

Integrated Report

24

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How to navigate this report

Summarized by Clarita^{AI}

Clarita^{AI} is an AI assistant created by Clariant. Summaries at the beginning of chapters were generated by Clarita and are indicated by this blue headline.

Learn more about Clarita in the chapter »A purpose-led strategy« of the Management Report.

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Disclosures audited by KPMG

☑I The Compensation Report includes disclosures that were audited by KPMG. Text passages are marked by a check mark at the beginning and a vertical line at the end. Tables are marked by a check mark. I

Letter from the Chairman

Dear Stakeholders,

2024 was a year that demonstrated Clariant's resilience and agility in navigating significant challenges. While inflation and supply chain issues eased compared to 2023, the chemical industry saw an overall economic slowdown, weak demand coupled with global overcapacities, import competitions, and increasing regulatory demands. With its footprint, Clariant has a balanced exposure to the global market. If the company is exposed to negative factors in one region, it will benefit from positive developments in others. At the same time, the year 2024 showed once again the strategic importance of specialty chemical companies. Their innovative power is crucial to achieve the transition to a low-carbon and circular economy, and to meet the expectations of end-consumers who demand more sustainable products.

In this difficult macroeconomic environment, we delivered on our commitments with both sales and EBITDA margin results in line with our guidance. Based on the financial performance in 2024, the Board of Directors is proposing a distribution of CHF 0.42 per share, thus remaining at the same level for the third year in a row. We aim to deliver a reliable, sustainably growing and funded dividend in Swiss francs on the back of profitable growth, while maintaining an attractive payout ratio.

It goes without saying that we are not happy and not satisfied at all with the development of our share price. Last year, Clariant's share price decreased in line with the average 18.1% decline of its European peers' share prices. Only one of the European peers showed an increase in its share price in 2024, while many others saw more significant declines. Nevertheless, the Executive Steering Committee (ESC) and the Board of Directors are convinced that the actions taken to achieve Clariant's targets should positively impact the valuation of the company in the capital markets.

We also made substantial progress on our sustainability journey and in our strategic initiatives. I am particularly pleased to report several significant achievements that underscore our commitment to sustainable value creation. Our efforts to reduce greenhouse gas emissions yielded impressive results through concrete actions. These include further reducing our coal consumption by replacing it with natural gas and sustainable biomass and increasing our share of green electricity.



Günter von Au
Chairman of the Board of Directors

At the same time, the successful integration of Lucas Meyer Cosmetics and the efficient closure of our sunliquid™ operations are examples of our ability to make and execute strategic decisions effectively. Speaking of strategy: In this report, you will read more about the three newly introduced Innovation Arenas that Clariant is going to focus on in the coming years, as well as about the differentiated segment steering to make sure we allocate our resources as strategically as possible. Meanwhile, our innovation rate reached 16.9%, and we are confident that we will increase this value to around 20% in 2027.

Our improved safety performance places Clariant in the top quartile of the chemical industry for the second year in a row. We intend to remain in this top quartile by continuing to strengthen our safety measures and fostering a zero-accident culture. Our employee Net Promoter Score has improved significantly and is well above the industry median, while our Customer Net Promoter Score remained strong, placing us again well above the industry average. These results reflect our dedication to operational excellence and customer focus.

Looking ahead to 2025, while we anticipate continued macroeconomic challenges, we expect modest growth and improved profitability. Our clear strategic direction focusing on innovation, dedication to customers, and people engagement, as well as our commitment to sustainability, will continue to drive value creation for all stakeholders. This specifically includes actions to achieve Clariant's targets.

2025 will also bring change for me personally: having served as a Board member since 2012 and as Chairman since 2021, I will step down from these positions at the Annual General Meeting on 1 April 2025. Over the past few years, we have successfully reshaped the organization. We have reduced the number of business units from five to three – Care Chemicals, Catalysts, and Adsorbents & Additives – allowing us to be fully focused on our markets and customers, to whom we are closer than ever before. We have established the ESC, which has played a pivotal role in ensuring effective leadership in a period of significant change. This transformation was complemented by the reduction of hierarchical layers and complexity in the organization. We now have a maximum of six management layers between the operative staff and the CEO, which speeds up and improves decision-making.

**»Together, we
have built a strong
foundation for
Clariant's continued
success.«**

Günter von Au
Chairman of the Board of Directors

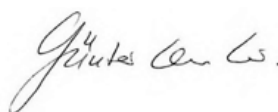
I am confident that the purpose-led strategy that was developed and successfully implemented during my tenure will strengthen our focus on sustainable specialty chemicals. Clariant is poised for an exciting future. Our dedicated team will maintain its focus on the key drivers propelling Clariant's continued success.

My colleagues on the Board and I are delighted that Ben van Beurden has accepted the nomination as candidate for the new Chairman of Clariant's Board of Directors. His wealth of experience in leading a global organization makes him an ideal choice to guide Clariant's future direction. Ben's strong background in chemicals and his commitment to sustainability align perfectly with Clariant's purpose-led strategy.

Finally, I want to express my deepest gratitude to our employees, whose dedication and expertise have been instrumental in our success. My thanks also extend to our customers for their trust, to our shareholders for their continued support, and to our business partners for their collaboration. Together, we have built a strong foundation for Clariant's continued success in creating »Greater chemistry – between people and planet.«

Though I will step away from my professional function at Clariant, I look forward to its bright future and am eager to see the achievements that lie ahead.

Sincerely,



Günter von Au
Chairman of the Board of Directors

Interview with the CEO

Overall, what were the main challenges in 2024, and how did Clariant navigate them?

Let me first say that we are proud of our performance in managing challenges, as demonstrated by our margin improvement, high safety record, and further enhanced employee engagement level. And indeed, the market environment remained challenging throughout 2024. While inflation moderated compared to 2023, which we noticed particularly in lower raw material and energy costs, demand was weaker than expected. We had anticipated a recovery in demand for durable consumer goods, but this has not materialized yet. In addition, new production capacity came online, creating a large oversupply in some markets – especially in China. We responded by maintaining pricing discipline and by delivering our cost savings programs. From our CHF 175 million savings target, which is due in 2025, we have already achieved 96% or CHF 168 million by the end of 2024.

How is that reflected in Clariant's financial performance?

I am pleased with our strong operational performance, cash generation, and the progress in our non-financial targets amidst what continued to be a challenging market environment. In line with our guidance, our sales decreased by 3% in local currency to CHF 4.152 billion, yet we significantly improved our profitability with an EBITDA margin of 15.8%, or 16.0% before exceptional items, compared to 13.9%, or 14.6% before exceptional items, in the previous year.

A particular highlight, of course, was our successful acquisition of Lucas Meyer Cosmetics in April 2024, which positions us as a leader in the highly attractive cosmetics ingredients market. The integration of the business as well as its performance are well on track. We also efficiently executed the closure and downsizing activities related to sunliquid™, and we do not expect any further negative impacts from this in 2025.

How did Clariant's business units perform in 2024?

Each of our business units faced different market dynamics in 2024, but all business units demonstrated resilience in managing challenges while advancing strategic initiatives.

Care Chemicals, our largest business unit with sales of CHF 2.242 billion, saw a slight revenue decline of 1% in local currency. While volumes grew by 2%, pricing was down 3% due to formula-based price adjustments in the first half of the year. Sales growth was strongest in Mining Solutions, with positive prices and volumes, while increased volumes in Personal & Home Care and Industrial Applications also contributed positively. As already mentioned,



Conrad Keijzer
Chief Executive Officer (CEO)

the integration of Lucas Meyer Cosmetics is progressing well, also positively contributing to sales and profitability. The business unit's EBITDA margin decreased to 18.0% from 19.9% in 2023, when Care Chemicals had a gain from the Quats disposal. On an underlying basis before exceptional items, however, the margin increased to 18.2% compared to 17.6% in the previous year.

Catalysts faced more challenging trading conditions with sales declining 9% to CHF 883 million, entirely driven by lower volumes, with delayed refill cycles in addition to the anticipated weaker new-build activities in the industry. However, the business showed some recovery signs in the fourth quarter, particularly in Propylene applications with strong sales in China. The EBITDA margin improved to 17.4% before exceptional items, compared to 16.3% in the prior year. We continue to be excited about new catalyst demand from blue or green hydrogen or in new applications like sustainable aviation fuels.

Adsorbents & Additives demonstrated stability with sales of CHF 1.027 billion, maintaining flat local currency growth in challenging market conditions, especially for foundry applications in Europe. The business unit achieved a significant improvement in profitability, with the EBITDA margin increasing to 15.8% before exceptional items, up from 12.4% in 2023. This was driven by the impact of performance improvement programs and some recovery in key end markets, particularly in Additives.

How is Clariant advancing its sustainability agenda?

We achieved a 9% reduction in Scope 1 & 2 emissions compared to 2023, and our Scope 3 emissions decreased by 5%. We have upgraded our climate targets and are now supporting a 1.5 degree heating scenario while we had been supporting a 2 degree heating scenario. We have increased our Scope 1 & 2 target to 46.9% by 2030 (previously 40%), and we are almost doubling our Scope 3 emissions reduction target to 27.5% (previously 14%).

In 2024, we significantly upgraded our climate targets. I am particularly proud that we achieved a 35% reduction in Scope 1 and 2 emissions compared to our 2019 baseline, demonstrating our ability to deliver on ambitious targets. These efforts are also recognized externally: For example, our CDP score for »Climate« improved from B to A-. Our upgraded emission reduction targets will bring about real changes in our operations, from increasing our share of green electricity, to working closely with suppliers to reduce the carbon footprint of our raw materials.

However, we see our commitment to sustainability as two-fold; on the one hand, improving the sustainability of our own operations, and on the other hand, enabling us to drive forward sustainability shifts globally as well as for our customers. In line with this, more than 80% of our product portfolio now consists of sustainable products, helping our customers achieve their own sustainability goals.

