



The  
SUSTAINABILITY  
Code

# Declaration of conformity 2021

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Dr. Paul Lohmann GmbH & Co.  
KGaA

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Indicator set

GRI SRS

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## Indicator set

The declaration was drawn up in accordance with the following reporting standards:

GRI SRS

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Date: 2021, source: company data.  
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# General

## General Information

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

### **SALTS ARE OUR LIFE**

Dr. Paul Lohmann® is worldwide the leading manufacturer and developer of highly pure mineral salts. Our product range includes more than 400 mineral salts from organic and inorganic chemistry. The focus is on high-purity iron, calcium, magnesium and zinc compounds for the food, pharmaceutical and technical industries.

Mineral salts are elementally important for the health of humans and animals. Since they cannot be produced by the body itself, they must be ingested through food. Deficiency symptoms and diseases can be corrected and treated by the substitution of mineral salts. Mineral salts are essential for the production and formulation of, for example, biologics and vaccines. In addition to the pharmaceutical and biopharmaceutical sectors and veterinary medicine, mineral salts are also found in a wide variety of products in our daily lives, whether in food, beverages or cosmetics. Our Lothragon® metal salts are used in a wide range of industrial segments, where they make an important contribution to sustainability. They are of elementary importance, e.g. for the heat storage of renewable energies, for biogas production or the extension of product life in car body construction.

As a medium-sized company in the 4th generation, we can look back on a company history of over 135 years. With the production of high-purity iron for medical applications, Dr. Paul Lohmann laid the foundation for our current business model in 1886. From our beginnings as a pure mineral salt manufacturer, we have today developed into a provider of innovative and complex system solutions in the field of mineral salts.

With consistent market and customer orientation, high-purity product quality and innovative capability, based on continuous research, development and application technology as well as the support of our highly qualified employees, we respond proactively to today's needs of constantly changing markets.

The continuous new and further development of tailor-made mineral salts secures our company a leading position in competition and in the economy, and our employees reliable jobs with high social standards, regionally and worldwide.

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As a German Manufacturer and partner of the Responsible Care initiative of the chemical industry, we take many steps from a traditionally deep-rooted corporate understanding to protect people, animals and the environment sustainably in the long term.

Additional remarks:

#### **DATA AND FACTS**

Managing Director: Jürgen Lohmann, Dr. Uwe Günther, Torsten Cuno

Employees: 600

Turnover: €135 million in 2021

Company headquarters: Emmerthal

Production: Emmerthal, Lüneburg

Laboratories for research, development and application technology:  
Emmerthal, Bratislava

Sales companies: Emmerthal, Singapore, New York (USA), Eindhoven  
(Netherlands) and Lieusaint (France)

Markets: Europe, North, Central and South America, Africa, Asia, Middle East

#### **CERTIFICATION**

Energy management: ISO 50001

Sustainability: Sedex/SMETA, EcoVadis (Gold status)

Quality assurance: GMP, ISO 9001, FSSC 22000, FAMI-QS

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# 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.

Dr. Paul Lohmann® has been firmly rooted in the Hameln-Pyrmont and Lüneburg districts for four generations.

- Our production facilities are located in Emmerthal near the Weserbergland Nature Park and in Lüneburg near the Elbe River.
- Our qualified employees are the basis for our high-quality products.
- Our mineral salts serve the well-being of people and animals.

Based on this initial scenario, the assumption of eco-social responsibility has always been an obligation and an integral part of our corporate actions and the basis for our long-term success. Responding to the wide range of regional, national and global requirements, Corporate Social Responsibility (CSR) has become a key pillar. CSR is the guidepost for us in respectful dealings with our employees, in exchanges with our customers and suppliers, and in the sustainable protection of our only and unique natural environment. Continuity and the implementation of sustainable goals are more important to us than short-term success.

In cooperation with our partnership in the global Responsible Care initiative and our membership in the Supplier Ethical Data Exchange (Sedex), the CSR Compass is our future-oriented response to today's environmental and social challenges.

#### THE CSR COMPASS REGULATES OUR PRINCIPLES REGARDING:

- General principles, law and legislation
- People and work
- Environment, nature and sustainability
- Ethics and business practices
- Supplier management

In addition, the fundamental principles of the International Labor Organization (ILO) are taken into account. We are committed to compliance with the law and respect internationally recognized human rights along the entire value chain.

The proven management standards with sustainability relevance ISO 9001 and ISO 50001 provide the process framework. Likewise, the requirements of the EcoVadis evaluation platform have been incorporated into our sustainability orientation in the course of development.

#### OUR SUSTAINABILITY STRATEGY: CONTINUOUS INVESTMENT IN PROCESSES FOR MORE ECO-SOCIAL SUSTAINABILITY.

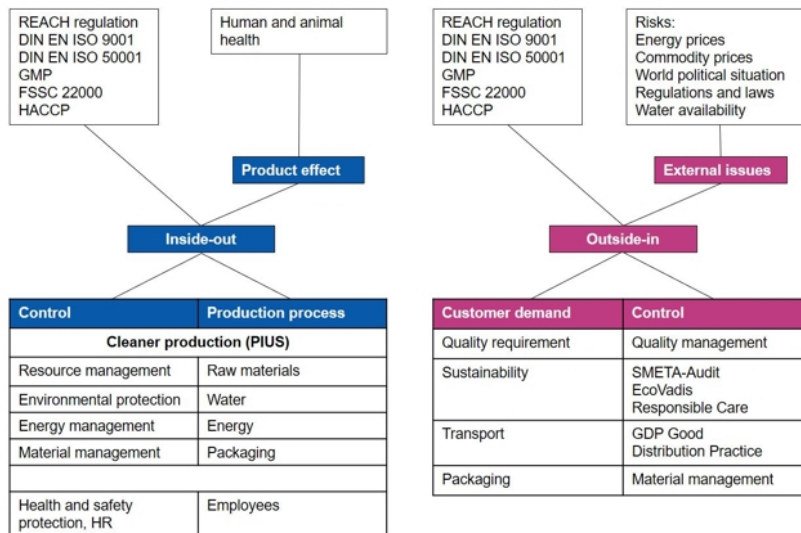
The CSR Compass is integrated into our corporate strategy and is part of the management manual. This sets the binding framework for all. Continuous process optimization as an implementing tool for greater efficiency and more careful use of resources, active environmental protection and energy management, modern comprehensive occupational health and safety management, and forward-looking HR management is the answer to the essential sustainability requirements of our time.

## 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.

Dr. Paul Lohmann® stands in a multidimensional field of action of internal and external influences that radiate onto sustainability issues and are interrelated. The sum of all topics is expressed in our CSR Compass. Essentially, the core issues of sustainability in the corporate context can be presented as follows:

**Core Issues Sustainability Dr. Paul Lohmann®**



**INSIDE-OUT EFFECT**

We are a manufacturing company. The biggest influences on sustainability issues take place in the context of production.

The core issues that are our responsibility and have an impact on people and the environment are:

- Raw materials
- Water
- Energy
- Packaging, and
- employees and end users (humans and animals)

**RAW MATERIALS**

The elements zinc, iron, potassium and magnesium, which are frequently found in the earth's crust, are used as basic raw materials for the production of our specialty salts. As a matter of principle, we only use suitable raw materials that are compatible with health and the environment in accordance with HACCP/ REACH/FSSC22000, and we ensure that they meet sustainability requirements as part of our supplier evaluation. The use of fermentation-based green raw materials is increasingly being taken into account.

**WATER**

Water is an essential and also highly sensitive sustainability issue regionally, nationally and globally. Our products depend on the quality and availability of water as a resource. To ensure the purity of our products, which must be of high enough quality to meet even the most stringent pharmaceutical requirements, high purity water must be used. This requires, on the one hand, large quantities of water and, on the other, a complex cleaning, circulation and treatment process in which we are subject to increasingly stringent environmental and control requirements. In addition to complying with all



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legal requirements as a matter of course, we are also committed to finding ever new answers with the best technology in order to conserve water as a resource in the best possible way and in the long term.

### ENERGY

On the way to the finished mineral salt, drying is an important manufacturing step that takes place in specially developed plants. This process is energy-intensive. Like water, energy use is the global sustainability issue and has a key function in the development and implementation of sustainable business. The efficient use of energy and the use of renewable energies form the foundation. Our energy management is certified according to ISO 50001.

### PACKAGING

After production, our mineral salts are packed directly into various containers ranging from a 25 kilo paper sack, to fiber drums, to big bags according to customer specifications. Our packaging suppliers all have recycling certificates. The packing units are grouped for shipment exclusively on durable and ecological EPAL pallets. We are a participant in the REPASACK system.

When using all operating materials, we strive for consistent recycling in order to keep the negative effects as low as possible. This process is continuously optimized. For example, by switching from round to square fiber drums, we were not only able to optimize storage and transport volumes, but also increase recyclability to 100%. The resulting synergies are an expression of our efforts to always keep an interdisciplinary eye on all value-added stations.

### EMPLOYEES

Our modern multi-purpose production facilities require a high level of involvement from many highly motivated and qualified skilled workers. The fulfillment of customer requirements, even for smaller quantities, often necessitates complex retooling, which can often only be realized with the cooperation of many employees. Protecting them is the task of our extensive occupational health and safety measures; identifying and responding to their needs and retaining them as employees is our central HR task.

### PRODUCT EFFECT ON HUMANS AND ANIMALS

The production of indispensably important mineral salts while ensuring the highest product quality is our contribution to the health of humans and animals. For quality assurance, our quality management system is certified according to ISO 9001.

