managing impacts	AR p. 13
2-14	Role of the highest governance body in sustainability reporting	p. 6, 14
2-15	Conflicts of interest	AR p. 13
2-16	Communication of critical concerns	AR p. 13
2-17	Collective knowledge of the highest governance body	AR p. 12
2-18	Evaluation of the performance of the highest governance body	AR p. 8 ff.
2-19	Remuneration policies	AR p. 18 f.
2-20	Process to determine remuneration	AR p. 18 f.
2-21	Annual total compensation ratio	AR p. 18
Strategy, policies and practices		
2-22	Statement on sustainable development strategy	p. 6
2-23	Policy commitments	p. 6 ff.
2-24	Embedding policy commitments	p. 6
2-25	Processes to remediate negative impacts	AR p. 8 ff.
2-26	Mechanisms for seeking advice and raising concerns	AR p. 8 ff.
2-27	Compliance with laws and regulations	p. 6
2-28	Membership associations	p. 10
Stakeholder engagement		
2-29	Approach to stakeholder engagement	p. 6
2-30	Collective bargaining agreements	
	<i>At many sites, employees are covered by collective agreements (or collective labor agreements).</i>	

3 Material Topics

GRI Standard/ Disclosures	Title / comment	Page*
GRI 3:	Material Topics 2021	
	Disclosure of material topics	
3-1	<p>Process to determine material topics</p> <p>The reporting is based on the GRI Sustainability Reporting Standards. The assessment of materiality required by GRI was carried out along the GRI themes. EMS used a materiality analysis to determine where the activities of the EMS Group have the greatest economic, social and environmental impact and which topics are relevant for our stakeholders. The finalised materiality analysis was reviewed and approved by the Executive Management and the Board of Directors. In accordance with the principle of "double materiality", EMS assesses topics as material if they are important for EMS from an internal company perspective or have a significant economic, social or ecological impact.</p>	p. 4
3-2	<p>List of material topics</p> <p><i>Economic sustainability</i></p> <ul style="list-style-type: none"> – Long-term profitable growth: The long-term profitable growth of the EMS Group requires the expansion of existing production plants. – Business conduct: Ensure and promote that EMS business activities are conducted in accordance with regulations, standards and ethical principles. <p><i>Social sustainability</i></p> <ul style="list-style-type: none"> – Attractive employer: terms and conditions of employment, including working hours, compensation, and employer-employee relations, as well as employee satisfaction with those terms and conditions. – Maintain and promote a safe and healthy work environment for employees involved in the production and delivery of EMS products and services. <p><i>Environmental sustainability</i></p> <ul style="list-style-type: none"> – Impacts on climate change, including greenhouse gas emissions along the value chain, and mitigation of climate change risks. – Energy consumption, efficiency, and sources for the production, delivery, and operation of EMS products and services. – Resource-efficient production: reduction of water consumption and waste per kg of product. 	p. 4

Economic Sustainability

GRI Standard/ Disclosures	Title / comment	Page*
	Long-term profitable growth: The long-term profitable growth of the EMS Group requires the expansion of existing production plants	
GRI 201:	Economic Performance 2016	
GRI 3:	Material topics 2021	
3-3	Management of material topics	
	<i>The primary goal of EMS is to achieve its financial targets, because failure to achieve them can have profound, negative effects on the future. In order to take account of the desired economic sustainability, EMS draws up an annual medium-term plan covering three years.</i>	
201-1	Direct economic value generated and distributed	AR p. 7
201-2	Opportunities and risks due to climate change	p. 14
201-3	Defined benefit plan obligations	AR p. 34
201-4	Financial assistance received from government	
	<i>There are no significant government grants.</i>	
GRI 203:	Indirect Economic Impacts 2016	
GRI 3:	Material topics 2021	
3-3	Management of material topics	
	<i>Indirect economic effects arise mainly as side effects of the direct economic impact. EMS is aware of these effects and the associated responsibility. There is no management approach for indirect economic effects in the narrower sense.</i>	
203-1	Infrastructure investments and subsidised services	p. 6
203-2	Significant indirect economic impacts	p. 14 ff.
	Business conduct: Ensure and promote that EMS business activities are conducted in accordance with regulations, standards and ethical principles	
GRI 205:	Anti-corruption 2016	
GRI 3:	Material topics 2021	
3-3	Management of material topics	
	<i>As a member of the United Nations Global Compact, EMS is committed to high standards in the fight against corruption. Corruption is categorically rejected. There are clear guidelines for prevention and employees are trained in this area.</i>	
205-1	Operations subjected to reviews on the risk of corruption	
	<i>No information by business location (breakdown not material) and identified risks (confidential information).</i>	