»More than 80 % of our product portfolio now consists of sustainable products, helping our customers achieve their own sustainability goals.«

Conrad Keijzer
Chief Executive Officer (CEO)

What progress has Clariant made on safety initiatives?

I am proud that Clariant for the second year has achieved a top quartile safety performance, measured by the ACC (American Chemistry Council) database which includes the world's best performing chemical companies in the area of safety. Our DART rate (Days Away, Restricted, or Transferred) decreased from 0.21 in 2023 to 0.17 in 2024. This improvement of 19% reflects our strong safety culture, enhanced training programs, and the dedication of our employees to maintaining the highest safety standards. We want every employee to return home healthy – that is why we continue with our relentless efforts to further reduce accidents.

Clariant also measures the »Net Promoter Score« of employees and customers alike. What can you tell us about these metrics?

A Net Promoter Score (NPS) is a widely-used loyalty metric that measures how likely employees or customers are to recommend a company to others, either as an employer or as a supplier. Our employee Net Promoter Score reached 25, well above the industry median of 21, while our Customer Net Promoter Score remained strong at 45, placing us 5 points above the industry average. These results clearly demonstrate our commitment to the focus dimensions of our purpose-led strategy: »Customer focus,« »Innovative chemistry,« »Leading in sustainability,« and »People engagement.«

What progress has Clariant made on diversity initiatives?

Different perspectives drive innovation and better decision-making. Clariant has made steady progress on its DE&I objectives: The share of leaders with national origin outside of Europe increased from 32% in 2021 to 36% in 2024, tracking well toward the 2030 objective of over 40%. Female representation in management has also shown improvement, rising from 16% in 2021 to 24.5% in 2024, advancing steadily toward the 2030 objective of exceeding 30%. These ambitions are supported by specific development programs and inclusive hiring practices to ensure we build a truly diverse and global leadership team.

Clariant presented an innovation strategy and three Innovation Arenas during the Investor Day in November 2024. What is the rationale behind this?

Innovation is essential for Clariant's success. It is part of Clariant's DNA and the primary source of our company's success – it is also what »Greater chemistry« in our purpose stands for.

Through a systematic analysis, we first examined key global megatrends impacting both our customers and the planet. These include »regional shifts,« »health, wellness and sustainability,« »changing demographics,« »digitalization and automation,« and »decarbonization.« To optimize how our company capitalizes on these global megatrends, we have categorized them into three overarching Innovation Arenas: »Health- and Sustainability-conscious Consumers and Brands,« »Energy Transition,« and »Circularity.« The concept of the Innovation Arenas ensures that we can optimize how we use these megatrends to our advantage across segments and business units. Together, they are set to deliver around 70% of profitable growth, with the innovation rate expected to reach around 20% by 2027.

Could you describe these Innovation Arenas and their growth potential?

Our first Innovation Arena focuses on »Health- and Sustainability-conscious Consumers and Brands,« since shifts in consumer behavior towards sustainability and health-conscious products are a key driver of Clariant's future growth. For example, through Lucas Meyer Cosmetics and Clariant's VitiPure product lines, we are expanding high-performance, sustainable ingredients in cosmetics, personal care, and pharmaceuticals. Our PFAS-free solutions and sustainable actives also build on this demand for safer, more environmentally friendly products. Here, we see strong market dynamics, with sustainable products growing at twice the rate of conventional ones.

Our second Innovation Arena is »Energy Transition.« We are actively supporting the global energy transition by providing solutions for biodiesel, sustainable aviation fuel (SAF) and the hydrogen economy. We expect revenues from the latter to exceed CHF 100 million by 2030. Clariant is also developing catalysts for green hydrogen derivatives and other renewable energy applications, which help to decarbonize hard-to-abate industries.

Our third Innovation Arena is »Circularity,« where we are developing solutions like our PFAS-free additives and sustainable materials for recycling. We offer solutions such as Licocene™ for recycling applications and recently launched Hostanox™, a novel natural antioxidant. While health and sustainability-conscious consumers and energy transition will contribute to near-term growth, circularity-related growth is expected to accelerate significantly after 2027.

»Our three Innovation Arenas are aligned with major global trends and will drive around 70 % of our growth by 2027.«

Conrad Keijzer
Chief Executive Officer (CEO)

Clariant has performed a holistic analysis of how its business segments can serve these three Innovation Arenas, which lead to the introduction of a differentiated segment steering. What does this mean?

The business units consist of different business segments. And based on our analysis, each segment has now been assigned one of five strategic mandates: »Boost,« »Outgrow,« »Grow at Market,« »Turnaround,« or »Harvest.« For our »Boost« segment Pharma, Clariant will provide resources to rapidly accelerate its market share. The Cosmetics, Mining, Renewable Fuels Purification, and Syngas & Fuels businesses have »Outgrow« potential, meaning that for these we will leverage their strong competitive position or scale in attractive markets to drive growth. For segments which should »Grow at Market,« the company will secure the long-term market position and therefore ensure sustained value contribution to the Group portfolio. For under-performing areas, the businesses have been assigned the mandate »Turnaround,« aiming to improve profitability through an optimized cost structure. And finally, the »Harvest« category relates to those areas where Clariant will continue capitalizing on the current asset base, while focusing on cash flow generation. Each of these mandates has a tailored strategy that determines the allocation of resources, reshaping the company-wide innovation process to ensure a systematic approach.

Does this mean that segments in the »Harvest« category might be candidates for future divestments?

All of our businesses are considered as core to the company. However, they have different strategic mandates to make sure we allocate our resources consistent with their attractiveness and ability to grow. Beyond the segment view, we have identified activities within the segments with promising potential. We aim to realize this with »Strategic Growth Initiatives,« so-called SGIs, that entail targeted investments.

We always aimed to grow above market as a company. Now, with our new differentiated segment steering, we are transparent in showing where this growth will come from.

How is Clarita, Clariant's in-house generative artificial intelligence tool, supporting the execution of the purpose-led strategy?

Clarita already operates actively across all four purpose dimensions. In innovation, our R&D solution analyzes laboratory data, internal documents, and patents to optimize product performance and streamline our innovation process. For customer focus, we have implemented the Clarita Sales solution that empowers our sales teams with detailed customer insights and cross-selling opportunities. On the sustainability front, Clarita is already providing real-time optimization recommendations that lead to a 10% reduction in gas consumption at an Indonesian facility and 2% steam savings at a German plant. Clarita has also become an integral part of our people engagement. Through initiatives like our »Coffee with Clarita« sessions, we are fostering a culture of digital adoption and knowledge sharing. Today, around 30 % of our employees use Clarita regularly already.

This comprehensive approach has enabled us to be frontrunners in the adoption of AI in the DACH region, as recognized by Amazon Web Services in 2024, enabling faster innovation, stronger customer relationships, and more sustainable operations – all while empowering our people to work more effectively.

Looking ahead to 2025, what are your key priorities?

Macroeconomic challenges, uncertainties, and risks are likely here to stay at an elevated level throughout 2025. This includes potential trade tensions and tariffs. While we anticipate a moderation in general inflation, we do not expect a significant economic recovery. However, we remain firmly committed to navigating the current challenging environment with agility. For 2025, we expect modest sales growth of 3% to 5% in local currency, with the current state of the economic environment likely to result in a growth rate toward the bottom end of this range. We expect Care Chemicals and Adsorbents & Additives to see topline growth, while Catalysts sales are expected to be at similar levels to 2024. We are targeting an EBITDA margin improvement to 17% to 18% before exceptional items. We also expect to make further progress toward our targeted 40% free cash flow conversion. We will also further advance our sustainability agenda.

We are excited to celebrate Clariant's 30th anniversary in 2025 – it is a milestone that encourages us to take stock of the many things we have achieved on our journey from a Sandoz spin-off to a sustainability-focused specialty chemical company, and that renews our focus on achieving the goals that we have set for ourselves in the coming years.

And looking beyond 2025?

We remain on track to achieve our medium-term targets: 4% to 6% local currency sales growth, 19% to 21% reported EBITDA margin, and around 40% free cash flow conversion by 2027 at the latest. Our confidence is based on several factors. First, our three Innovation Arenas are aligned with major global trends and will drive about 70% of our growth. Second, we have a clear path to improve profitability through both growth and self-help measures. We have announced a new savings program targeting CHF 80 million in run-rate savings by 2027. Third, our strong international footprint and leading positions in key growth regions position us well for expansion. Finally, our proven ability to execute cost programs while maintaining innovation momentum demonstrates that we can deliver on our commitments.

Presenting the Executive Leadership Team

Under the leadership of Chief Executive Officer (CEO) Conrad Keijzer, the Executive Steering Committee (ESC) includes the CEO, the Chief Financial Officer (CFO), and the Presidents of the Business Units Care Chemicals & Americas, Catalysts & APAC, as well as Adsorbents & Additives and EMEA. Together with the Chief Human Resources Officer, Chief Strategy & Technology Officer, and the General Counsel, the Executive Steering Committee forms the Executive Leadership Team (ELT).