GMP (Good Manufacturing Practice) and FSSC certification ensures quality and compliance with regulatory requirements.

All listed certifications are regularly performed both out of our own aspirations and the external requirements placed on us.

### OUTSIDE-IN EFFECT

Our customers have a major impact on our sustainability topics. This applies in particular with regard to the quality requirements for our products. High-quality salts can only be guaranteed with state-of-the-art production facilities that run efficiently and economically and the accomplished knowledge of specialist personnel in development and production.

In addition, our customers place clearly formulated sustainability demands on us throughout the entire value chain. We are a member of the chemical industry's Responsible Care initiative, which aims to achieve steady progress in the areas of environment, safety and health. Furthermore, we are regularly audited with regard to sustainability via Sedex/SMETA and assessed via EcoVadis. Compliance in terms of sustainability is a prerequisite for our business relationships.

### TRANSPORT

Transportation is maximally and continuously optimized, taking into account the guideline GDP (Good Distribution Practice) for pharmaceuticals, according to which active pharmaceutical ingredients must not be transported together with other chemicals.

### PACKAGING

Special packaging requirements of our customers are always optimized in the best possible way in close consultation on a sustainable basis.

### RISKS AND OPPORTUNITIES

We regard the sustainability requirements placed on us as positive, because they form the basis of our long-standing business relationships.

In our constant search for innovative solutions, however, we also see the current energy and climate policy situation as an incentive to find new, better ways. Instead of powder molds, we are increasingly offering our customers solutions that can be produced with a significantly lower energy input. In this way, we actively contribute to the improvement of CO<sub>2</sub> targets on the part of our customers.

In addition to rising energy prices, we also see the development of raw material prices as a risk. The general global political situation, which is becoming increasingly unpredictable, harbors further potential risks for our global alignment. In addition, we are increasingly affected by the ever more extensive regulations and laws under whose scope we fall. However, this risk is also our opportunity. Our strength is to face up to the increasingly strict regulations and to comply with them by investing in qualified employees and by training and educating existing employees to this end. Our investments in state-of-the-art plant and equipment also testify to our clear strategic focus. Climate changes, which cannot be calculated, could negatively affect us in terms of water supply.

### 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.

Following on from the core sustainability issues of water, energy, raw materials and the associated environmentally relevant effects, we are placing our strategic focus on resource management and efficiency enhancement in the interests of maximum recycling.

#### WE SEE OUR RESPONSIBILITY IN THE CONTINUOUS IMPROVEMENT OF OUR ENVIRONMENTAL BALANCE.

With the proactive control of operating resources (input) and the associated lower emissions (output) in the form of waste, wastewater and waste heat, we utilize the essential key factors for increased environmental and climate protection.

The proportion of hazardous waste was reduced to a share of 0.7%, well below the set target of max. 4%. Overall, the proportion of hazardous waste has been significantly reduced in recent years and has been at a low level since 2020. In 2016, the share was still 9%. In addition, we source a large part of our raw materials from Europe. The shorter transport distance, in relation to raw materials from Asia, contributes to a significantly improved environmental balance (CO<sub>2</sub> emission). The development of low-emission and thus environmentally friendly processes with recycling of all usable production residues is a permanent task for all those responsible.

The company's environmental policy is defined at the highest management level and practiced by all employees.

To further improve the use of water resources, a new state-of-the-art wastewater plant was commissioned in Emmerthal at the end of Q2 2022. In Lüneburg, the engineering for a water conservation concept has already been created; for Emmerthal, this is in the creation phase.

Water consumption is to be reduced by a further 10 % by 2025.

#### WE SEE OUR RESPONSIBILITY IN THE CONTINUOUS REDUCTION OF OUR ENERGY CONSUMPTION.

To implement our energy targets, we resort to the energy management system according to ISO 50001. The Energy Management Officer and the Energy Manager are responsible for implementing the energy policy. Energy consumption is regularly measured, recorded, analyzed and efficient technological and organizational behavior-changing measures are derived and implemented on the basis of an action plan. The development of low-emission and thus environmentally friendly processes is also a permanent task for us.

The highest decision-making authority is the management.

For 2020, the strategic goal of a sustainable energy efficiency increase of 6 %

was achieved. With an emission reduction of >10%, the CO2 reduction target set for 2020 was exceeded.

The current strategic goal is an energy efficiency increase of 5% and a CO2 reduction of more than 8% by 2025.

For more sustainable energy use through greater use of renewable energies in the energy mix, we are increasingly relying on company-owned photovoltaic systems. Two photovoltaic systems are currently installed in Emmerthal, and the electricity they generate flows directly into the administration building. Our goal is to achieve climate neutrality in the administrative sector by 2030. The vehicle fleet is to be converted to e-mobility by 2026, air travel is to be reduced by 33% by 2025, and by 50% by 2030.

Each sustainability target has its own key figure, defined individually in consultation with the management. It provides reliable information on the achievement of objectives and indications for corrections. All key figures are regularly recorded, analyzed and adjusted if necessary. The responsibility for monitoring the target agreements and their achievement lies with the executive board as well as management and controlling. For more information, also see chapter 7 Control.

All defined sustainability goals and their achievement are equally important. There is no prioritization.

Currently, the sustainability goals do not refer to the Sustainable Development Goals of the United Nations, as these have traditionally grown out of environmental and energy management in our company.

#### HOW WE SEE OUR RESPONSIBILITY IN CONTINUOUS IMPROVEMENT OF SUSTAINABILITY.

In 2020, we achieved Silver status in the EcoVadis rating. We were able to achieve our defined goal for 2021 of attaining Gold Status. This puts us among the top 5% of companies in the industry rated by EcoVadis. Our next achievable goal is to achieve Platinum status.

## 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.

The value chain at Dr. Paul Lohmann® originates in the procurement of raw materials and materials, passes through the central stage of research & development (R&D), production, packaging and filling, and logistics, and ends with the delivery of the mineral salts to our customers for further processing. The constant quest for innovative solutions runs through all levels of the value chain and forms our foundation.

The main aspects of sustainability across the value chains are as follows:

### PROCUREMENT LEVELS

Even at the procurement level, the issue of sustainability is of central importance. Our commitment to sustainable business practices naturally includes our suppliers. The specific expectations we place on our partners in the upstream value chain with regard to eco-social impacts are governed by our binding supplier guidelines.

In addition, our suppliers are regularly recorded, evaluated and monitored via a comprehensive supplier qualification process, including all sustainability-relevant criteria. Supplier qualification includes the stages of product statement, self-disclosure, pre-audit questionnaire and audit.

The first stage requires the use of first-class raw materials according to HACCP/REACH/FSSC22000. Green raw materials and fermentation-based raw materials are increasingly being used. Only suppliers with a satisfactory overall score that meets our expectations are considered. Our suppliers are mainly from Europe.

In addition, we are in constant exchange with our suppliers. The supplier guidelines form the common basis for a respectful sustainability dialog at an equal level. It goes without saying that raw materials are purchased exclusively on a needs basis.

### RESEARCH AND DEVELOPMENT

As a specialist in customized mineral salts, we think far beyond the actual production of a substance in our work. Even before the initial synthesis of our salts begins in the laboratory, we take into account the requirements of our customers and the particular end product in which our mineral salt is to be used. Based on this, we design a product with specific chemical and physical properties using first-class minerals. In this process, the mineral salt is subjected to extensive tests with regard to its further processability by the customer and then brought to production readiness via a scale-up on a pilot

plant scale.

In terms of sustainability, green raw materials and fermented raw materials as well as granulates are already taken into account in research and development. Likewise, sheathing made from vegetable oil instead of palm oil has been developed. Exemplary for the positive effect on human health is the development of LomaSalt®.

The laboratory obtains its cuvettes and reagents from a take-back system.

#### PRODUCTION AND RECOVERY

The requirement is consistent recycling in production according to PIUS (production-integrated environmental protection), which maximally avoids the generation of residual materials. Substances and materials that can no longer be used are given priority for recycling. We are always looking for new ways to minimize and avoid residual materials. The production processes are constantly being further developed using the latest equipment and technologies and comply with legal requirements. Photovoltaics are increasingly being installed to replace the use of fossil fuels.

Of course, our employees are protected by a modern occupational health and safety management system.

#### PACKAGING AND FILLING

The primary packaging materials used are all physiologically safe and suitable for packaging food. The food safety declarations of our packaging manufacturers are available in each case. Polyethylene is a pure hydrocarbon, thus organic in nature and fully recyclable and recoverable as a valuable material. The packaging we use is fully recyclable.

We participate in the REPASACK system.

#### LOGISTICS

The movement of goods between the Emmerthal and Lüneburg plants and to the external warehouses is subject to an optimization process of loading. The logistics area is strongly subject to customer requirements and regulations, which are not always completely within our sphere of influence.

However, with the new development of angular filling boxes, which was initiated by us, we were able to significantly optimize logistics and storage with an expected positive effect on CO<sub>2</sub> emissions.

Due to the packaging changeover, 30% more products can be packed during transport. Storage efficiency is increased by 40% as storage without gaps is possible. Other sustainability benefits of the square packaging containers include 100% recyclability, FSC certification, and the reduced amount of packaging material required, such as stretch film, during loading.

The future recording of emissions in defined parts of Scope 3 (raw materials incl. procurement and packaging) will also lead to an expansion of the spectrum of influence with regard to sustainability (see also GRI SRS-305-3 Performance indicators for criterion 13).

Supplementary information can be found under chapters 2. Materiality, 10. Innovation and product management and 11. Resource management.