205-2	Communication and training about anti-corruption policies and procedures	p. 6
205-3	Confirmed incidents of corruption and actions taken <i>No cases of corruption are known for the reporting year.</i>	
GRI 206:	Anti-competitive Behavior 2016	
GRI 3:	Material topics 2021	
3-3	Management of material topics <i>EMS is committed to fair competition in which price fixing, cartels or other competition-distorting activities have no place. There are clear guidelines for prevention and employees are trained in this area.</i>	
206-1	Legal actions for anti-competitive behaviour <i>No legal proceedings due to anti-competitive behaviour are known for the reporting year.</i>	
GRI 207:	Tax 2019	
GRI 3:	Material topics 2021	
3-3	Management of material topics <i>EMS pursues a long-term sustainable tax strategy, taking into account the applicable national and international tax legislation.</i>	
207-1	Approach to tax	p. 8
207-2	Tax governance, control, and risk management	p. 8
207-3	Stakeholder engagement and management of concerns related to tax	p. 8
207-4	Country-by-Country reporting	p. 8

Environmental Sustainability

GRI Standard/ Disclosures	Title / comment	Page*
	Resource-efficient production: reduction of water consumption and waste per kg of product	
GRI 301:	Materials 2016	
GRI 3:	Material topics 2021	
3-3	Management of material topics	
	<i>EMS attaches great importance to production that is as environmentally friendly and sustainable as possible. EMS is constantly working on new solutions for the circular economy and improved recycling.</i>	
301-1	Materials used	
	Not collected.	
301-2	Percentage of recycled material	p. 19
301-3	Reuse of products and packaging materials	p. 19
GRI 303:	Water and effluents 2018	
GRI 3:	Material topics 2021	
3-3	Management of material topics	
	<i>EMS is committed to a responsible and sustainable approach. The aim is to protect the resource water and to use it as efficiently as possible through continuous improvement measures and to constantly reduce emissions.</i>	
303-1	Interaction with water as a shared resource	p. 11 f.
303-2	Management of water discharge-related impacts	p. 11 f.
303-3	Water withdrawal	p. 11 f.
303-4	Water discharge	p. 11 f.
303-5	Water consumption	p. 19
GRI 306:	Waste 2020	
GRI 3:	Material topics 2021	
3-3	Management of material topics	
	<i>EMS is constantly working on new solutions for the circular economy and improved recycling. Materials are first reprocessed internally whenever possible, thus avoiding waste. Materials that cannot be recycled internally are recycled wherever possible.</i>	
306-1	Waste generation and significant waste-related impact	p. 12
306-2	Management of significant waste-related impact	p. 12
306-3	Waste generated	p. 19
306-4	Waste diverted from disposal	p. 12
306-5	Waste directed to disposal	p. 12

Energy consumption, efficiency, and sources for the production, delivery, and operation of EMS products and services		
GRI 302:	Energy 2016	
GRI 3:	Material topics 2021	
3-3	Management of material topics	
	<i>EMS is actively committed to energy efficiency and global climate protection. The goal of EMS is to sustainably reduce its own energy consumption and the associated environmental impact. To achieve this, EMS relies on efficient technologies and renewable energies.</i>	
302-1	Energy consumption within the organization	p. 19
302-2	Energy consumption outside the organisation	
	<i>Not collected.</i>	
302-3	Energy intensity	p. 19
302-4	Reduction of energy consumption	p. 10 f.
302-5	Reduction in energy requirements of products and services	p. 10 f.
Impacts on climate change, including greenhouse gas emissions along the value chain, and mitigation of climate change risks		
GRI 305:	Emissions 2016	
GRI 3:	Material topics 2021	
3-3	Management of material topics	
	<i>EMS has been committed to sustainable climate protection for years out of conviction. With its voluntary participation in the programme of the Energy Agency for Industry, EMS is committed to actively reducing CO₂ emissions and optimising energy efficiency. EMS's target agreement is recognised by authorities and partners in the economy. Regular monitoring of exhaust air emissions is an integral part of EMS's environmental management. In addition to CO₂, EMS also continuously records the other relevant gaseous emissions in order to discover and implement potential for improvement. The goal is and remains the best possible avoidance of emissions.</i>	
305-1	Direct (Scope 1) GHG emissions	p. 20
305-2	Indirect energy-related (Scope 2) GHG emissions	p. 20
305-3	Other indirect GHG emissions (Scope 3)	p. 20
305-4	Intensity of GHG emissions	p. 20
305-5	Reduction of GHG emissions	p. 20
305-6	Emissions of ozone-depleting substances	p. 20
305-7	Nitrogen oxides (NOX), sulphur oxides (SOX) and other air emissions	p. 20