Bill Collins
Chief Financial Officer (CFO)
Member of the ESC



Angela Cackovich
Business President Adsorbents & Additives and EMEA
Member of the ESC

Tatiana Berardinelli
Chief Human Resources Officer



Richard Haldimann
Chief Strategy & Technology Officer



Jens Cuntze
Business President Catalysts and APAC
Member of the ESC



Conrad Keijzer
Chief Executive Officer (CEO)
Member of the ESC



Judith Bischof
General Counsel



Christian Vang
Business President Care Chemicals and Americas
Member of the ESC

Clariant on the Capital Markets

The Clariant share at a glance

SHARE DETAILS

Valor symbol	CLN
Valor number	1214263
ISIN	CH0012142631
Trading currency	CHF
Stock exchange	SIX Swiss Exchange
Nominal value	CHF 1.76
Security type	Registered share
Dividend 2024	0.42
Free float (%)	63.3
Bloomberg	CLN SW
Reuters	Reuters CLN.VX
Index member	MSCI Equity Switzerland Index SMI Mid SMI Expanded SPI SPI Extra SPI ex SLI SPI ESG Weighted SPI ESG Swiss All Share Index UBS 100 Index
Country	Switzerland

DATA PER SHARE

Five-year overview and dividend	2024	2023	2022	2021	2020
Number of registered shares issued	331 939 199	331 939 199	331 939 199	331 939 199	331 939 199
Number of shares eligible for a dividend	328 285 611	328 848 494	329 016 801	329 116 487	329 553 690
Price at the end of the year (CHF)	10.09	12.42	14.65	19.00	18.82
High of the year (CHF)	15.15	16.18	20.40	20.50	23.82
Low of the year (CHF)	9.66	12.30	13.90	17.07	14.39
Market capitalization at year-end (CHF m)	3 349	4 123	4 863	6 307	6 247
Basic earnings per share (CHF)	0.74	0.51	0.26	1.04	2.38 ¹
Distribution per share (CHF)	0.42 ²	0.42 ²	0.42 ²	0.40 ²	0.70 ³

¹ Restated

² Through capital reduction by way of par value reduction

³ Of which CHF 0.55 relate to the 2019 financial year (dividend payout withheld due to COVID-19 uncertainties) and CHF 0.15 relate to the 2020 financial year; distribution through a capital reduction by way of a par value reduction of CHF 0.70 per registered share

SMIM market performance in 2024

The Swiss Market Mid Cap Index (SMIM or SMI MID) comprises the 30 largest and most liquid mid-cap stocks on the Swiss equity market that are not included in the blue-chip Swiss Market Index. The SMIM began 2024 on a positive note, driven by optimistic market sentiment for the year with expectations for an improved business environment, in Europe and China in particular. However, around mid-year the index faced downward pressure, with a particularly significant drop in early August, taking the performance sharply back to levels seen at the start of the year. A quick recovery saw the index reach its highest point of the year in October before declining somewhat toward the end of the year.

The SMIM (SMI Mid) closed the 2024 financial year at 2 618 points on 31 December 2024, which corresponds to an increase of 2.1% versus the end of the previous year. Closing at 1 188 points, the STOXX® Europe 600 Chemicals (SX4P) decreased by 8.3% across the same period.

Clariant share price in 2024

The Clariant share price ended the year 2024 at CHF 10.09. This corresponds to a decrease of 18.8% compared to the closing price of the previous year (CHF 12.42). Including the CHF 0.42 distribution to shareholders, the total shareholder return (TSR) amounted to -16.4% in 2024.

After opening the year at CHF 12.42, the Clariant share traded slightly lower in early 2024 as investors awaited the full year results amid an uncertain macroeconomic outlook. Due to the particularly challenging conditions for European chemical companies, many investors were underweight on the sector. For Clariant, the financial impact of the decision to close the bioethanol plant in Romania and downsize related activities in Germany also led some investors to take a »wait-and-see approach« early in the year.

Clariant's robust performance in the last quarter of 2023 and the outlook for sales growth in local currencies and increased profitability in 2024, as disclosed with the publication of the full year results on 29 February, followed by positive meetings with current

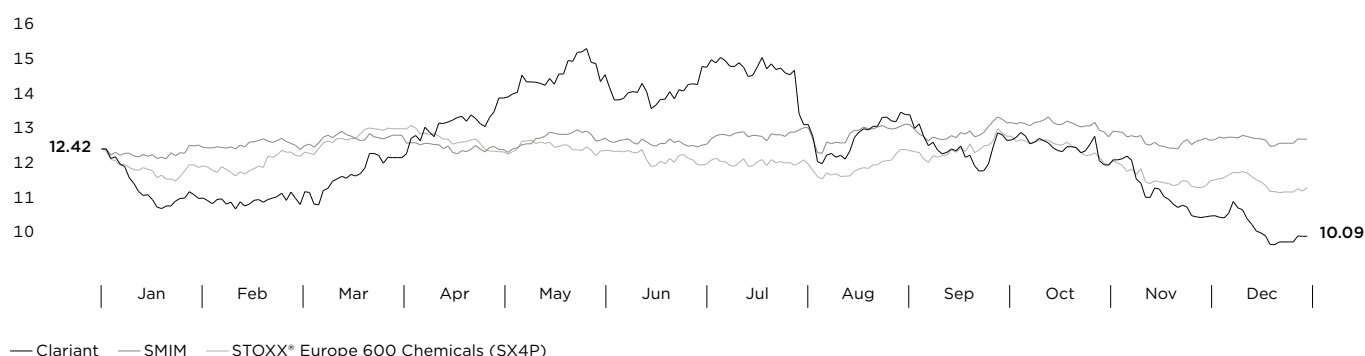
and potential investors during roadshows, marked a turning point for the share price. Supported by several upgrades by sell-side analysts, a positive reception of the strong first quarter results on 30 April, and increased interest ahead of the dividend record date at the end of May, the shares traded up nearly 40% from CHF 10.94 following the announcement of the full-year results to reach its highest point of the year at CHF 15.15 during 27 May 2024.

The shares then traded largely sideways until the publication of the first half year results on 30 July. Despite strong operational performance in the first half of the year and an upgraded profitability margin outlook from 15% to around 16%, uncertainties in Catalysts recovery led to a revised sales outlook. The share price declined over 7% following the results publication. Thereafter, the shares traded downward as investors took profits following the significant overall gain and the European chemical sector faced negative market sentiment due to deteriorating macroeconomic conditions.

With its third quarter results on 29 October, Clariant reduced its sales guidance as it expected that lower Catalysts sales, driven by a lack of a significant economic recovery, could not be offset by growth in the other businesses. This led the share price to close 5% lower on that day. The US presidential elections also had a significant influence on the financial markets during this period. Investors increased their preference for American companies, while Europe-based firms suffered from the geopolitical uncertainty of potential tariffs coming on top of the weak regional growth prospects. The Clariant share price trended down during this period and reached its lowest price of the year, CHF 9.66, during 20 December 2024. The Clariant shares ended the year with a closing price of CHF 10.09.

In comparison to the share price performance of its European peers, Clariant's share price was in line with the average decline of 18.1%. Only one of the European peers showed an increase in its share price for the year, while many others saw more significant declines. Overall, the MSCI Europe Chemicals Index declined by 12.9% in 2024. Combined with the aforementioned 8.3% decline in the STOXX® Europe 600 Chemicals (SX4P), this provides further insight to the negative overall sentiment from investors towards the European chemical industry during 2024.

CLARIANT SHARE PRICE PERFORMANCE 1 JANUARY - 31 DECEMBER 2024 IN CHF



Dividend policy

Clariant's dividend policy remains unchanged. The Group is committed to a reliable, sustainably growing and funded dividend in Swiss francs on the back of profitable growth, while maintaining an attractive payout ratio.

Dividend proposal for 2024

The Board of Directors recommends a stable regular distribution of CHF 0.42 per share to the Annual General Meeting 2025 based on the Group's performance in 2024. This distribution is proposed to be made through a capital reduction by way of a par value reduction.

Shareholder structure

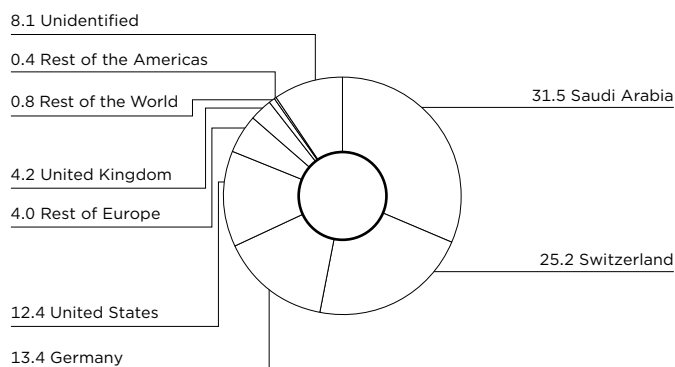
In the 2024 financial year, Clariant maintained its well-diversified and stable shareholder structure. SABIC remained a major shareholder, having acquired 24.99% of the shares of Clariant Ltd on 17 September 2018 and increased its participation by 6.51% to 31.5% on 9 September 2020. In September 2024, the participation of Konstantin Winterstein and Elisabeth Prinzessin zu Sayn-Wittgenstein in Clariant increased to 5.157% from 3.49%.

A list of shareholders that held 3% or more of voting rights in Clariant Ltd on 31 December 2024 can be found in the → **Corporate Governance Report**.

Current information about significant shareholders of Clariant can be found on the → **SIX Exchange website**. The free float factor of the Clariant share on the SIX Swiss Exchange as of 31 December 2024 was set at 63.34%.

Subject to certain limitations on voting by nominees, each registered share entitles the holder to one vote at the General Meeting. Shareholders have the right to receive dividends and other such rights as granted by the Swiss Code of Obligations. However, only shareholders entered in the Clariant share register may exercise their voting rights. Shareholders who, alone or together, hold at least 0.5% of the share capital or the votes may request that an item be included on the agenda or that a proposal relating to an agenda item be included in the notice convening the General Meeting. Such a request, specifying the agenda item and the proposal or proposals, must be received by the Company in writing at least 45 calendar days prior to the 30th Annual General Meeting on 1 April 2025.