As described in chapters 6. Regulations and processes and 7. Control, all sustainability-relevant processes are organized via a fixed set of regulations, and compliance with them is recorded and monitored on the basis of relevant data. Responsible for the implementation, compliance and control are the responsible persons of the respective departments as well as the management (see also chapter 5. Responsibility).

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## Criteria 5–10 concerning PROCESS MANAGEMENT

### 5. Responsibility

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

At Dr. Paul Lohmann®, sustainability is an integral part of the corporate policy, which is defined by the management and reviewed and adjusted annually for appropriateness and adequacy. An active sustainability policy and implementation is consistently established in our company. As a manufacturing company at the Weserbergland Nature Park, we have always had a special ecological responsibility, and as a family business we are aware of our special social responsibility towards our employees in the region. The corporate policy defines the framework for the quality objectives, while implementation is the responsibility of the management circle.

By signing the Responsible Care Initiative, we are committing ourselves to the Leadership Commitment: The chemical industry's commitment to Responsible Care and safety begins at the top of the company.

At the strategic level, all sustainability-relevant decisions are made in accordance with the principles of the CSR Compass, while at the operational level our internal management system in accordance with ISO 9001, ensures process initiation, sequence, documentation and control of the measures adopted (see also below Regulations and processes).

### 6. Rules and Processes

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

All operationally relevant contents are laid down in our management system according to ISO 9001:2015 and documented in the management manual. The management manual defines all responsibilities, competencies and relevant planning, controlling and monitoring activities. It serves as a guide for every employee and is a binding guideline to ensure our corporate values and the current corporate policy adopted by the management as well as its objectives.



In addition, applicable documents and forms such as standard operating procedures (SOPs) and operating instructions (OI) support the management manual.

The management and core processes relevant to sustainability

- Energy management system (ISO 50001)
- Environmental protection (PIUS)
- Occupational safety and health protection
- Human Resources
- Materials management and
- Logistics

are integrated in the management manual.

A continuous improvement process has been installed with the aim of ongoing further development of process flows. In addition, regular external sustainability audits (SMETA) and assessments (EcoVadis) accompany and check the constant further development and monitoring of our sustainability commitment.

Another supportive and effective instrument for optimizing and simplifying processes is the implementation and further development of company-wide digitalization in the commercial area, sales and marketing, and in our laboratories, which we started extensively in 2018. With the positive side effect of a significant 60-70% reduction in paper and toner consumption, the digital project also has a sustainability impact. A fourth pillar of digitization was established in the area of qualification. You can find more information on this in the Qualification chapter under Internal training and digitization.

## 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.

In the departments relevant to sustainability, data are collected and analyzed as control instruments, to identify need for improvement and correction, and to derive targets. The resulting identified action and plan targets are reflected in the business planning mechanisms. The collected data is recorded in the systematized reporting system and presented to the management at regular intervals. A firmly prescribed process in recording, documentation and evaluation ensures the validity and consistency of the data.

The following sustainability-relevant data are recorded internally:

- Raw materials/materials: i.a. quantity, classification, quality
- Water: total water consumption
- Energy: total energy consumption, renewables, gas, electricity, district heating, fuels
- Emissions: CO2 scope 1 and 2
- Waste: total weight of hazardous and non-hazardous waste
- Employees: number, quota of women, quota of severely disabled employees, training courses
- Occupational health and safety: sickness rate, accident rates
- Supplier rating: supplier score

Data reporting that goes beyond internal reporting is done externally via the Sedex/SMETA audit as well as the EcoVadis assessment.

## 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.

### **WE LIVE A CORPORATE CULTURE THAT PROMOTES CREATIVITY, COURAGE AND THE WILL TO IMPLEMENT.**

Our values and strategic orientation provide the framework for the systematic improvement of our products and processes. It is essential to ensure the identification of all employees with these values and to promote the further development process of our company at all levels by means of quantitative and qualified goals.

### **OUR CORPORATE GUIDELINES ARE THE EXPRESSION OF OUR VALUES, PRINCIPLES AND STANDARDS OF CONDUCT:**

- Customer satisfaction is our ultimate goal.
- Our employees are our most important asset.
- Stable product quality in compliance with legal and regulatory product requirements is the basis of our long-term successful business activities.
- Innovation in products and processes are our essential strength.
- Worldwide representatives serve and advise our international customers in order to serve them even better.
- We are a learning organization.
- We are constantly questioning ourselves and our processes.
- Through complex and competitive environmental and energy management, the use of resources is optimized and the environment is

sustainably protected.

- We are a family business in the 4th generation. Continuity and the implementation of sustainable goals are more important to us than short-term success.
- The result of our economic activities is the company's profit.
- Suppliers are important partners for our success.
- We are committed to respecting and protecting internationally recognized human rights along the value chain.
- An active sustainability policy is deeply rooted in our company and manifested in the CSR Compass as part of the management handbook.

The Guidelines are incorporated into our management manual and are binding for all employees.

#### THE CSR COMPASS SUPPLEMENTS OUR GUIDELINES:

- We observe general principles, law and regulation.
- Prevention takes precedence over reaction in occupational health and safety.
- We guarantee high product quality and safety.
- Respectful treatment of our employees and performance-related remuneration are part of our corporate philosophy.
- We rely on dialog and stand for open communication.
- We focus on qualification, commitment and motivation.
- We are committed to reducing energy consumption in the long term.
- The environment is a top priority.
- We strive for a consistent circulation in production.
- We stand for integrity. Ethically incorrect behavior is not tolerated in any form.
- We reject all forms of discrimination and harassment.

## Sector Supplements

### Responsible Care/ VCR Guidelines of the German Chemical Industry Association

The members of the Responsible Care Initiative undertake to act in the spirit of the initiative and to continuously improve the protection of health and the environment as well as the safety of employees and fellow citizens on the basis of their own responsibility. The VCI Responsible Care guideline supports companies to operate safely and profitably with due care for future generations.

As a partner of the Responsible Care Initiative, we implement the VCI guidelines

## 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).

Strategic corporate planning and management serve not only to continuously improve the company's innovative strength, market position, profitability, product development and organization, but also to improve health, occupational safety and environmental protection.

Corporate planning is the basis for the annual one-on-one meetings. According to the personnel management concept, target agreements are made with the 2nd management level and the commissioners. Where appropriate, target agreements or individual performance bonuses are also agreed with certain employees in individual departments (Good Work Performance bonus system), which can also be linked to specific sustainability targets. The goals set are considered in the annual meeting between the employee and management. At the same time, goals for the new year are agreed upon. There are qualitative and quantitative goals, depending on the employee's function in the company. Target agreements are agreed upon when they seem sensible and can make a difference. Where quantitative targets have been agreed, corresponding key figures are used to assess target achievement. In addition, sustainability is a community effort for us and takes place at all levels.

To reinforce this, we launched our Idea Management in 2001, one of the purposes of which is to harness individuals' ideas and ensure they receive appropriate recognition. In particular, valuable sustainability-relevant improvement approaches are suggested to the energy management by our employees. To date, several hundred ideas have been submitted. Many of these have been implemented, for example the use of boiler energy for heating or the consistent separation of waste at an early stage, including in the administrative area. The energy scouts, who have been trained by us in Emmerthal and Lüneburg since 2017 in collaboration with the Chamber of Industry and Commerce (IHK), also grew out of the Idea Management program. They promote the broader penetration of energy efficiency issues in our company from the middle, thus ensuring broad acceptance of environmental and energy issues. The energy scouts from Emmerthal were honored by the Chamber of Industry and Commerce as a TOP 3 team for a project. Idea Management offers employees the opportunity to make an independent contribution to the further development of the company.

Premiums of €30 to a maximum of €8,000 will be paid out for accepted ideas. Ideas that are not implemented will be rewarded with a recognition bonus of 30€.

## 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.

a. The explicit data on compensation policy are not recorded in this form or are not published for data protection reasons.

Our compensation system is as follows:

- Remuneration in accordance with the collective wage agreement with the Mining, Chemical and Energy Industrial Union (IG BCE)
- Vacation pay
- One-off annual benefit (e.g. Christmas bonus)
- Performance-related bonus / target agreement
- Premium payment
- Provision of company vehicle for selected positions
- Release from future amount
- Additional time off for special occasions
- Days off for the elderly

b. For certain employees, there is a compensation system that is linked to the specific achievement of sustainability targets.

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 ratio of the total annual compensation of the highest paid individual to the median of the total annual compensation for all employees is not collected and would not be disclosed for data protection reasons.

## 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.

Dr. Paul Lohmann® is in the context of many stakeholders who are in close contact with us with very different and individual expectations. A bilateral, dialog-based exchange of views at equal level is part of our value system and is enshrined in our corporate guidelines and CSR Compass. It is a basic prerequisite for high customer and employee satisfaction, ensures trust and makes a significant contribution to our economic success.

The company context is determined in various strategy discussions such as the advisory board meeting and is as follows:

### INTERNAL STAKEHOLDERS

- Owner
- Management
- Employees
- Works Council
- Supervisory Board

### EXTERNAL STAKEHOLDERS

- Customers
- Suppliers
- Neighborhood/Residents
- Banks

- Municipality/county
- Legal and regulatory representations
- Associations
- Corporate Subsidiaries

Through a regular exchange with differentiated dialog instruments, adapted to the constellations and topics of the stakeholders,

- we understand the individual context of the stakeholders,
- we recognize expectations and demands,
- identify opportunities, risks and trends,
- we reflect on the overall situation,

in order to respond to these economic and technological developments, appropriately and to the best of our knowledge and belief and to initiate appropriate measures.