Social Sustainability

GRI Standard/ Disclosures	Title / comment	Page*
	Attractive employer: terms and conditions of employment, including working hours, compensation, and employer-employee relations, as well as employee satisfaction with those terms and conditions	
GRI 401	Employment 2016	
GRI 3:	Material topics 2021	
3-3	Management of material topics	
	<i>EMS values and promotes its employees and offers them employment conditions in line with the market. EMS therefore strives to have motivated and committed employees in its ranks. They make a decisive contribution to the result. Satisfied employees are prepared to make an above-average effort to meet the needs of our customers. That is why EMS is committed to a sustainable personnel policy and to diversity in its workforce and structures.</i>	
401-1	Hiring of new employees and employee turnover	p. 8
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	p. 8
401-3	Parental leave	p. 8
GRI 404:	Training and education 2016	
GRI 3:	Material topics 2021	
3-3	Management of material topics	
	<i>EMS attaches great importance to practice-oriented further training, which ensures the employees' employability. These internal courses are based on the daily tasks of the employees.</i>	
404-1	Average hours of training per year and employee	p. 9
404-2	Programs for upgrading employee skills and transition assistance programs	p. 9
404-3	Percentage of employees receiving regular performance and career development reviews	
	<i>All employees are evaluated annually by their superiors.</i>	
GRI 405:	Diversity and equal opportunity 2016	
GRI 3:	Material topics 2021	
3-3	Management of material topics	
	<i>EMS offers equal opportunities to all employees and strives to find the best person for each job profile. EMS supports diversity and is committed to equal opportunities regardless of gender, ethnicity, skin colour, age, religion and nationality.</i>	
405-1	Diversity of governance bodies and employees	p. 22
405-2	Ratio of basic salary and remuneration of women to men	p. 8

GRI 406:	Non-discrimination 2016
GRI 3:	Material topics 2021
3-3	Management of material topics
	<i>EMS does not tolerate discrimination or bullying based on race, sex, religion, creed, national origin, age, sexual orientation, physical or mental disability, marital status, political views or any other characteristic protected by law.</i>
406-1	Incidents of discrimination and corrective actions taken
	<i>No complaints of alleged discrimination are known for the reporting year.</i>
GRI 407:	Freedom of Association and Collective Bargaining 2016
GRI 3:	Material topics 2021
3-3	Management of material topics
	<i>Employees are free in all respects to join trade unions, associations and similar organisations.</i>
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk
	<i>None known.</i>
GRI 408:	Child labor 2016
GRI 3:	Material topics 2021
3-3	Management of material topics
	<i>EMS published the Declaration of Commitment on Human Rights. The aim of the Statement of Commitment is to provide a general framework for the company's responsibility to uphold human rights. This framework is valid worldwide and underlies all EMS business activities and partnerships.</i>
408-1	Operations and suppliers at significant risk for incidents of child labor
	p. 5
GRI 409:	Forced or compulsory labor 2016
GRI 3:	Material topics 2021
3-3	Management of material topics
	<i>EMS published the Declaration of Commitment on Human Rights. The aim of the Statement of Commitment is to provide a general framework for the company's responsibility to uphold human rights. This framework is valid worldwide and underlies all EMS business activities and partnerships.</i>

409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	
	<i>With its Code of Conduct, introduced in 2020 and its membership in the UN Global Compact, the EMS Group is committed to protecting human rights. This includes categorical repudiation of forced or compulsory labor in all business units. No company locations or suppliers were identified as having a substantial risk of forced or compulsory labor in the reporting year.</i>	
	Maintain and promote a safe and healthy work environment for employees involved in the production and delivery of EMS products and services	
GRI 403:	Occupational health and safety 2018	
GRI 3:	Material topics 2021	
3-3	Management of material topics	
	<i>To ensure the health and safety of its employees, targets are set throughout the Group, their achievement is periodically reviewed and promoted by means of programmes and measures.</i>	
403-1	Occupational health and safety management system	p. 9
403-2	Hazard identification, risk assessment, and incident investigation	p. 9
403-3	Occupational health services	p. 9
403-4	Worker participation, consultation, and communication on occupational health and safety	p. 9
403-5	Worker training on occupational health and safety	p. 9
403-6	Promotion of worker health	p. 9
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 9
403-8	Workers covered by an occupational health and safety management system	p. 9
403-9	Work-related injuries	p. 22
403-10	Work-related illness	p. 22

* Page(s) in this report resp. in the Annual Report (AR=EMS Annual Reprt 2022/2023)



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