GEOGRAPHIC DISTRIBUTION OF SHAREHOLDINGS IN %



Analyst coverage

In the 2024 financial year, Clariant was actively covered by 20 analysts tracking the financial performance of Clariant on behalf of their respective companies. Their analyses served as the basis for the performance estimates and recommendations published in the 2024 financial year. At the end of 2024, five analysts had a neutral recommendation on Clariant, fourteen analysts recommended buying the share, and one recommended selling. The average target price of the 20 actively covering analysts was CHF 14.81, representing an upside of 46.8% from the 2024 closing price of CHF 10.09. The target price range was between CHF 11.50 and CHF 18.00 on 31 December 2024. To facilitate an independent and transparent assessment of performance, Clariant provides analysts and investors with market consensus figures. This consensus is based solely on analyst estimates and in no way reflects the opinion of Clariant. An up-to-date analyst consensus is available in the Investor Relations section of the → **Clariant website**. This information reflects analyst forecasts as of 31 December 2024 and will change on a continuing basis.

BONDS

Issue	CHF 2026 Bond	CHF 2027 Bond	CHF 2027 Bond	CHF 2028 Bond	CHF 2031 Bond
ISIN code	CH0469273541	CH1331113501	CH1210198144	CH1290870901	CH1331113519
Valor symbol and number	CLN19, 46927354	CLN241, 133111350	CLN22, 121019814	CLN23, 129087090	CLN243, 133111351
Exchange	SIX Swiss Exchange	SIX Swiss Exchange	SIX Swiss Exchange	SIX Swiss Exchange	SIX Swiss Exchange
Amount	CHF 200 million	CHF 200 million	CHF 175 million	CHF 150 million	CHF 150 million
Structure	Senior unsecured	Senior unsecured	Senior unsecured	Senior unsecured	Senior unsecured
Issued	April 2019	March 2024	September 2022	September 2023	March 2024
Coupon	1.125 %	2.375 %	2.717 %	2.750 %	2.750 %
Maturity	15 April 2026	30 March 2027	24 September 2027	22 September 2028	28 March 2031

Debt market and credit ratings

In March 2024, Clariant successfully placed a CHF 350 million dual senior unsecured bond. The first tranche of CHF 200 million had a three-year tenure at a rate of 2.375%, while the second tranche of CHF 150 million had a seven-year tenure at a rate of 2.750%. The transaction represented Clariant's largest CHF bond transaction in more than ten years, and the size of the order book was a clear indication of the progress the company has made in recent years. The proceeds of the bond were earmarked for refinancing, including part of the acquisition of Lucas Meyer Cosmetics, and general purposes.

Clariant maintains its commitment to a solid investment grade credit rating, supported by its robust balance sheet, with a targeted Net Debt of 2.0 x EBITDA.¹ At the end of 2024, this stood at 2.25. Clariant's commitment was reflected in the company being rated »BBB-« long-term, »A-3« short-term, and with a »stable« outlook by S&P Global (solicited).

An overview of the most recent credit ratings of Clariant bonds can be found in the → **Investor Relations** section of the Clariant website.

Dialogue with the capital market

Clariant's corporate strategy is aimed at generating long-term value enhancement. That is why continuous and open communication with all capital market participants is important. Clariant primarily used physical meetings as well as virtual formats, such as video or telephone conferences, for the dialogue in 2024. Clariant connects with institutional investors and rating agencies in various one-on-one meetings as well as at roadshows and conferences worldwide. For private investors, the company provides insight at the Annual General Meeting.

Clariant also hosted an Investor Day in London in November 2024. Next to presentations by CEO Conrad Keijzer and CFO Bill Collins, Chief Strategy & Technology Officer Richard Haldimann provided an update on Clariant's Sustainability performance, including upgraded Green House Gas Emission Targets in line with the Paris Agreement 1.5 °C Cap, and introduced the three Innovation Arenas across which the company aims to deliver profitable growth.

Presentations from Business Unit Presidents Christian Vang on Care Chemicals (in cooperation with Antonio Lara for Lucas Meyer Cosmetics by Clariant), Jens Cuntze for Catalysts and Angela Cackovich for Adsorbents & Additives highlighted the megatrends that influence these business units and how differentiated steering can drive outperformance in their respective markets. An extensive Q&A session at the end of the event enabled the more than 50 guests, predominantly sell-side, buy-side, and credit analysts, to directly engage with Clariant's management. Recordings of all the presentations, as well as the Q&A, are available on the Clariant website, enabling all investors to access the relevant information.

Clariant – a sustainable investment

The Clariant shares are attractive for investors focusing on companies with a strong ESG performance. Several leading ESG rating agencies consider Clariant best in class within the chemical industry. Their ratings particularly recognize the company's innovation power for sustainable products, Clariant's business ethics, and the comprehensive measures in place to address relevant sustainability issues. Clariant actively participates in several ESG ratings and is listed in numerous sustainability indices.

Clariant is listed in the FTSE4Good Index, which measures the performance of companies demonstrating specific ESG practices, and in the SPI ESG index of Swiss companies with a standardized and well-founded sustainability profile. After twelve years of participation in the Dow Jones Sustainability Index (DJSI), Clariant decided to discontinue active reporting to the DJSI and to focus on ratings that are most relevant to the Group's customers and financial stakeholders.

Clariant's sustainability activities are evaluated by Sustainalytics. In 2024, the Sustainalytics ESG Risk Rating for Clariant improved from 20.9 (Medium Risk) to 17.8 (Low Risk). This corresponds to an improved ranking in the 96th percentile of companies in the chemical industry, compared to a ranking in the 92nd percentile in the prior year.

The Morgan Stanley Capital International (MSCI) ESG Rating measures a company's resilience to ESG risks. In 2024, Clariant remained rated in the second-best category, AA.

¹ Defined as Net Debt/Total Group EBITDA b.e.i.

Institutional Shareholder Services (ISS) issues regular ESG corporate ratings. Companies are rated on their sustainability performance on an absolute best-in-class basis. With a rating of B-, Clariant was among the top 10% of companies rated.

Clariant's sustainability performance is evaluated regularly by EcoVadis. The overall score improved to 78 out of 100, compared to 72 out of 100 in the prior year. Accordingly, Clariant now belongs to the top 2% of EcoVadis performers in its sector and across industries (prior year: top 5%). As the partner of the chemical

industry initiative »Together for Sustainability« (TfS), EcoVadis also evaluates the sustainability performance of Clariant's suppliers. → **Read more in »ESRS E4: Biodiversity and biobased economy.«**

Clariant participates in the CDP (formerly »Carbon Disclosure Project«), which publishes the greenhouse gas emissions of the world's largest corporations. Clariant's 2024 CDP thematic scores were above the global average. »Forests« and »Water Security« remained at B, while »Climate« improved from B to A-.

Management Report

Between challenges and solutions

In the Management Report, we feature the management perspective on the business development in 2024, explain how the three business units have created value in the financial year, and provide comprehensive information about Clariant's material topics. The report is supplemented by disclosures in accordance with GRI, ESRS, TCFD, SASB, and Art. 964b of the Swiss Code of Obligations.

Challenges

Solutions



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Foundations of the Business

✓ **I** As one of the world's leading specialty chemical companies, Clariant aspires to be at the forefront of sustainable change. This is reflected in Clariant's purpose, »Greater chemistry – between people and planet.« This purpose leads Clariant's strategy with its four dimensions:

- Customer focus
- Innovative chemistry
- Leading in sustainability
- People engagement

→ **Read more about Clariant's purpose-led strategy.**

Clariant contributes to value creation with innovative and sustainable solutions for customers from many industries. The portfolio is designed to meet very specific needs with as much precision as possible. Research and development at Clariant creates solutions with unique value propositions that address challenges such as fighting climate change and protecting planet and people. Clariant's products play an important role in energy efficiency, in the use of renewable raw materials, in emission-free mobility, and in the conservation of finite resources. **I**

Clariant is exposed to attractive end markets with strong demand for innovative and sustainable products. The Group mainly addresses consumer, industrial, and chemical process markets. Over the past years, Clariant has actively focused on growing its sales to consumer-facing end markets. For 2024, these end markets represented about 44 % of the total, up from 36 % in 2021. Home and Personal Care is Clariant's single largest end market, and accounts for about half of the consumer end-market exposure. Coatings & Adhesives, Agriculture & Food, and Electrical & Electronics are also relevant consumer markets. Sales to industrial

end markets, such as Automotive, Oil, Building & Construction, Aviation, and Mining, amounted to about 35%, down from about 47% in 2021. Within these industrial end markets, none account for more than 10% of sales, giving Clariant an overall well-balanced end-market exposure. Sales to chemical process end markets predominantly come from the Catalysts business and were around 21% of the 2024 total.

The Group benefits from a strong and balanced global presence, with about 40 % of its sales in 2024 being generated in Europe and the Middle East. The Americas and Asia-Pacific each generated around 30 % of sales in this year. Key production sites in all these regions are complemented by regional technical support centers and contract R&D centers. With its global footprint, Clariant is therefore well-placed to provide local content to global and local customers. Sales contributions from the Americas and Middle East & Africa have increased in recent years, while the sales contribution from APAC has remained consistently strong. The sales contribution from Europe has declined, reflecting the Group's growth, asset allocation, and focus on other regions.

Organizational structure

✓ **I** Clariant is headquartered in Muttenz, Switzerland. On 31 December 2024, the Group employed a total workforce of 10 465. In the 2024 financial year, Clariant's operations comprised the Business Units Care Chemicals, Catalysts, and Adsorbents & Additives. These are categorized based on the nature of the business, similar market and industry dynamics, technology and applications used, and a comparable customer approach. **I** Each business has strong market positions with attractive growth and margin profiles, supported by a strong sustainability offering.