The dialogue instruments include, for example, direct personal communication, surveys (written / oral), employee magazine inForm, meetings, telephone calls, feedback or company meetings.

In addition, stakeholder-specific topics and requirements are additionally determined via internal audits.

We maintain an intensive, respectful, partnership-based and open dialogue with all stakeholders in the sense of the best economic and eco-social effects and improvements.

In particular, through our ongoing exchange with our customers and external sustainability audits, the topic of sustainability is always in focus.

## 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.

Different stakeholder groups address different topics and concerns to us.

Currently, the following key topics are worth mentioning:

An important stakeholder group with a high influence on sustainability management are our customers, who communicate a clear demand for quality and implementation of sustainability to us. We are regularly asked to provide information on our sustainability standards in a variety of ways, e.g. in the form of questionnaires, audits or evaluation platforms. We comply with these requests, thereby supporting our customers' sustainability goals and improving our own sustainability performance.

Another and current topic addressed to us by authorities as well as municipality and county is especially water conservation. In order to take this important issue into account, we are working with the authorities to develop effective and, above all, long-term water conservation measures.

For our advisory board, the current situation on the energy market means that the topics of energy conservation in the form of electricity and gas, as well as feasible alternatives, are an acute concern that is addressed to us.

For our neighborhood, the topic of odor is of great importance, which we always take very seriously. In the event of an odor nuisance, we immediately take appropriate action.

With this first report, we are responding to the expectation for transparency and further development of the structuring of our CSR management.

We are happy to use the positive image effect of this GSC reporting vis-à-vis our internal and external stakeholders.

## 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.

Continuous innovation in products is our core competence and our business model. To ensure this,

- we are committed to continuous process optimization and
- develop individual salts on our own initiative and/or in close cooperation with our customers.

Short communication channels, flexible decision-making structures, application-oriented thinking and consideration of feasibility enable development and production according to customer requirements.



In the field of mineral salts, green raw materials make a further decisive contribution to greater sustainability and are increasingly being used by us. Our suppliers are appropriately qualified to produce raw materials via fermentation rather than chemical synthesis. Wherever possible, we already take this sustainability concept into account in product development. Investments in more sustainable production processes and research & development are the answer to changing sustainability requirements. Current examples of more sustainable product implementation include the use of granules, which carry less explosion potential in production than powders, or the use of vegetable oil instead of palm oil in coated products.

Salts are found hidden in many foods. Increased salt consumption has been shown to promote many diseases such as high blood pressure, cardiovascular disease and kidney disease. Our LomaSalt® allows a sodium reduction of 50-100% and thus makes an important health contribution.

The interplay of permanent process optimization within the framework of production, in particular closed-loop recycling, the growing importance of green raw materials, and the exclusive use of recyclable packaging materials ensures the promotion of sustainability from the beginning to the end of the value chain.

Furthermore, the Idea Management presented in Chapter 8 is an extremely important component of the innovation process. It serves to motivate employees to actively participate in the company's processes by making suggestions and proposals. An Ideas Management officer is available to provide support.

Generally speaking, we make a positive eco-social contribution with our products. Guaranteeing the highest purity 100% of the time ensures a healthy and health-promoting supply of pharmaceutical, food and cosmetic products to people.

Wherever possible, we use our influence to achieve more sustainable packaging of end products or raw material recovery.

## 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)

In younger financial investments, the issue of sustainability with regard to environmental and social aspects is increasingly being taken into account and investments are being made in "green" financial assets. The share of "green" financial assets is around 25%.

# 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.

Water, acids, alkalis and salts are the four essential raw material components from which mineral salts are produced.

Basically, mineral salts always consist of a cationic metal component, such as calcium, magnesium, zinc or iron, which is reacted with an acid or alkali, such as citric acid, tartaric acid, lactic acid or acetic acid.

The raw materials used are mainly elements of natural origin, with a widespread occurrence that can be described as almost infinite. Our worldwide and selected suppliers are subject to strict eco-social requirements, must be certified and REACH/HACCP compliant. Taking into account the increasing importance of green raw materials, we have found a partner within the framework of our sustainability project "Magnesium from Nature - Sustainable Sourcing and Production" who shares our values and aspirations with regard to environmental protection and sustainability. This partner specializes in the mining of natural magnesium. In order to bring the mining area back into harmony with the original landscape, the area is being renaturalized and reforestation is being carried out.

For competitive reasons, however, we do not publish details of the quantities of raw materials used, as these would allow conclusions to be drawn about formulations and processes. These are subject to strict company secrecy.

#### WATER

Water is the element that is crucial for the quality and purity of our mineral salts. At our production sites in Emmerthal and Lüneburg, we use only well water, which is returned to nature in clarified purity via the Weser and Elbe rivers, respectively, after a complex and highly sophisticated purification process in line with the closed-loop economy. A state-of-the-art wastewater

treatment plant, an implemented water management system and a comprehensive control system ensure that the waters and the adjacent Weserbergland and Elbland are sustainably protected. The constant control of the returned purified water proves high water quality after the purification process. Due to this extraordinary connection with the natural environment alone, the topic of environmental protection and resource conservation has always had a special significance that places a special obligation on us. In order to protect nature and preserve biodiversity, a large sereeping fruit meadow was created as an ecological compensation area in the immediate vicinity of the wastewater treatment plant in Emmerthal. Our goal is to reduce water consumption by a further 10% by 2025.

### ENERGY

Integrated environmental protection guarantees that only the energy actually required is used in production.

When it comes to PACKAGING, we also rely on the circular economy of natural and renewable resources. The finished mineral salts are finally filled in 25 kilogram bags, in big bags made of recycled wrapping paper or in fiber drums, which can be fully recycled again after use and thus returned to the raw material and recyclable material cycle. For this purpose, we participate in the REPASACK system for the return, sorting and recycling of packaging placed on the German market. Our packaging suppliers all have recycling certificates. Used films are made of fully recyclable polyethylene. Plastic packaging we use, such as IBCs or canisters, are recycled after use. This is done either by shredding the plastic packaging, which is then resold as re-plastic granules, or by cleaning and reselling it. In the laboratory, used cuvettes and reagents are also returned for reuse by participating in the take-back system.

## 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.

PIUS is our central control element within the framework of resource management to ensure the lowest possible use of water, raw materials and energy. This is coupled with

- Water management
- Energy management according to ISO 50001
- Waste and emissions management and

- Raw materials management.

Our primary goal is the constant further development of the manufacturing process and consistent recycling in production to permanently reduce substances and materials that can no longer be used. All processes are subject to continuous review from the point of view of environmental protection. As part of the process optimization, the use of raw materials, electricity and gas consumption, and wastewater generation are recorded, among other things. All data and information are summarized and evaluated in the monthly production report with the aim of optimizing processes and resources.

#### WATER MANAGEMENT

In the mechanical-biological wastewater treatment plant, acids are neutralized, settleable substances and floatables are separated, chemically precipitable substances are separated, and biodegradable substances are converted into bacterial mass and carbon dioxide. The wastewater treated in this way, either fully biologically or physically, can be discharged directly into the Weser/ Elbe side canal after the treatment process. We are subject to extremely strict regulations and controls as well as close self-commitment monitoring.

The return of wastewater into the production process and the reduction in the volume of wastewater result in a reduction in sewage sludge.

In addition to the current expansion of wastewater treatment, a further expansion stage is planned for the long term.

All processes are clearly defined in the management manual and are supplemented by accompanying SOPs. By 2025, water consumption is to be reduced by a further 10%.

#### ENERGY MANAGEMENT

Our energy management is organized in accordance with ISO 50001 and integrated into the management manual. In order to reduce energy consumption in the long term, we have implemented a wide range of measures and innovations, in particular through technology and plant modernization and the implementation of a comprehensive waste heat concept.

But the increased use of renewable energies is also increasingly being considered as a tool for achieving the targets. For example, the administrative buildings in Emmerthal have two photovoltaic systems with a total of 302 modules. The second plant was not installed until 2020. The commissioning of another plant is planned for 2022. Regular checks are carried out to determine whether further PV systems would be useful.

Our Ideas Management also has a particularly prominent role in energy management. Not least, the energy scouts have emerged from this.

In addition, we receive effective support from the Association of Energy Users (VEA), which provides us with advice and workshops on the topics of energy savings, energy efficiency, and law and regulations.

#### WASTE MANAGEMENT

For years, waste has been separated into recyclable materials and recycled.

Most of the wastewater treatment filter press ash that is produced in the course of production is sent for recycling.

Our production processes are regularly and systematically investigated in order to continue to minimize the amount of residual materials.

In the last 5 years, the amount of non-recyclable waste has been reduced from 300t to 5t.

Packaging waste generated on the end customer side can also be returned to the cycle through recycling or reuse.

#### RAW MATERIAL MANAGEMENT

Raw material management is not only subject to the Production Integrated Environmental Protection PIUS, which guarantees the purchase of raw materials in line with demand and takes into account the possibilities of reprocessing raw materials, but also to the REACH (Registration, Evaluation and Authorization of Chemicals) regulation. Accordingly, manufacturers, importers and downstream users may only produce, place on the market and use substances that do not have any adverse properties for the environment.

In terms of material risks, water supply could be affected as climate change progresses. We assess this as a non-acute but possible risk, which we are constantly monitoring. In addition, the development of energy prices has a major impact on our economic performance. The increasing expansion of the company's own photovoltaic systems minimizes this risk.

The topic of emissions management is described in more detail in the following chapter Climate-relevant emissions.

## 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.

Disclosure of the volumes of raw materials used by us for the production of our mineral salts could allow conclusions to be drawn about formulations and customer structures, which is why we would like to refrain from reporting them for competitive reasons.

