Clariant Sustainability Policy

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EXTERNAL

Greater chemistry

CLARIANT SUSTAINABILITY POLICY

Sustainability is a key element of Clariant's purpose:

Greater Chemistry – between people and planet

This Sustainability Policy outlines the core sustainability standards and expectations set globally for Clariant and Tier 1 suppliers. It applies to all Clariant employees and is endorsed by Clariant's Executive Leadership Team.

Sustainability is embedded into the existing management and governance structures of Clariant, in particular through the Innovation and Sustainability Committee of the Board of Directors and the Chief Technology and Sustainability Officer on the highest responsibility levels, as well as into the core processes of the company

This policy guides Clariant in identifying safe and sustainable solutions, in our own operations, and for our customers. We track the success of our journey with our Portfolio Value Program (PVP) and are dedicated to contributing to the United Nations Sustainability Development Goals (UN SDGs) through the solutions we offer. Putting product performance and sustainability at the core of our innovation process, we help our employees, and our customers achieve their sustainability ambitions and together shift global value chains towards more sustainable solutions.

Our core principals along our three sustainability dimensions (people, planet, and performance) are:

PEOPLE:
- **Follow ethical standards and ensure full compliance with laws and regulations**
- **Respect human rights**
- **Drive towards zero-accidents promoting health and safety**
- **Foster open and transparent communication**
- **Give back through corporate citizenship activities**

PLANET:
- **Continuously upgrade our product portfolio towards safer and more sustainable solutions**
- **Fight climate change**
- **Continuously reduce waste and pollution**
- **Increase circularity**
- **Foster a sustainable bioeconomy**

PERFORMANCE:
- **Invest in research, development, and technology**
- **Ensure responsible sourcing**
- **Create customer value**
- **Empower employees by creating a diverse, equitable and inclusive workplace**
- **Continuously learn through education and training**
- **Reward financial and non-financial performance in a balanced incentive system**
- **Follow a governance structure to support Clariant's sustainability ambition**

Clariant regularly conducts a materiality assessment to identify the sustainability areas – the commitments outlined in this policy are the foundation to manage the impacts and risks identified in the material areas. The Innovation and Sustainability Committee of our Board of Directors is regularly informed about the progress of the global implementation and management of our sustainability commitments and their alignment with our business strategies. With sustainability as part of Clariant's purpose, sustainability is anchored in the company values and integrated in the daily work of Clariant's employees. Our sustainability commitments are an integral part of our communication with our stakeholders.

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CLARIANT SUSTAINABILITY POLICY

CLARIANT CARES ABOUT PEOPLE

Our approach regarding social sustainability:

We treat each other with respect - within Clariant and within our extended value chain. For us, social responsibility comprises health and safety of people, recognizing people's fundamental rights and individuality, as well as transparent communication.

We commit to:

Follow ethical standards and ensure full compliance with laws and regulations **-** Our Code of Ethics describes our commitments and is a guide detailing our ethical principles and providing examples to enable our personnel and stakeholders to act with the highest standards of integrity and compliance with laws and regulations. We expect our suppliers and contractors to fully endorse the principles of our Supplier Code of Ethics. To report actual or suspected violation, we use our Integrity Line, which is available to our employees and all external stakeholders, confidentially and, if desired, anonymously.

Respect Human Rights – We are committed to respecting and supporting human rights, both in our own operations, as well as in our business relationships and supply chains. We maintain a Human Rights policy listing in detail our related commitments as well as expectations towards our suppliers and business partners. Our Employment Policy prohibits the use of child or forced labor in our operations, and we respect the right of employee representation.

Drive towards zero-accidents, promoting health and safety – Our goal is to achieve zero incidents and zero accidents. Protecting the safety, health and well-being of our employees is our top priority. We set goals and we monitor and evaluate our activities. Our occupational health and process safety program addresses safety comprehensively including prevention and training measures.

Foster open and transparent communication **-** We foster a culture of transparent communication with our employees and stakeholders as the key to a trusting and fruitful relationship. We report our progress on our sustainability performance regularly. We identify the concerns and expectations of our stakeholders systematically and include conclusions in our strategy reviews.

Give back through corporate citizenship activities – We place great value on acting as a responsible and supportive corporate citizen, wherever we do business. With our Clariant Giving program we cultivate and support a range of community initiatives and charitable efforts around the globe to foster a close relationship with our communities.

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CLARIANT CARES ABOUT THE PLANET

Our approach regarding environmental sustainability:

Protecting our planet requires responsible production and consumption of resources while striving continuously to reduce waste and pollution. Increasing circularity and transitioning to sustainable bio-based and recycled raw materials are key drivers to protect the planet and fight climate change.