✓ | BUSINESS UNITS

Business Unit Care Chemicals	Business Unit Catalysts	Business Unit Adsorbents ² & Additives
Business Segment Personal & Home Care	Business Segment Propylene	Business Segment Adsorbents EMEA
Business Segment Crop Solutions	Business Segment Ethylene	Business Segment Adsorbents APAC
Business Segment Industrial Applications	Business Segment Syngas & Fuels	Business Segment Adsorbents Americas
Business Segment Base Chemicals	Business Segment Specialties	Business Segment Additives Coatings & Adhesives
Business Segment Oil Services	Business Segment Biofuels & Derivatives ¹	Business Segment Additives Polymer Solutions
Business Segment Mining Solutions		

The business unit has a clear focus on highly attractive, high-margin, and low-cyclical segments with a large share of the business being consumer-facing in Consumer Care and Industrial Applications.

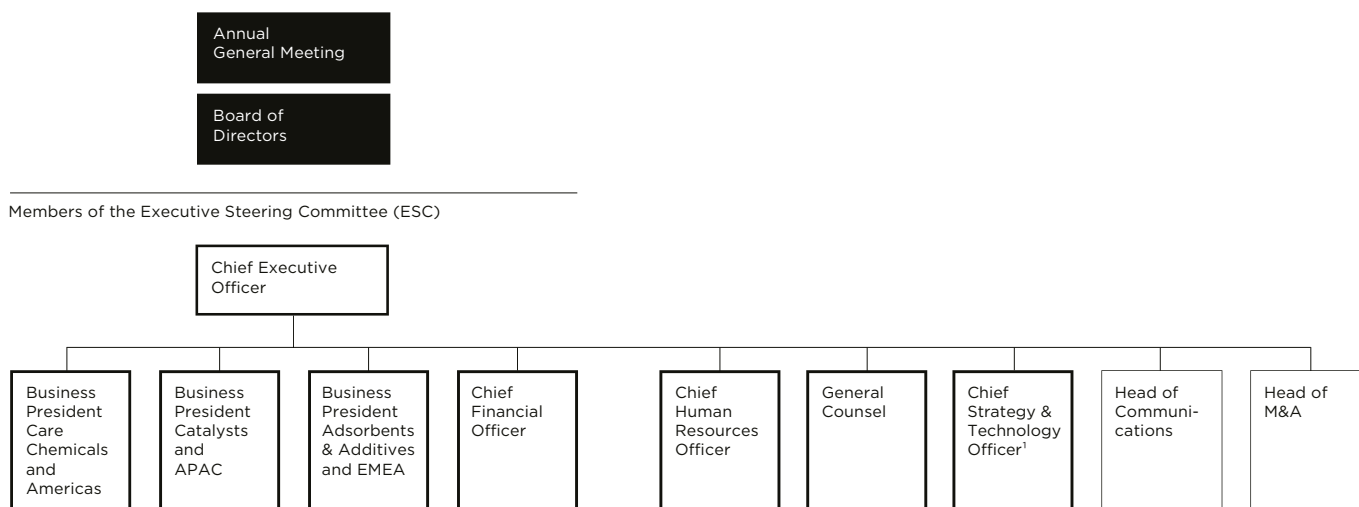
The business unit contributes significantly to value creation in our customers' operations, ensuring that finite raw materials and energy are used efficiently and, in turn, ensuring the quality and yield of processes.

The business unit creates value through enhanced sustainability benefits, for example, by enabling material circularity and by reducing customers' dependency on fossil resources to reduce CO₂ emissions.

¹ Clariant decided to downsize activities of the Business Segment Biofuels & Derivatives following its decision to shut down sunliquid™ bioethanol production in Podari, Romania and related activities in Germany (Straubing, Planegg, and Munich).

² The Adsorbents business is primarily divided into the EMEA, APAC, and Americas regions, with local representatives for Purification, Foundry & Specialties, and Cargo & Device Protection.

✓ CLARIANT ORGANIZATIONAL STRUCTURE



■ Members of the Executive Leadership Team (ELT) □ Not part of the ELT

¹ As of February 2025, the functions of Chief Technology & Sustainability Officer and Chief Corporate Development Officer have been merged into the function Chief Strategy & Technology Officer.

Executive Steering Committee and Executive Leadership Team

✓ The Board of Directors has delegated the management of Clariant Ltd and the Group to the Executive Steering Committee (ESC). Under the leadership of the CEO, the ESC includes the CEO, the CFO, and the Business Presidents of the Business Units Care Chemicals and Americas, Catalysts and APAC, and Adsorbents & Additives and EMEA.

The Executive Leadership Team consists of the members of the ESC together with the Chief Human Resources Officer, the General Counsel, and the Chief Strategy & Technology Officer. The latter function was introduced in February 2025 and combines the

former functions of Chief Technology & Sustainability Officer and Chief Corporate Development Officer. All key functions are combined in this team to facilitate strategic decision-making. More information about the organizational structure can be found in the → [Corporate Governance Report](#).

Long-term value for all stakeholders

Clariant's business model reflects how the company creates long-term value for all stakeholders – customers, employees, shareholders, and the environment, as → [the figure »Business model«](#) depicts. It offers a detailed overview of the company's multidimensional approach to value creation, covering both tangible and intangible, financial and non-financial aspects of the business.

✓ BUSINESS MODEL

Input

Resources and relationships that Clariant draws upon for its business activities

126

R&D spend in CHF m

>290

Active innovation projects

40

Scientific collaborations

1 455

Raw material procurement in CHF m

2.96

Raw materials procured in m t

71

Production sites

92%

Raw material spend covered by sustainability evaluations

1 040

New employees hired

88 174

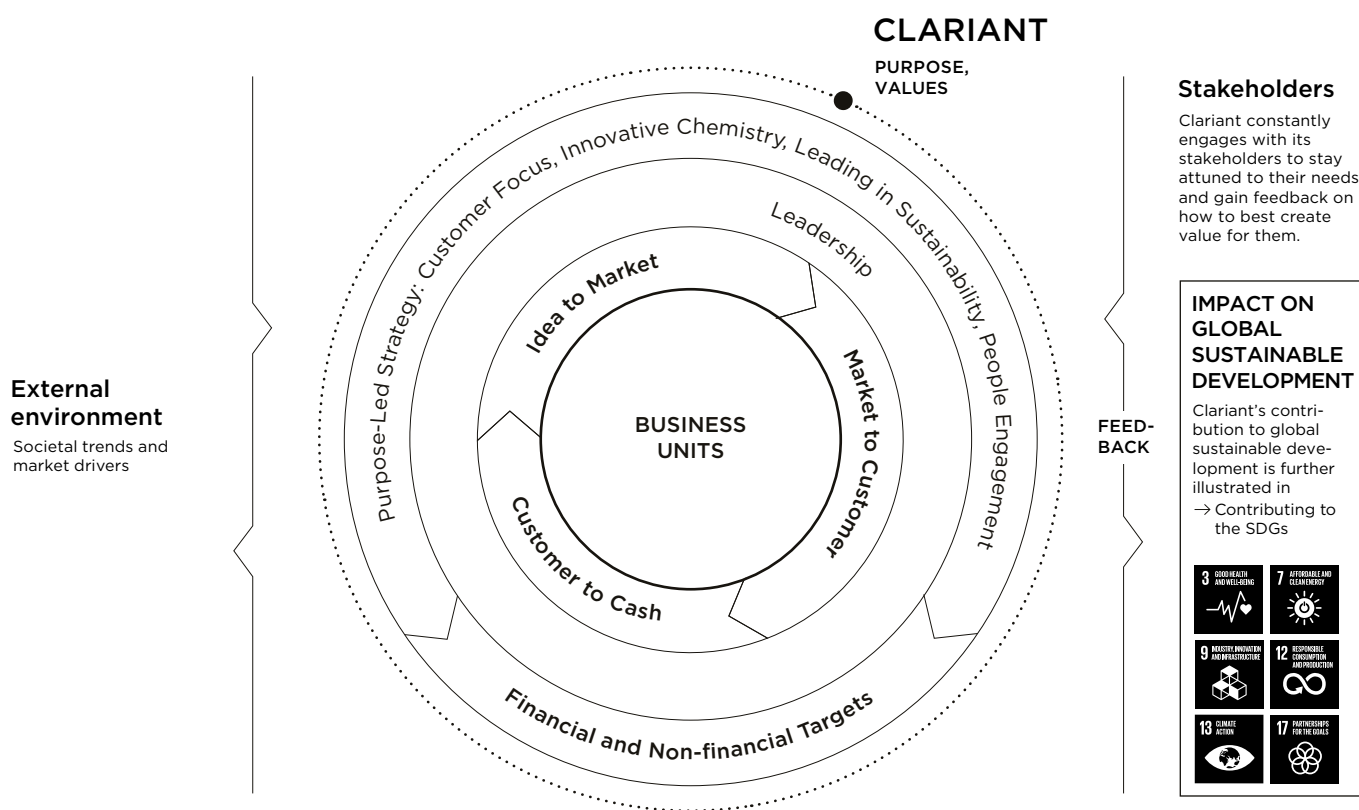
Training hours

657

Energy consumption in kWh/t production

2.00

Water intake in m³/t production



Output

Results from Clariant's business activities

4 152

Sales in CHF m

-3%

Growth in local currencies¹

15.8 %

EBITDA margin

9.2%

Return on invested capital (ROIC)

>3.0 %

Growth through innovation²

>2 600

Patents at year-end

3.59

Production volume in m t

0.14

Lost-time accident rate (LTAR)

10 465

Staff in FTEs at year-end

0.49

Scope 1 & 2 GHG emissions market-based in m t CO₂e (excluding biogenic CO₂ emissions)³

1.54

Wastewater in m³/t production

2.58

Scope 3 GHG emissions for purchased goods and services (cat. 1) in m t CO₂e³

¹ Excluding hyperinflation accounting countries Argentina and Türkiye

² Contains the contribution to growth of the innovation portfolio from both Top Line Innovation and Life Cycle Innovation. Potential cannibalization of existing sales by Life Cycle Innovation has not been excluded.