The majority of our raw materials (water and minerals) are renewable. Water is recycled through the natural water cycle on the one hand and our technically complex wastewater treatment on the other. Mineral raw materials come from

the earth and are renewable through natural geological processes. For the non-renewable raw materials, we use various sources to ensure sustainable manufacturing of our products. In general, we pursue a multi-sourcing strategy here in the interests of sustainability.

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 multiples.

**f.** Standards, methodologies, assumptions, and/or calculation tools used.

**g.** Source of the conversion factors used.

As a manufacturing company, we have a causally high energy consumption in the context of production. Furthermore, the level of energy consumption can be additionally burdened to a not inconsiderable extent by more extensive customer-specific requests, such as finishing processes or batch sizes with the aim of achieving higher added value. The associated vertical range of manufacture at Dr. Paul Lohmann® and / or the capacity utilization of the plants can lead to increased energy requirements in this context, which we cannot always influence to the desired extent or to the extent required from an environmental point of view. Therefore, simply mentioning energy consumption in this dependent scenario would unfortunately not reflect our comprehensive efforts for sustainable energy management. After intensive internal deliberations, we are of the opinion that the performance

index emissions to gross profit presented under climate-relevant emissions best reflects this situation. Since our business model is based on offering our customers added value (added value strategy), this also manifests itself in the fact that we achieve additional processes such as micronization, granulation or microencapsulation for value creation and thus increase the vertical range of manufacture. This in turn manifests itself in higher energy consumption. The performance index emissions to gross profit takes into account precisely this customer-driven value creation.

We commissioned our second photovoltaic system on the administrative buildings in Emmerthal in 2020. In 2021, the systems equipped with a total of 302 modules, generated 42677 KWh of electricity.

We would like to significantly increase the currently still low share of renewable energies. We implemented this on our own responsibility through our in-house photovoltaic systems and, where appropriate, continue to do so. For a change towards more green energy, however, we are essentially dependent on the progress of the expansion of renewable energies as well as the associated technical access, in the transformation process of which Germany is currently located.

In 2022, an energy recovery unit will be installed in a production plant. Another unit is planned for 2023.

In view of the current tense situation in the gas supply, the topic of hydrogen as an alternative energy is being followed with great interest internally at Dr. Paul Lohmann®.

We do not sell electricity, energy or steam.

#### 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.

- a. Through various technical (such as the use of waste heat and insulation of our buildings) as well as organizational measures (including shock ventilation,



turning down radiators), natural gas consumption for heating purposes was reduced by over 40% from 2014 to 2020.

The strategic goal of the energy management system was a sustainable energy efficiency increase of 6%. This goal could be achieved through individual measures.

b. Electricity, natural gas, fuel

c. Reduction compared to the previous year (2020 to 2019). Consideration of annual savings as part of the ISO audit

d. Methodology: Determination of key figures for major energy consumers and their influencing factors

#### Key Performance Indicator GRI SRS-303-3: Water withdrawal

The reporting organization shall report the following information:

**a.** Total water withdrawal from all areas in megaliters, and a breakdown of this total by the following sources, if applicable:

**i.** Surface water;

**ii.** Groundwater;

**iii.** Seawater;

**iv.** Produced water;

**v.** Third-party water.

**b.** Total water withdrawal from all areas with water stress in megaliters, and a breakdown of this total by the following sources, if applicable:

**i.** Surface water;

**ii.** Groundwater;

**iii.** Seawater;

**iv.** Produced water;

**v.** Third-party water, and a breakdown of this total by the withdrawal sources listed in i-iv.

**c.** A breakdown of total water withdrawal from each of the sources listed in Disclosures 303-3-a and 303-3-b in megaliters by the following categories:

**i.** Freshwater ( $\leq 1,000$  mg/L Total Dissolved Solids);

**ii.** Other water ( $> 1,000$  mg/L Total Dissolved Solids).

**d.** Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.

At Dr. Paul Lohmann®, water is used as a resource in a permanent, technically highly complex cycle of extraction and recycling in the form of water, steam

and condensate. The water is pumped from the company's own wells and is mainly used as cooling, cleaning and make-up water in production. Appropriate water law permits have been issued by the relevant authorities for the extraction of water. Water for sanitary facilities is obtained through public water suppliers.

1. Use of water-saving processes: The installation of condensers in vacuum evaporation or vacuum drying plants results in a separation into unloaded cooling water and vapors.
2. Use of wastewater-free processes for vacuum generation: Vacuum generation in production is largely carried out using water-saving processes (dry-running pumps).
3. Retention or recovery of substances through preparation of mother liquors and through optimized processes: All mother liquors are collected, prepared and reused in the production process as a starting material. Excess reaction components in a process are precipitated as far as technically possible and reused in the batch.
4. Use of low-pollutant raw and auxiliary materials: This requirement is generally implemented as part of quality control when purchasing raw and auxiliary materials. In particular, the strict purity requirements of the main customers from the pharmaceutical and food sectors only permit raw materials and auxiliary materials with low levels of pollutants, e.g. with particularly strictly limited heavy metal contents in the ppm range.

As reported in chapter 3 Goals, we are making great efforts to significantly reduce the water volume in order to responsibly take into account the current regional and global water situation and possible further developments. Technically, we are therefore currently undergoing an extensive transformation process, which does not yet reflect our efforts. An adequate KPI is currently being developed, so for the time being we cannot report volumes with this report.

**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.

a. Total weight of waste generated in 2021:

Waste 2021 in tons		
	Emmerthal	Lüneburg
<b>non-hazardous</b>		
<b>-total</b>	2,328	1,667
<b>-for recovery</b>	1,214	n.a.
<b>-disposal</b>	1,114	n.a.
<b>dangerous</b>	16.9	1.5

A differentiation of the figures for non-hazardous waste in Lüneburg is planned for next year.

b. As part of the implementation and updating of hazard assessments, a substitution test of hazardous substances used is regularly carried out. This also applies to the application /use of new substances and / or processes.

## 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.

Sustainability in today's world requires responsible use of energy. By consistently monitoring energy consumption and switching off unneeded energy consumption, energy demand can be regulated and reduced. With the introduction of the energy management system, we have made a commitment to reduce energy consumption in the long term and to continuously improve energy efficiency. The process framework is defined by the ISO 50001 standard.

In doing so, we act according to the following principles:

- Avoidance, by switching off unneeded energy consumers
- Reduce, through more efficient use and new technologies
- Recovery and generation, through energy and heat recovery

Our energy team ensures the implementation of the energy policy. To fulfil these:

- Appropriate and effective technological, organizational or behavioral measures are taken.
- An energy controlling system has been introduced.

- Employees are actively involved in the implementation and
- Energy-efficient alternatives are adequately assessed.

For this purpose, the entire energy flow of the company is recorded and documented. This takes into account the energy sources natural gas, electricity, district heating and fuels. Technical gases are not taken into account. Direct and indirect GHG emissions are recorded. In addition to regular meetings of the e-steering team, all data is summarized in an annual energy report.

To reduce GHG emissions,

- innovative technologies such as a new centrifuge are used.
- technologies for the capture and storage of CO<sub>2</sub> are being introduced.
- various measures to reduce CO<sub>2</sub> emissions in transport are promoted, such as efficient travel planning, video conferences, efficient fleet management, provision of free charging options for e-bikes or e-cars at cost price or the introduction of a job bike.

As in Chapter 3. Objectives explained, an efficiency increase of 6% and an emission reduction of >10% could be achieved in 2020.

By 2025, the efficiency is to be increased by a further 5% and emissions are to be reduced by 8%.

In the sense of a more differentiated data analysis, meaningfulness and objective, we are currently working on the CO<sub>2</sub> detection per unit/product for Scope 1+2 and parts of

Scope 3. This energy indicator should be implemented and introduced as soon as possible. In this context, the problem of our heterogeneous product mix as well as the far-reaching depth of representation must be taken into account in a measurable, feasible and meaningful key figure.

A large part of the CO<sub>2</sub> emissions can currently not be influenced to a satisfactory extent by us with regard to sustainability. With regard to the expansion of the use of renewable energies, we would like to see a significantly higher level of influence. Here, however, we are often limited by official procedures and regulations as well as infrastructural conditions. The current national and global transformation process has significant implications for our own transformation efforts as well. With the gradual expansion of the company's own photovoltaic systems, the switch to 100% e-mobility and the significant reduction in air travel, we are driving this transformation process forward to the extent possible over the next few years.

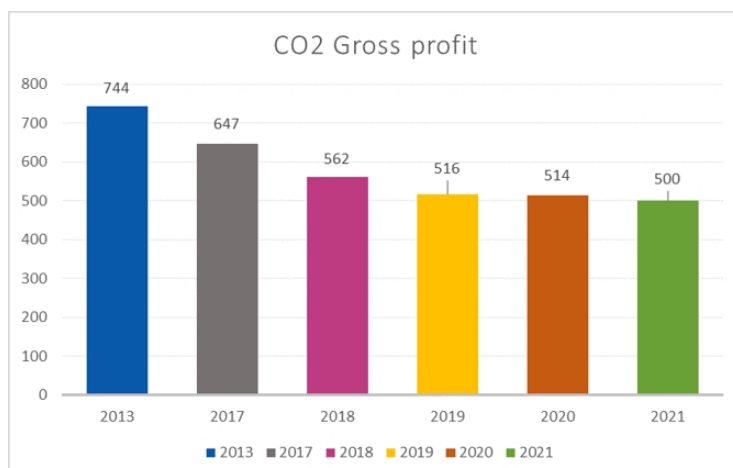
## Key Performance Indicators to criteria 13

Key Performance Indicator GRI SRS-305-1: Direct (Scope 1) 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.** Gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub> or all.
- c.** Biogenic CO<sub>2</sub> emissions in metric tons of CO<sub>2</sub> equivalent.
- d.** 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.
- e.** Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.
- f.** Consolidation approach for emissions; whether equity share, financial control, or operational control.
- g.** Standards, methodologies, assumptions, and/or calculation tools used.