We commit to:

Continuously upgrade our product portfolio towards greater sustainability – Our Portfolio Value Program (PVP) is the core tool to steer our portfolio towards sustainable and competitive solutions and to monitor KPIs. We evaluate the full life cycle of our products, in absolute terms and versus our competitors, for transparency on their benefits and risks along our sustainability priorities**.** Product stewardship is a core element within our product management which is integrated in product innovation and assessment of the existing portfolio against developing regulations globally. We strive to avoid Substances of Very High Concern (SVHC) in our products. We commit to phase out non sustainable products from the portfolio with timebound roadmaps.

Fight climate change – Clariant has set SBTs on scope 1, 2 and 3 (category 1) and commits to reducing our absolute GHG emissions by 2030 from a 2019 base year. In addition, we have set ourselves a net-zero target for scope 1 & 2 by 2050. We drive the reduction of GHG emissions through defined roadmaps which are specific to each BU to achieve energy efficiency, switch to renewable energy, and engage with suppliers to transition to raw materials with lower carbon footprints. We innovate to achieve maximum emission reductions in our own operations. We report on our progress regularly and transparently for key stakeholders such as our shareholders and customers. We assess our climate risks and opportunities and adapt our emission reduction strategy accordingly.

Continuously reduce waste and pollution – We are committed to reducing our hazardous and landfilled non-hazardous waste as well as nitrogen oxide (NOx) emissions. We set clear and ambitious targets to measure our success based on clearly defined environmental objectives. Furthermore, we support efforts to decrease water intake and wastewater volumes. We strive to provide solutions which help to reduce waste and pollution.

Increase circularity – We strive to implement circularity principals by exploring options to increase the use of recycled raw materials and by efficient use of resources, such as water, raw materials, and energy. We design our products to support circularity in the value chain; the transition to a circular plastics economy we support through our internal initiative EcoCircle.

Foster a sustainable bioeconomy – Clariant recognizes Bioeconomy as a key pillar to help preserve ecosystems and biodiversity while respecting human rights. We believe, bio-based raw materials can play an important part in reducing greenhouse gas emissions. Our palm oil policy defines our commitment and supplier expectations towards sustainable sourcing of palm oil, palm kernel oil and its derivatives, in line with No Deforestation, No Peat and No Exploitation (NDPE) principles. We are collaborating with suppliers to increase transparency in the palm oil value chain for sustainable development. Within our mining activities, we are living up to responsible practices.

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CLARIANT CARES ABOUT PERFORMANCE

Our approach towards economic sustainability:

We are convinced that economic success drives and is increasingly based on the adoption of sustainable solutions. To drive the development of high performing sustainable products & processes, sustainability is embedded across the organization, and we collaborate along the value chain.

We commit to:

Invest in research, development, and technology – Design for sustainability is a key driver for innovation. We use our Idea2Market process to steer innovation. We have clear KPIs on innovation, which are monitored and used to steer strategic discussions. Digitalization within R&D and operations is a key enabler to accelerate innovation, to increase efficiency, and to save resources. We are convinced that creating industry and academic partnerships in strategic areas accelerates value chain innovation.

Ensure responsible sourcing – Our suppliers and supply chain relationships are a key part of our success. For Clariant, responsible sourcing means committing to upholding high social, environmental and governance standards, when making sourcing decisions. We expect our suppliers and contractors to fully endorse the principles of our Supplier Code of Ethics. Through our membership in the Together for Sustainability (TfS) initiative, we strive to drive sustainability performance in our supply chain and to promote transparency and solidarity.

Create customer value – We strive to see the world through our customers' eyes and understand their needs. To innovate for sustainability, we foster a culture of challenging the status quo, with the aim of adding value for our customers and the environment

Empower by creating a diverse, equitable and inclusive workplace – We are convinced that a diverse environment leads to innovation and accelerates change by taking different perspectives into account. We value an open and inclusive atmosphere, and we are confident that this boosts critical thinking, creativity, and productivity in our business operations.

Continuously learn through education and training – For us, it is important to support continuous education of our employees and suppliers, and training is an integral part of this. We empower our employees through training to make their contribution and understand the impacts of their work activities on the environment.

Reward financial and non-financial performance in a balanced incentive system - We believe that progress of the sustainability transformation must be measured using KPIs. Engagement at all levels of the company is rewarded through a transparent and balanced incentive system that also includes key non-financial performance indicators.

Live a governance structure to support Clariant's sustainability ambition – We believe that an effective and clear governance structure is required to truly integrate sustainability into business. Our commitments are being overseen by the Board of Directors through the Innovation & Sustainability Committee and driven by our Executive Leadership Team. Our organizational structure defines clear roles and responsibilities to plan and execute sustainability-related roadmaps and monitors relevant KPIs across the organization. We regularly assess material topics for the company, using the model of double materiality assessment. For identified material topics, we increasingly integrate the assessment of impacts, risks, and opportunities along the entire value chain of Clariant within our existing processes.