³ Emissions after rebaselining

Business units

Clariant reports in three business units: Care Chemicals, Catalysts, and Adsorbents & Additives.

Care Chemicals

The Business Unit Care Chemicals consists of the Business Segments Personal & Home Care, Crop Solutions, Industrial Applications, Base Chemicals, Oil Services, and Mining Solutions. The business unit has a clear focus on highly attractive, high-margin, and low-cyclicality segments. It serves consumer end markets, such as Home & Personal Care, Coatings & Adhesives, and Agriculture & Food. Industrial end markets served include Oil, Building & Construction, Aviation, and Mining. In April 2024, Clariant completed the acquisition and integration of Lucas Meyer Cosmetics, a leading provider of high-value ingredients for the cosmetics and personal care industry, in the Business Unit Care Chemicals. The business unit employs around 4 000 FTEs across 4 contract R&D centers and 16 key production sites globally.

Catalysts

The Business Unit Catalysts includes the Business Segments Propylene and Ethylene (Petrochemicals), Syngas & Fuels, and Specialties. The business unit contributes significantly to value creation in our customers' operations, ensuring that finite raw

materials and energy are used efficiently and sustainably and, in turn, ensuring the quality and yield of processes. Process technology partners as well as research and university partners contribute to its strong market position. The business unit employs around 2 000 FTEs and has 10 contract R&D centers worldwide and 14 key production sites.

Adsorbents & Additives

The Business Unit Adsorbents & Additives comprises the Business Segments Adsorbents EMEA, Adsorbents APAC, and Adsorbents Americas, as well as Coatings & Adhesives and Polymer Solutions in Additives. The business unit creates value through enhanced sustainability benefits, for example, by enabling material circularity and by reducing customers' dependency on fossil resources to reduce CO₂ emissions. Consumer end markets served include Home & Personal Care, Coatings & Adhesives, Agriculture & Food, and Electrics & Electronics. Automotive, Oil, Building & Construction, Aviation, and Mining are important Industrial end markets. The business unit has 9 dedicated contract R&D centers, 34 key production sites, and 59 Clariant mines that are operated at the highest sustainability standards for excavating the clay material used by the Adsorbents business. The business employs around 2 700 FTEs.

→ [Read more about how global megatrends impact Clariant's business units.](#)

Core processes for value creation

There are three core processes in Clariant's process landscape: the innovation process »Idea to Market,« the commercial process »Market to Customer,« and the operations process »Customer to Cash.« They form an integrated system to create value through innovation and product development, customer engagement and market development, and operational excellence and fulfillment.

Idea to Market

This process involves scouting global trends → »Growth 2024–2027,« identifying business opportunities, exploring unmet customer needs, developing products, and commercializing and monitoring business performance. It is essential for developing a well-filled product pipeline that delivers innovations to address customer needs.

Innovative chemistry is one of the four dimensions of Clariant's purpose-led strategy. The Group aims to deliver sustainable products with outstanding technical performance. To find these solutions, Clariant prioritizes understanding market and customer needs through close collaboration.

»Idea to Market« integrates sustainability at every step from sustainability and policy trends to production, use, and disposal, making sure that each innovative product meets the demands of the customers and Clariant's own sustainability ambitions. Clariant's Portfolio Value Program (PVP) methodology assesses the sustainability profile of the project and product portfolio, anticipating customers' requests, upcoming legislation, and trends. Based on 39 sustainability criteria covering all life cycle phases, PVP determines the benefits and risks of product application. The assessment allows Clariant to design and promote new solutions with less carbon footprint and greater handprint. PVP also identifies products with an outstanding sustainability profile for recognition with the EcoTain™ classification. On the other hand, Clariant classifies products with unmitigated or significant sustainability risks as unsustainable and develops roadmaps to replace these products with more sustainable alternatives. This is the basis for the continuous sustainability upgrade of Clariant's portfolio, which simultaneously lowers regulation risk and provides growth opportunities for sustainable alternatives. → [Read more about Clariant's PFAS-free portfolio.](#)

Market to Customer

This process includes assessing market attractiveness, developing clear value propositions, and capturing the value created through the relationship-building and sales processes. To achieve a seamless customer experience, these steps are well-connected and focused on customer needs.

Clariant's success relies on its ability to understand customer needs and market trends along the entire value chain, to develop solutions that address those needs, and to capture the value created. To foster this ability, the company constantly builds and adapts its marketing and sales capabilities, optimizes its pricing, and continues to strengthen its customer relationships, supported by digitalization.

Clariant conducts customer satisfaction surveys to understand how customers perceive the company's operational, commercial, and innovation performance. As per the Customer Satisfaction Survey for 2023, Clariant's overall Net Promoter Score (NPS) improved from 42 to 45, placing the company in the 63rd percentile compared to relevant industry peers. Over 50 % of survey respondents awarded the Group 9 or 10 on a scale of 1 (not at all satisfied) to 10 (extremely satisfied) for its ability to develop new products, applications, and services, and for the cooperation in these developments. Moreover, 44 % of respondents stated that their general perception of Clariant improved in the last twelve months. Clariant continues to be viewed favorably for its brand image, product quality, and reliability. The best scores related to the areas »Product & Packaging,« »Account Management,« and »Customer Service.«

Customer to Cash

This process balances supply and demand, optimizing sourcing for spend effectiveness, monitoring production efficiency, and delivering finished goods to customers on time and in full to achieve safe, reliable, and efficient operations that support profitable growth.

Clariant continuously optimizes its operational chain. The company fosters process efficiency using digitalization, improves CAPEX efficiency with so-called front-end loading, and responds to customer needs and changes in market environments with agile approaches. Beyond that, Clariant strengthens its overall profitability with continuous cost savings in procurement; with safe, functional operations; and by further integrating sustainability into the value chain.

Clariant continues to build integrated end-to-end supply chains, connecting the commercial with the operational value chain. The company translates customer requirements into demand planning, using an agile mindset as well as digital solutions and technology, including machine learning, demand sensing, and advanced analytics.

Clariant aims to source materials responsibly by maintaining high ethical, social, and environmental standards throughout the supply chain. The sourcing strategy focuses on transparency and risk mitigation. Clariant seeks to minimize impacts, to ensure fair practices, and to support suppliers in improving sustainability through assessments and audits. Key suppliers are invited to join a TfS assessment via EcoVadis. In 2024, 92 % of the direct spend for raw materials came from suppliers that were covered by shared sustainability ratings.

A Purpose-Led Strategy

Summarized by Clarita^{AI}

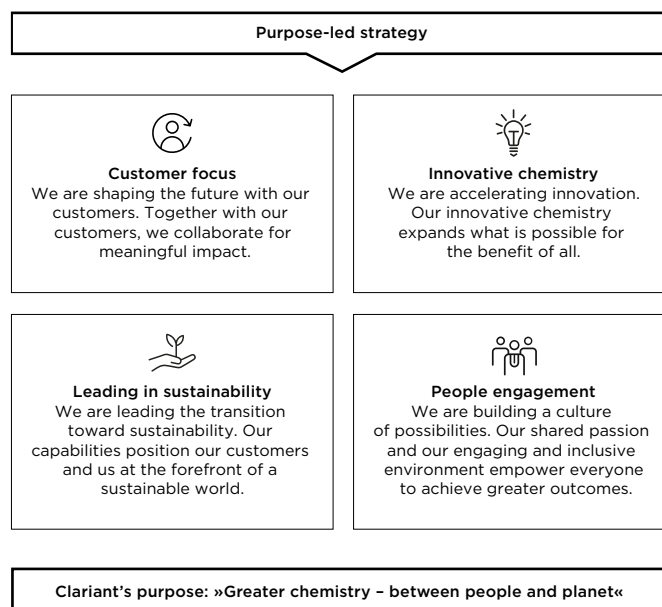
- + Clariant's strategy focuses on four pillars: Customer Focus, Innovative Chemistry, Leading in Sustainability, and People Engagement.
- + The company targets 4–6 % local currency sales growth, a reported EBITDA margin of 19–21%, and around 40 % free cash flow conversion. Three Innovation Arenas will play a key role: Health- and Sustainability-conscious Consumers and Brands, Energy transition, and Circularity.
- + Sustainability is core to operations, with a holistic lifecycle approach and clear environmental targets.

Clariant aims to move toward top-quartile results in specialty chemicals in terms of growth, profitability, sustainability, and people. Based on its purpose, »Greater chemistry – between people and planet,« Clariant unveiled a purpose-led strategy with four dimensions, accompanied by financial and non-financial targets. The strategy reflects Clariant's ambition to create value with innovative chemistry and a sustainability focus, putting customers, employees, and the planet at the center of all activities. Clariant's claim, »Greater chemistry,« builds a strong tie between the purpose and the Clariant brand.

Strategic dimensions

Clariant's innovation power, customer proximity, and its uniquely qualified and experienced people enable the Group to deliver products with an outstanding technical and sustainability performance. This is reflected in Clariant's purpose, »Greater chemistry – between people and planet.« This purpose leads Clariant's strategy (see figure »Clariant's purpose-led strategy«).