### a. Tons of CO<sub>2</sub>/ T€ gross profit



CO2 / T€ gross profit					
2013	2017	2018	2019	2020	2021
744	647	562	516	514	500

Through our constant efforts to increase energy efficiency, CO<sub>2</sub> emissions have been reduced by 30% by 2020 since the introduction of energy management in 2013.

The emissions caused relate to Scope 1 and Scope 2.

By 2025, an efficiency increase of 5% and a CO<sub>2</sub> reduction of 8% are to be achieved.

b. In addition to CO<sub>2</sub>, our production does not release any other greenhouse gases.

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

The reporting organization shall report the following information:

**a.** Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO<sub>2</sub> equivalent.

**b.** If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO<sub>2</sub> equivalent.

**c.** If available, the gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all.

**d.** 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.

**e.** Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.

**f.** Consolidation approach for emissions; whether equity share, financial control, or operational control.

**g.** Standards, methodologies, assumptions, and/or calculation tools used.

Scope 2 is included in the data listed under SRS 305-1.

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

The reporting organization shall report the following information:

**a.** Gross other indirect (Scope 3) GHG emissions in metric tons of CO<sub>2</sub> equivalent.

**b.** If available, the gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all.

**c.** Biogenic CO<sub>2</sub> emissions in metric tons of CO<sub>2</sub> equivalent.

**d.** Other indirect (Scope 3) GHG emissions categories and activities included in the calculation.

**e.** 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.

**f.** Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.

**g.** Standards, methodologies, assumptions, and/or calculation tools used.

Scope 3 cannot yet be considered comprehensively due to its complexity. For planned individual measures from this sector, data are currently being prepared so that the outcome of the projects can be verified (see also chapter 13. Climate-relevant emissions)

Key Performance Indicator GRI SRS-305-5: Reduction of GHG emissions

The reporting organization shall report the following information:

- a.** GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO<sub>2</sub> equivalent.
- b.** Gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all.
- c.** Base year or baseline, including the rationale for choosing it.
- d.** Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).
- e.** Standards, methodologies, assumptions, and/or calculation tools used.
  - a. By 2020, the strategic goal of the energy management system was a total CO<sub>2</sub> reduction of 10%. This goal could be achieved through individual measures. By 2025, a further energy efficiency increase of 5% and a CO<sub>2</sub> reduction of at least 8% are to be achieved.
  - b. Apart from CO<sub>2</sub>, no other greenhouse gases are released by our production.
  - c. The base year is 2013, as this is the year we established energy management and set targets for 2020.
  - d. Scope 1 and 2.
  - e. The data was collected and calculated following the GHG (Green House Gas) protocol.



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## 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.

##### **OUR EMPLOYEES ARE OUR MOST IMPORTANT CAPITAL**

The basis for our high-quality products is motivated, very well-trained employees with a high level of loyalty to the company and the region, as well as the ability to innovate and future-oriented thinking.

It is important to us that our employees identify with us and are able to engage and develop in their day-to-day work with curiosity, creativity and a zest for action.

In order to maintain this in the long term, we offer our employees more than just a job and focus on the following topics:

##### **OCCUPATIONAL SAFETY AND HEALTH PROTECTION**

Our primary goal is to comply with occupational safety and health regulations and to prevent any accidents and occupational diseases.

Safety, cleanliness and order in the workplace not only meet legal requirements, they also increase employee motivation and improve profitability, competitiveness and the company's image. A good, modern working environment ensures the production of high quality mineral salts of constant quality. We protect our employees in particular by complying with the Occupational Safety and Health Act, the professional association regulations and the set of rules of the BG RCI (DGUV) and the Chemicals Act incl.

Ordinance on Hazardous Substances. In addition, we are GMP-certified and ensure the highest hygiene requirements in the production area.

In 2022/23, we would like to continue the trend of decreasing accident rates.

	<b>Frequency rate</b>	<b>Severity rate</b>
<b>2019</b>	32.17	0.373
<b>2020</b>	29.87	0.231
<b>2021</b>	27,46	0.235

### CATALOG OF MEASURES

A comprehensive catalogue of measures in the field of occupational safety and health protection is in force within the meaning of this objective (exemplary):

- + Emergency organization in the event of accidents
- + Safety force to ensure compliance with all relevant provisions, with the support of the safety officer
- + Appointment of a company physician
- + Flu vaccinations, COVID-19 vaccinations
- + Provision or subsidy of occupational safety and screen workplace glasses
- + Individual occupational health management in cooperation with management, works council and human resources on the topics of ergonomics, movement and nutrition
- + Offer of balanced, even vegetarian, dishes with a traffic light system in the factory canteen
- + Provision of free fruit and mineral water
- + Provision of social rooms (showers) and work clothing
- + Offer of mobile massage
- + Surveys on psychological workload
- + Participation in the AOK action "With the bike to work"

### FAIR WAGES, SALARIES AND WORKING HOURS

Leadership and community built on values, up-to-date workplace equipment, and fair pay and flexible working hours are the foundations of high self-motivation and integrity. We protect our employees by respecting and implementing the Working Hours Act, Minimum Wage Act, Occupational Health and Safety Act, and all other laws related to human resources. We are a member of the employers' association and are therefore subject to collective bargaining law. We are bound by the following collective agreements: General Collective Agreement, Federal Collective Agreement on Remuneration, Collective Agreement on Part-Time Work. Individual, customized regulations supplement the collective agreements and are governed by works agreements between the employer and the works council.

### MEASURES IN THE FIELD OF FAIR WAGES, SALARIES, WORKING HOURS

Our employees have a weekly working time of 37.5 hours, which are to be provided in core and flexitime. The production works in 8-hour shifts. All working hours are recorded electronically and each employee has a transparent working time account that is printed out and sent to the employee once a month. As part of the company pension plan, we offer employees the

opportunity to save up for a lifetime working time account, which can also be used for earlier release before retirement. Older employees who are remunerated according to the tariff receive 2.5-3.5 hours free time/week from the age of 57. In addition, the working long-time account can be used for the care of close relatives (Care Time Act), parental leave, qualification measures, part-time and other (paid) leaves of absence due to personal matters.

#### COOPERATION WITH THE WORKSHOP COUNCIL

There is a works council at each site and a general works council that looks after and represents the interests of employees at all sites. In addition, each site has a youth and trainee representative body, as well as a disabled persons' representative body. All concerns are taken seriously and exchanged in regular contact with Human Resources.

#### SUSTAINABILITY

The support of employees for more sustainability has a great influence on the degree of sustainability. In the welcome brochure handed out on the first day of work, each employee is encouraged to become more actively involved in energy and environmental awareness by referring to the company's internal ideas management system. There is a regular notice board in which the energy management team reports on targets and successes and calls on employees to help and support them.

Since 2019, we have been offering our employees company bicycles, thus promoting the use of bicycles as an alternative to cars for business trips and private use.

The conversion to e-mobility for company vehicles is in a constant process. Our goal is 100% e-mobility by 2026. We currently have 11 charging stations in Emmerthal and 5 in Lüneburg, each with 2 charging points. For e-bikes, 24 charging stations are available to employees in Emmerthal and 12 in Lüneburg. The charging stations are powered by green electricity.

In addition, we support the local campaign # supportyourlocal of the local newspaper DEWEZET as part of our Corporate Benefits campaign. The campaign supports local retail in the Hameln-Pyrmont region with a diverse range of shopping opportunities and events.

#### TRANSPARENCY

We face critical scrutiny of our qualities as an employer. On kununu - a Europe-wide rating platform for employers - we present ourselves transparently and bear the quality seals TOP COMPANY (seal of approval for proactive handling) and OPEN COMPANY (seal of approval for well rated companies). Our company magazine [inForm](#) informs employees 2-3 times a year about new colleagues, business developments and products. The investments made in social rooms, a new canteen and a new administration building in recent years have also contributed to the good working atmosphere.

### SOCIAL ACTIVITIES

Joint activities also ensure a good working atmosphere. Particularly popular are the internal EM/WM betting games, championships in Skat, Mau-Mau and Knobel, the annual dragon boat race on the Weser and, last but not least, the annual Christmas / end-of-year party.

HR is reviewed regularly, at least every 3 years, as part of a social audit. We respect and support the ILO core guidelines.

We carry the German Manufacturer logo, according to which 100% of manufacturing must take place in Germany. We therefore do not see any significant risks or negative impacts on employee rights as a result of our business activities. Sedex/SMETA confirms that compliance with all employee rights is guaranteed and that there have been no violations of any kind in the past.

For our employees outside the Emmerthal and Lüneburg sites, who work exclusively in sales and in a research laboratory affiliated with the university (in Bratislava), the Management Manual is equally binding in addition to national law and the international labor and social standards of the International Labor Organization (ILO). Here, too, no dangers have been shown in the past. We therefore do not see any risks.

## 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.

We reject all forms of discrimination and harassment. We stand for equal opportunities, equal treatment and mutual respect. We respect everyone regardless of gender, age, marital status, religion, skin color, culture, ethnic origin, personal orientation or disability.

We pay fair wages. Without exception, our employees are paid on the basis of their qualifications and performance. Our wages are well above the statutory minimum wage and a bonus system for good work performance has been installed at management and specialist level.

We are bound by the Equal Pay Act. In addition, we respect and support the ILO's core labor standards and the guidelines of the Chemical Industry Association.

We have a firmly prescribed and standardized recruitment process. The only basic requirement for employment is the applicant's qualifications. Vacant positions are announced via a transparent tendering process. If a position is of interest to employees, it will be announced internally with a 2-week notice. Only if the position cannot be filled internally will it be advertised publicly.

Our wide range of apprenticeships offers secondary school students as well as high school students and university graduates an opportunity to start their career. The only decisive factors are good qualifications, motivation and the fulfillment of required soft skills.

The SMETA Audit Report certifies that our employees are trained in discrimination, that there are no cases of discrimination and that wages and salaries are paid fairly.

For the most part, the work processes require a high level of physical commitment. Due to the associated legal requirements, e.g. with regard to maximum carrying weights, the proportion of women in the production sector is thus traditionally significantly lower than in the administrative sector. To counteract this, we regularly take part in the nationwide Girls Day. The progress of digitization, also in the production area, has a supporting effect.

In our confidential employee discussions, which we hold with each individual, no deficits or risks have been communicated in the past. We have therefore not defined any specific targets in this area, either in the past or in the future.

However, following staff departures of female employees in the course of 2022, our goal is, if possible, to return to a proportion of women in management positions at the 2021 level. However, this turns out to be difficult to implement in application and staffing phases, as unfortunately few or no women apply for these positions.

(Proportion of women in management positions  
as of Jan. 2020: 14%  
as of Jan. 2021: 13.79%  
as of Jan. 2022: 6.09%)

The topics of occupational safety, health protection and co-determination have already been dealt with in detail in Chapter 14. Employee rights presented.

## 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 ARE A LEARNING ORGANIZATION**

and constantly question ourselves and our processes. Through the commitment and competence of our employees, we aim to ensure and improve the quality of our services. Maintaining and continuously expanding the specialist know-how of our employees is an important element in this. The basic values of our human resources work are always characterized by the idea of sustainable orientation with a connected perspective and reliability for our employees. We want to support your development in the company in a targeted manner. We provide further training for the company's high-potential employees and aim to offer them new development options in line with their qualifications. To achieve this, we essentially rely on the following instruments:

### **QUALIFIED EMPLOYMENT**

It is necessary for all employees to identify themselves as part of the community. New employees are familiarized individually by supervisors with all operations of the company. This includes, among other things, a tour of all relevant departments, including introductions, information, basic briefings, and the handing out of the welcome brochure with helpful information on all aspects of the company.

### **ORIENTATION CHALLENGES**

The annual, confidential orientation meeting, which takes place on a voluntary basis, serves not only to promote cooperation and strengthen identification with the company, but also to identify the need for individual further development support for employees. They themselves have the opportunity to express specific wishes regarding their promotion. At the end of the meeting, a mutual agreement is signed for the following year that explicitly takes into account what specific support employees need to achieve their goals. In addition to training courses and seminars, this can also include, for example, strengthening process involvement or expanding decision-making competencies.

### **REFRESHER TRAINING / EXTERNAL FURTHER TRAINING MEASURES**

In order to maintain the quality of standard processes, ensure the level of knowledge and improve knowledge, annual refresher training and further training measures are held that are adapted to individual requirements.

### INTERNAL TRAINING AND DIGITALIZATION

2018 we initiated the development of our in-house DPL Academy, which is now largely organized digitally with extensive webinars and training videos. This gives all our employees, partners and representatives worldwide 24/7 access to extensive and in-depth training material according to their individual needs. Particularly in times of crisis, with a high proportion of mobile work and significantly limited mobility, the development of our e-learning portal has proven to be a valuable instrument.

### SHAPING THE FUTURE

We have the future in mind. For the next chapters of our success story, we need committed, inquisitive and energetic young people. We assume our responsibility as a training company, with excellent opportunities for takeover and a high level of training. Specifically, we offer 13 apprenticeships in various fields. Even in Corona times, we continue to train and currently had 15 new trainees as of Aug. 1, 2021, for a total of 53 trainees. In addition to technical, chemical / technical, commercial and design / communication apprenticeships, we also offer dual degree programs (B.A. in Business Administration and B.Sc. in Business Informatics) in cooperation with the Weserbergland University of Applied Sciences in Hameln. We also offer the possibility of school and student internships or professional support for final theses as part of studies and training.

A personalized training file is kept for each employee for recording purposes.

Recognizing and promoting the innovative strength of our employees individually in the development, production and marketing of our products not only guarantees the success of the company, it is also the basis for the stable forward-looking personal development of each individual. We therefore see no deficits, no risks in the area of qualification. In the past, we have not set ourselves any explicit goals in the area of qualification.

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For 2023, we have the goal of conducting a satisfaction survey among our trainees.

The further training budget is to continue to be increased in order to take into account the wishes of the employees and the requirements of the tasks.

<b>Development of training budget in €</b>	
2020	23,000
2021	54,000
2022	60,000

## Key Performance Indicators to criteria 14 to 16



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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.

**b.** For all workers who are not employees but whose work and/or workplace is controlled by the organization:

- 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.

**You will find the remaining numbers c-g of the indicator SRS 403-9 in the GRI standard and may additionally report them here.**

Key Performance Indicator GRI SRS-403-10: Work-related ill health

The reporting organization shall report the following information:

**a.** For all employees:

- i.** The number of fatalities as a result of work-related ill health;
- ii.** The number of cases of recordable work-related ill health;
- iii.** The main types of work-related ill health.

**b.** For all workers who are not employees but whose work and/or workplace is controlled by the organization:

- i.** The number of fatalities as a result of work-related ill health;
- ii.** The number of cases of recordable work-related ill health;
- iii.** The main types of work-related ill health.

**You will find the remaining numbers c-e of the indicator SRS 403-10 in the GRI standard and may additionally report them here.**

GRI SRS-403-9

a./b. Severe Consequence Injury Rate (ii):

2018: 0.22

2019: 0.37

2020: 0.23

2021: 0.24

Rate of Documentable Work-related Injuries (iii):

2018: 37.14

2019: 32.17

2020: 29.87

2021: 27.46

Data includes all employees (collective bargaining, temporary and agency workers). Beyond segmented data (i, iv, v) are not captured.

GRISRS-403-10

Data for this indicator are not captured.

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.

a. Occupational health and safety and emergency management are part of the management manual that employees have access to. All employees are also encouraged to communicate their own ideas and suggestions via the company suggestion scheme in order to improve occupational health and safety. In addition, health protection is promoted through initiatives such as the health year (company sports to maintain health), free fruit in the company cafeteria, mobile massages, etc.

b. The occupational safety committee meets once a quarter to discuss current and ongoing occupational safety topics. The health and safety committee has the task of advising on matters relating to occupational health and safety and accident prevention. The topics and derivations are logged. The Occupational Safety and Health Committee consists of the company management or

technical management, 3 advisory board members determined by the works council, the company physician and the safety officer. Through the OSH Committee, there is an employee participation and consultation in the development, implementation of the management system for occupational safety and health protection.

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.

a. Number of hours: 6.76 hours/employees compared to 4.3 hours in 2020

i. Number of women:85

ii. The figures relate to all employees with collective bargaining agreements.

Women work in administration.

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).

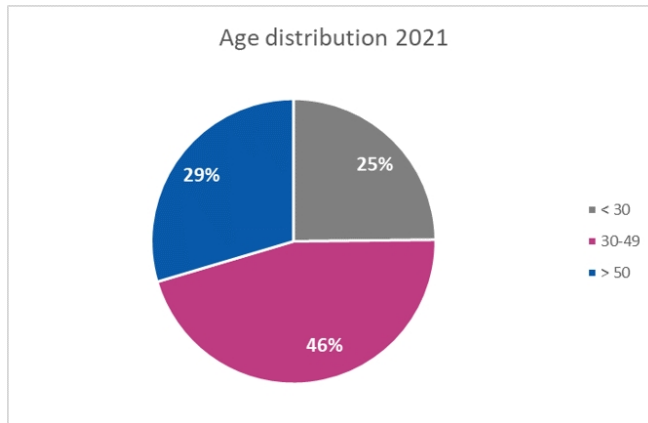
Percentage of employees in the commercial sector: 35.47%

Percentage of women in the commercial sector: 50.92%

Percentage of women in management position: 6.09%

Percentage of foreigners: 4.5%

Number of severely disabled employees: 28, of whom 6.45% in management positions



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.

There were no incidents of discrimination. This is confirmed by the regular SMETA audit.

## 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.

The German Manufacturer quality seal makes it visible that all essential production steps take place in Germany and stands for the guarantee of the highest national standards with regard to quality, safety, the environment, sustainability, and a well-trained and protected workforce.

We respect and protect internationally recognized human rights and the core labor standards of the International Labor Organization (ILO). This commitment is firmly anchored in our Corporate Principles and in our CSR Compass.

We are also aware of our responsibility for our value chain. Our suppliers are subject to the same stringent requirements that we face. The catalog of requirements is laid down via our Supplier Code and naturally also takes into account the guarantee of human rights.

As part of our comprehensive quality management system, our suppliers are regularly subjected to a four-stage supplier qualification process, including an on-site audit, which also takes into account criteria relevant to human rights. A positive supplier evaluation as well as the acceptance of our supplier guidelines are basic prerequisites for a business relationship. The audits carried out have not revealed any human rights violations to date and are not expected to do so in the future.

We maintain a respectful, eye-to-eye business relationship with our suppliers.