CLARIANT'S PURPOSE-LED STRATEGY



The purpose-led strategy establishes four strategic dimensions:

- **Customer focus:** Customer centricity is an important differentiator to stay ahead of the competition. Clariant continues to become more agile, delivering tailor-made solutions to satisfy customers' evolving expectations, which mirror their enthusiasm. To understand customer needs and develop corresponding solutions, Clariant focuses on building strong customer relationships.
- **Innovative chemistry:** At Clariant, chemistry stands for unique solutions that redefine what conventional wisdom considers possible. In line with its focus on ever increasing innovation and specialization, Clariant has an innovation pipeline of high-performance solutions throughout its three business units. These solutions are strongly linked to customer-driven sustainability requirements. Continuously investing in R&D is crucial for future success and for business growth above market growth.
- **Leading in sustainability:** The trend to replace products with more sustainable alternatives is continuing, particularly in combination with performance and value creation. Customers and stakeholders around the globe are demanding sustainable solutions while moving away from products and investments that have a negative sustainability footprint. Policies and regulations around the globe, in areas such as chemicals management, climate and energy, circular economy, product legislation, are driving the transformation of chemical companies and entire value chains. Clariant is in an excellent position to benefit from this ongoing shift. Innovation and sustainability are systematically linked at Clariant. The company continues to promote new solutions taking into account the holistic dimension of sustainability. In addition, sustainability is a key priority for Clariant's own operations and the entire value chain in terms of raw materials, the use of renewable energy, and climate-neutral production.
- **People engagement:** Appreciation for people lies at the core of Clariant's holistic approach to value creation. A culture of dialogue and mutual respect, dedication to sustainable, innovative technologies, and continuous transparency and integrity are key characteristics of Clariant's stakeholder engagement. The company values customer relationships and ongoing dialogue with suppliers, shareholders, and public authorities and policy circles, as figure »Examples of stakeholder engagement« shows. Clariant is particularly committed to engaging with employees at all levels. Through the lens of people-centricity and by making the well-being of employees a priority, Clariant fosters a culture where people feel valued. By actively promoting diversity, inclusiveness, mutual appreciation, empowerment, and safety at work, Clariant creates an environment where everyone can contribute and develop their talents to their fullest potential. The excellent work and commitment of Clariant's global team is a key competitive factor.

Clariant targets organic growth, accompanied by bolt-on acquisitions that strengthen the company's existing core specialty businesses, across these four dimensions.

Growth 2024 – 2027

Clariant is well-positioned to address the key global megatrends that will impact the industry and its customers:

- **Regional shifts:** Growth in Asia-Pacific and the Middle East is significantly outpacing Europe.¹ The chemicals market in these regions is expected to grow at around twice the pace of the rest of the world for the period up to 2029. Clariant expects this trend to also impact its own growth pattern, as the company is well positioned in these regions.
- **Health, wellness, and sustainability:** Consumers and brand owners increasingly focus on preventive health, wellness, and sustainability. They make informed and conscious buying decisions and seek products with superior performance and a favorable sustainability profile. As a result, sustainable products typically grow at twice the rate of other products.^{2,3}
- **Changing demographics:** Changing demographics will result in an expected 66% growth rate² in the population over 65 by 2030. This shift will drive healthy-ageing demands.
- **Digitalization and automation:** Digitalization offers opportunities for innovation and improved efficiency, with a projected USD 80-140 billion productivity gain² through generative AI in the chemicals sector alone.
- **Decarbonization:** The chemical industry contributes around 7% to global carbon emissions.² Decarbonization is a key topic for regulators and for Clariant's customers.

Supported by these megatrends, three Innovation Arenas will deliver innovation-fueled growth:

- **Health- and Sustainability-conscious Consumers and Brands:** There is an increased awareness of societal, environmental, and health issues among younger consumer generations and brand owners. This goes hand in hand with the willingness to pay a premium for brands that deliver on these expectations. The second cohort of consumers addressed in this arena consists of recent retirees, which are in good health and are looking to maintain their health and youthful appearance. This cohort will have the highest share of disposable income by 2030, driving sales of pharmaceuticals and high-value cosmetics. Both cohorts, as well as sustainability-driven brands, are looking for sustainability and performance of their products. This Innovation Arena is especially relevant for the Business Units Care Chemicals and Adsorbents & Additives. Clariant's top projects in this arena include high-performance sustainable active and functional ingredients for Cosmetics; the expansion of the VitiPure™ product range for Excipients; and high-quality PFAS-free and PTFE-free solutions.

¹ As per S&P Global Commodity Insights for 2024 – 29E (2024 forecast per July 2024)

² Statistics based on McKinsey research for Clariant

³ As measured for grocery products over the past five years, with higher multiple in non-food categories.

- **Energy Transition:** The current paradigm shift in energy generation generates demand for innovative solutions, e.g., in the decarbonization of hard-to-abate industries, electrification with renewable energy, and the emerging hydrogen economy. Already, 40 million tons of CO₂e are avoided each year through the use of Clariant catalysts. And areas such as decarbonization of the steel industry, the scale-up of sustainable aviation fuel, and the development of the hydrogen economy create opportunities across businesses of Clariant. This Innovation Arena is especially relevant for the Business Units Catalysts and Adsorbents & Additives. The top projects in this area are adsorbents for the purification of raw materials for biodiesel and SAF, flame retardants for electrical connectors driven by the electrification trends, e.g., in electric vehicles, and catalysts for the hydrogen economy.
- **Circularity:** Regulatory shifts toward banning single-use plastics and resource scarcity are two important drivers for the circular economy. Consumer and industrial markets are pivoting to renewable or post-consumer recycled raw materials. This Innovation Arena is especially relevant for the Business Unit Adsorbents & Additives. Clariant's top projects include additives that enable carpet recycling, such as LicoceTM, and the development of novel natural antioxidants that will enable the mechanical recycling of polyolefins. Clariant expects circularity to have most of its business impact beyond 2027.

Clariant expects that these three Innovation Arenas will deliver about 1.5% annual sales growth, in addition to the 0.5% from geographical expansion and the baseline annual market growth of about 2% to 4%. Altogether, these three factors therefore constitute Clariant's targeted growth rate of 4% to 6% until 2027.

Clariant's profitable growth is driven by the megatrends described above. To better understand their impacts, Clariant analyzed the individual segments according to clear criteria, including market attractiveness, financial performance, and competitive strength. As a result, the Group implemented a differentiated segment steering. Each business has its own strategic mandate to optimize its value creation. The five strategic mandates differ with respect to target setting and asset allocation.

- **Boost:** Clariant aims to allocate resources to rapidly accelerate growth and to increase, potentially even multiply, the market share. Clariant expects these segments to achieve a sales CAGR of +9% between 2024 and 2027.
- **Outgrow:** Clariant will leverage its strong competitive position or scale in attractive markets to drive growth. The ambition for these segments is to grow faster than the market. Clariant expects these segments to achieve a sales CAGR of +7% between 2024 and 2027.
- **Grow at market:** Clariant aims to secure its long-term market position and to ensure sustained value contribution to the Group portfolio. Clariant expects these segments to achieve a sales CAGR of +2% to +4% between 2024 and 2027.
- **Turnaround:** As these segments are currently facing profitability challenges, Clariant intends to implement cost saving measures. Once profitability has been achieved, these businesses will become growth candidates again.
- **Harvest:** The mandate is to extract value from the current asset base and to primarily focus on cash flow generation.

DIFFERENTIATED SEGMENT STEERING ACROSS CLARIANT'S BUSINESS UNITS

	 Boost	 Outgrow	 Grow with Market	 Turnaround	 Harvest
Care Chemicals	Pharma	Cosmetics, Mining	Home Care, Crop Solutions, Coatings, Special Industrial Applications, Oil Services, Base Chemicals (Aviation & Refinery)		Base Chemicals (Construction & Others)
Adsorbents & Additives		Renewable Fuels Purification	Edible Oil Purification, Foundry & Specialties, Cargo & Device Protection	Coatings & Adhesives, Polymer Solutions	
Catalysts		Syngas & Fuels	Specialties, Ethylene, Propylene		
Financial Outlook	+ 9 % Sales CAGR 2024-2027	+ 7 % Sales CAGR 2024-2027	+ 2-4 % Sales CAGR 2024-2027	Margin improvement focus	Cash generation focus

Innovation Platforms

Clariant's innovation activities are fueled by core technologies and IP developed by a strong network of more than 690 full-time equivalents. R&D is performed in contract R&D centers in Germany, the US, China, and India, where the business units are represented. Dedicated centers with a focus on high-throughput experimentation for catalysts and consumer care innovation complement the global network of Clariant's contract R&D centers. The company structures its research activities within the Innovation Arenas in five Innovation Platforms. Innovation Platforms are defined as the key technology areas, skills, resources, intellectual property, and infrastructure that Clariant leverages to develop new products.

- **Catalysts for the Energy Transition:** This Innovation Platform comprises the heterogeneous catalyst and carrier capabilities built over decades of leading catalyst R&D, which allows for the rapid development of catalysts specifically optimized for the specific needs of the emerging low-carbon technologies required for the energy transition.
- **Sustainable Actives:** This Innovation Platform is based on world-leading dermatological and hair R&D capabilities, as well as in-vitro and in-vivo testing methods providing evidence for the cosmetic active effect.
- **Adsorbents:** Develop tailored solutions for oil purification, coatings, and controlled-release fertilizers. These products contribute to more efficient and sustainable processes in various industries, including agriculture and manufacturing.
- **Polymer Solutions enabling sustainability:** This Innovation Platform builds on decades of experience of providing solutions to the plastics and coatings industry with the corresponding material and application know-how and infrastructure.
- **Surfactants and Functional Polymers:** They represent a core technology for Clariant, providing the basis for products across various business segments, including Mining, Personal & Home Care, and Healthcare. This platform demonstrates Clariant's versatility in developing solutions for diverse industries.

Complementing its strong ties to different partner networks, Clariant strives to collaborate closely with partners in the supplier industry to develop solutions that are more sustainable with respect to the entire value chain. Thus, the company's innovation team is collaborating closely with Procurement to create opportunities for joint supplier innovation.

Digitalization

Digitalization plays an important role in all core processes for value creation. It increases speed and efficiency in R&D and innovation processes. Customers benefit from digital solutions across all touchpoints. Digitally steered production processes optimize efficiency, raw material delivery, plant throughput, and energy use. The vast majority of Clariant's IT systems operate in the cloud, so that new technologies can be integrated in a short time.