We can rule out the possibility of human rights violations in our core value creation process, and compliance with all human rights is confirmed by the Sedex Members Ethical Trade Audit SMETA.

Due to the implementation of preventive human rights measures described

above, we have not defined any specific human rights targets in the past. We are not aware of any risks and have not set ourselves any supplementary explicit targets for the future beyond those listed here, which are valid indefinitely.

## 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:

**a.** Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.

**b.** The definition used for ‘significant investment agreements’.

a) 95% of our suppliers for investment agreements come from Germany. These are usually tariff-bound companies with high social standards applicable in Germany, which of course have integrated human rights clauses.

b) > €1 million is the definition for significant investment agreements.

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.

Our Emmerthal and Lüneburg production sites are regularly audited via SMETA (2-Pillar and 4-Pillar). No human rights violations were found at either site.

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.

For approximately 95% of all purchased volumes, suppliers are checked with regard to social aspects by means of questionnaires, supplier codes and audits. 100% of all suppliers receive the binding Supplier Code. For new suppliers, auditing is only carried out for important raw materials. For

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risk-rated raw materials, 100% of suppliers are audited as a matter of principle. .

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.
  - a. For 95% of volumes, our suppliers are screened for social impact.
  - b-e. There have been no incidents of human rights violations at our suppliers.

## 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.

Dr. Paul Lohmann® is a responsibly operating company which, as the largest trade tax payer, makes a reliable contribution to the financing, maintenance and further development of the municipal budget.

With over 462 jobs in Emmerthal and over 118 jobs in Lüneburg, we secure the income of many families and, with fairly paid wages, make a valuable contribution to economically healthy value creation in the region.

As a company deeply rooted in the region, we see ourselves as an active, shaping member of the community, promoting, supporting and sponsoring small and large, local and regional public welfare concerns. We see ourselves as responsible for the future-oriented design of a well-functioning community, not only for our current and future employees, but for all people in the region combined with the goal of further enhancing the value of the location.

Our commitment is extensive and diverse, focusing on the areas of location promotion/infrastructure, education, social affairs, culture and sports.

#### LOCATION PROMOTION / INFRASTRUCTURE

We are a partner of "Wirtschaftsförderung Weserbergland AG", which develops and promotes projects in the areas of digitization, continuing education and innovation in the Hameln-Pyrmont, Holzminden and Schaumburg region.

We are actively involved in many community committees and drive forward projects and interests relevant to the common good that contribute to a significant improvement in the attractiveness of the location, such as the fiber optic expansion in the region, or investments in school buildings, kindergartens and building land.

We are a major supporter of the THW, the German Red Cross and other rescue services, as well as the fire department.

We promote traffic safety projects as well as traffic education projects.

#### EDUCATION

We train above demand. With a share of at least 8 %, we are well above the industry average, which is 3-4 % in the chemical industry.

We support the local school system by equipping chemistry rooms and chemistry collections and providing materials for chemistry courses. An intensive mutual exchange between the school and Dr. Paul Lohmann® is



maintained in mutual interest.

We also support universities by providing equipment and reagents as well as technical support for bachelor's and master's theses. We also offer scholarships.

In addition, we have a partnership with the Weserbergland University of Applied Sciences within the framework of the dual courses of study Bachelor of Science Business Information Systems and Bachelor of Arts Business Administration. Dr. Paul Lohmann himself was a founding member of this university.

In order to communicate the wide range of career opportunities to young people in a positive way and to support them in their inclinations at an early stage, we offer vacation jobs and internships and participate in job portals, speed dating, university information days and Careers from A-Z, as well as taking part in the annual Girls' Day.

#### SOCIAL

Our social commitment is also multifaceted. For example, we work closely with institutions for people with disabilities, support and promote the deaf-blind workshop, offer company apartments, promote promising talents and gifted, provide logistical support for vacation care for employees' children, and promote cooperation for the common good, the good of the state, and homeland security.

The company-affiliated Frankenberg Emmerthal Home Foundation supports the Protestant church.

#### CULTURE

The spectrum includes support for cultural events in the fields of art, theater, music and museums, as well as sponsorship of the Weserbergland Music Weeks or the Hameln Museum, which was co-founded in person by Dr. Paul Lohmann in 1898.

With our "Art Meets Chemistry" project, we offer artists an unusual exhibition platform on our company premises.

#### SPORT

Sport is not only essential for the health of each individual, it also has a socially unifying and integrating function in a community. For a strong, healthy community, we promote the construction and maintenance of sports facilities, help with the procurement of equipment and sports equipment, support in many ways the general work of the association, competitions and sporting events, such as the annual and very popular Dragon Boat Regatta, in which many of our employees participate.

In addition to regional community support at our Emmerthal and Lüneburg sites, we also have support projects at locations in the USA, France and Spain.

## 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:

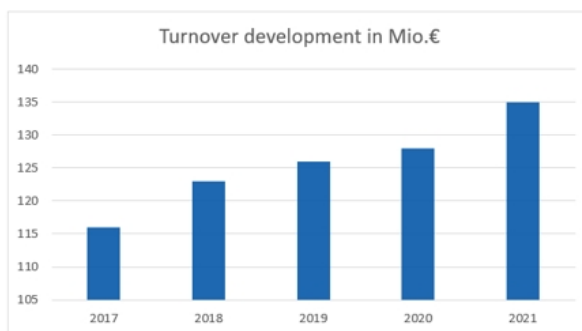
**a.** Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for the organization's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic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

For competitive reasons, only annual sales are published.

This has developed stably in the 5-year comparison as follows:



Year	Turnover
2017	116 Mio.€
2018	123 Mio.€
2019	126 Mio.€
2020	128 Mio.€
2021	135 Mio.€

## 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.

Dr. Paul Lohmann® is politically independent and does not engage in lobbying. Outside the institutions customary in the industry, we do not exert any influence on political developments or legislation.

We are involved in the following institutions/associations as a member:

- German Chemical Industry Association (VCI)
- Federation for Food Law and Food Science e.V. (BLL)
- Association of Energy Consumers VEA

We are also involved in projects for the WHO, Unicef and the Food Fortification Initiative and the Global Alliance for Improved Nutrition (GAIN). We also interact with health authorities.

### 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.

- a. We do not make monetary donations to parties or politicians.
- b. We do not make donations in kind to parties or politicians.

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## 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.

With our CSR Compass, we undertake to comply with the applicable laws and regulations in all business actions and decisions. We stand for integrity. Ethically incorrect behavior is not tolerated in any form. The ethical standards of conduct for us, our employees and business partners are expressed through the following key points.

### Corruption and bribery

We do not tolerate any form of corruption. The reputation and independence of Dr. Paul Lohmann® and our employees must be preserved. Our employees are prohibited from guaranteeing or promising a personal benefit to business partners, or soliciting or accepting a personal benefit from them.

The guidelines and measures are clearly regulated via our corruption prevention. In case of doubt, employees are encouraged to seek clarification with their supervisor. Management and leaders have an obligation to support employees in proper conduct. Compliance training is held at regular intervals.

### Conflicts of interest

In the event of potential or existing conflicts of interest, we strive to ensure through prevention and prudent action that conflicts do not adversely affect the interests of us, our partners or other stakeholders. Our employees are prohibited from obtaining improper advantages.

Any suspicion of an existing or emerging conflict of interest must be reported immediately to the management.

### Anti-competitive actions

We comply with all competition and antitrust regulations. To ensure this, our employees receive appropriate training in this regard.

### Data protection

We are committed to absolute confidentiality and respect all nationally regulated legal bases for the protection of personal data of employees, customers and business partners.

Our data protection officer ensures compliance.

#### Other criminal acts

Fraud, theft, embezzlement and money laundering are criminal acts and will not be tolerated in any way. Employees are encouraged to report any violation immediately. An anonymous mailbox/email box is installed to protect employees who provide information as part of the Whistleblower Protection Act.

We have prepared for the implementation of the new Whistleblower Protection Act, which is intended to provide better protection against reprisals for employees who provide information about violations. With the final entry into force of the national law, the whistleblower procedure will be integrated into the internal rules. There will be an employee briefing on the new regulations and rules of conduct.

The external Sedex Members Ethical Trade (SMETA) audit has not confirmed any compliance violations to date. Therefore, we don't see any future risks that need to be assessed or emerging threats and have not defined any more goals and measures beyond the law and haven't defined any goals in the past.

Our management is responsible for compliance.

## 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.

There are no incidents of corruption and corruption risks are checked accordingly.

Key Performance Indicator GRI SRS-205-3: Incidents of corruption

The reporting organization shall report the following information:

- a.** Total number and nature of confirmed incidents of corruption.
- b.** Total number of confirmed incidents in which employees were dismissed or disciplined for corruption.
- c.** Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.
- d.** Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.

There are no corruption cases. This is confirmed by the regular SMETA audit.

Key Performance Indicator GRI SRS-419-1: Non-compliance with laws and regulations

The reporting organization shall report the following information:

- a.** Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of:
  - i.** total monetary value of significant fines;
  - ii.** total number of non-monetary sanctions;
  - iii.** cases brought through dispute resolution mechanisms.
- b.** If the organization has not identified any non-compliance with laws and/or regulations, a brief statement of this fact is sufficient.
- c.** The context against which significant fines and non-monetary sanctions were incurred.

SMETA confirms compliance with all applicable laws and regulations.

# 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 Emissions	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

\*GRI has adapted GRI SRS 306 (Waste). The revised version comes into force on 01.01.2022. In the course of this, the numbering for reporting on waste generated has changed from 306-2 to 306-3.