AI is going to be a key lever for innovation. Clariant is at the forefront of the industry regarding the application of AI. The Group's generative AI, called Clarita, has become a strategic platform since it was introduced in 2023. The platform adds value in all four strategic dimensions:

- **Customer focus:** Clarita provides high-quality customer insights for faster and personalized service. The tool has been very well received internally at Clariant and is currently in the process of being rolled out to all customer-facing employees.
- **Leading in sustainability:** Clarita automatically interprets results, combines findings, and detects outliers, ultimately proposing measures to improve operations performance and save energy.
- **Innovative chemistry:** With access to over 30 years of research reports, patents, and relevant literature, Clarita is a powerful support in research. It is also able to construct workable hypotheses and design experiments that increase time to market.
- **People engagement:** Across the Group, Clarita supports employees in their daily tasks. About one-third of all employees use Clarita regularly, and among white collar staff, the adoption rate lies at about 50%.

CLARITY™ serves as another example of digitalization at Clariant. This AI-enabled platform is powered by Navigance, a Clariant digital solutions provider. CLARITY™ is offered across all Clariant catalyst applications and provides insights into the catalyst performance at any plant. Customers are able to optimize plant performance parameters regarding efficiency, sustainability, and safety. Launched in 2021, CLARITY™ is already used in over 150 plants across 33 countries. The new update CLARITY™ Prime features additional digital services, including advanced predictive tools, interactive »what if« scenario analysis, and catalyst-specific benchmarking capabilities.

Clariant Sustainability Strategy

Summary of Clariant's sustainability approach:

- Sustainability at the core of Clariant's purpose
- Clariant's Board of Directors to oversee progress
- Clariant's Sustainability Policy is guiding all activities
- Balanced incentive system, including key non-financial performance indicators
- Sustainability at the core of Clariant's innovation process

Sustainability is one of the four core pillars of Clariant's purpose, and progress is overseen by the → **Board of Directors**. To drive sustainable solutions in the company's own operations, in the portfolio, and for all customers, sustainability is embedded into the existing management and governance structures as well as into the core processes. This will help Clariant and its customers achieve their sustainability ambitions and shift global value chains toward more sustainable solutions. The demand for products with an increased sustainability profile continues to grow across all industries that Clariant serves. This is particularly pronounced

when sustainability is combined with performance benefits creating additional customer value. Clariant is excellently positioned to serve this segment with high-performance and sustainable innovations. To ensure continued progress toward its long-term sustainability targets, a balanced incentive system, including → **key non-financial performance indicators**, supports the execution of Clariant's sustainability strategy.

Clariant's holistic approach to sustainability takes a life cycle approach, from raw materials to end of life. The Sustainability Policy outlines the sustainability standards and expectations that Clariant has set globally for its own operations and for suppliers. The sustainability priorities, along the dimensions people, planet, and performance, are defined within the »1+5 sustainability priorities.« The Group's efforts center around the ambition to be safe and sustainable in everything Clariant does. This covers all aspects of safety and sustainability, including the safety of Clariant's employees, the safety and sustainability of Clariant's operations, and the safety and sustainability of the product portfolio. Based on this foundation, there are five sustainability priorities providing guidance towards a sustainable portfolio.

»Clariant is taking a leadership position in sustainability and has a clear path to remain in that position, lowering regulatory and market risks in our operations and in our portfolio and creating growth opportunities with solutions that enable our customers to succeed in their sustainability journey.«

Richard Haldimann
Chief Strategy & Technology Officer
Member of the ELT

SUSTAINABILITY PRIORITIES



Clariant's sustainability priorities summarize the most material topics for the Group, which Clariant has identified and updated in 2024 through a double materiality assessment (DMA). The DMA identifies the potential impacts of Clariant's business activities on people and planet, as well as the risks and opportunities for the value of the company and its financial development arising from sustainability aspects. A sustainability-related topic is considered → **material** in this sense if it is relevant due to a high potential impact on people or planet and/or has a high potential financial risk or opportunity.

CONTRIBUTING TO THE SDGs

Clariant is committed to contributing to the Sustainable Development Goals (SDGs) of the United Nations. These 17 goals outline a clear path to a more sustainable future and offer key business opportunities for the company.

While Clariant contributes in some respect to every SDG, six priority SDGs were identified. Four of these SDGs were paired, as their relevance to Clariant cannot be evaluated independently (see figure »Clariant's priority Sustainable Development Goals«).







CLARIANT'S PRIORITY SUSTAINABLE DEVELOPMENT GOALS



In addition to this list, the Business Units Care Chemicals and Adsorbents & Additives also contribute to SDG 2 »Zero Hunger« with businesses focusing on providing sustainable and economic solutions for the → **agricultural industry**. Moreover, the Business Unit Care Chemicals also contributes to SDG 6 »Clean Water and Sanitation« and SDG 15 »Life on Land.«

Additional information is provided in figure »Examples of Clariant's activities and products contributing to the SDGs.«

EXAMPLES OF CLARIANT'S ACTIVITIES AND PRODUCTS CONTRIBUTING TO THE SDGs

3 GOOD HEALTH AND WELL-BEING 	<ul style="list-style-type: none"> → Clariant Oil Services recognized by Petrobras with Suppliers Award for health and wellness → Clariant Unveils Advanced Pharmaceutical Excipients → Clariant's Personal Care Innovations Address Physical and Emotional Health → Licocare™ RBW Vita, a bio-based rice bran wax, offers a sustainable alternative to carnauba wax in various applications → Clariant's enhanced infrastructure drives sustainable aviation deicing 	7 AFFORDABLE AND CLEAN ENERGY 	<ul style="list-style-type: none"> → Clariant and KBR join forces to accelerate green ammonia production, accelerating the sustainable energy transition → MegaMax™ catalyst drives sustainable biomass-to-methanol production, powering clean energy innovation → Licocare™ RBW Vita: A bio-based alternative reducing carbon footprint by 80% → EnviCat™ N₂O-S catalyst cuts N₂O Emissions by 95% at Sichuan Lutianhua → Clariant's Catalysts Transform Plastic Waste into Climate-Smart Solutions
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	<ul style="list-style-type: none"> → Clariant's bio-based surfactants redefine personal care and lead gentle revolution → Clariant strengthens plastic recycling solutions support waste reduction and circular economy → Licocene™ polymers transform mattress production 	13 CLIMATE ACTION 	
9 INDUSTRY INNOVATION AND INFRASTRUCTURE 	<ul style="list-style-type: none"> → CHEMVISION™ promotes digital innovation in offshore chemical management → Clariant launches CLARITY™ Prime, digital service for AI-powered optimization of catalyst operation → Clariant's Global Competence Center transforms mining industry infrastructure 	17 PARTNERSHIPS FOR THE GOALS 	<ul style="list-style-type: none"> → Clariant and Cefic discuss how to balance the EU Green Deal's ambitions with global industry competitiveness → Clariant's Chief Strategy & Technology Officer appointed chairman of the Global Impact Coalition Executive Committee (LinkedIn post) → Clariant's collaborative approach to sustainable tailings solutions

The SDGs 4 »Quality Education,« 5 »Gender Equality,« and 8 »Decent Work and Economic Growth« are supported by the work of the Clariant Foundation. The foundation was established by Clariant in 2014 and extends the purpose »Greater chemistry – between people and planet« beyond commercial activities. The Clariant Foundation is a purely philanthropic nonprofit organization based in Switzerland. It operates as independent management and supports organizations and projects worldwide.

The foundation supports selected projects in the fields of education, culture and arts, science and research, and social commitment with a special focus on underprivileged children and teenagers. It also complements voluntary social activities by Clariant and Clariant employees. → [Read more about the Clariant Foundation.](#)

Financial and Non-financial Targets

The four dimensions of the purpose-led strategy are reflected in Clariant's medium-term financial and non-financial targets. They reflect Clariant's ambition to achieve top-quartile results in specialty chemicals in terms of growth, profitability, sustainability, and people.

For the medium-term, Clariant's financial targets are to grow its top line with a 4–6 % compound annual growth rate (CAGR) and to increase its EBITDA margin to 19–21%. In addition, Clariant introduced a cash conversion target, which sees the company reach a free cash flow (FCF) conversion ratio of around 40% – a figure that Clariant defines as cash flow from operating activities minus PP&E CAPEX, divided by EBITDA. Clariant reinforced these targets at its Investor Day in 2024 and aims to achieve them by 2027 at the latest.

FINANCIAL MEDIUM-TERM TARGETS

	Clariant Group
Sales growth (CAGR) (%)	4-6
EBITDA margin ambition (%)	19-21
FCF conversion expectation (%) ¹	-40

¹ Defined as (cash generated from operating activities – CAPEX)/EBITDA

In 2024, Clariant also reviewed its climate targets. The company stepped up its ambitions and upgraded its 2030 emissions targets to be in line with the Paris Climate Agreement 1.5 °C cap. As a result, Clariant now plans to reduce its Scope 1 and 2 emissions by 46.9%. This is an upgrade to the previous target of a 40% reduction. The Scope 3 emissions reduction target was doubled from 14 % to 27.5 % from a 2019 baseline to 2030 and expanded to cat. 1 and cat. 12. Clariant has resubmitted these upgraded targets for validation by the Science Based Targets Initiative (SBTi).

Clariant manages its operations with ambitious safety targets and aims to remain in the top quartile in its industry in terms of employee safety as measured by DART (days away, restricted, or transferred). Achieving the top quartile in employee engagement

as measured by eNPS (employee Net Promoter Score) by 2030 is a further target that remains unchanged. These non-financial targets are embedded in the Clariant Long-Term Incentive Plan (CLIP) or short-term incentive plans. By 2030, Clariant also aims to increase female representation in management (>30%) and to have more leaders of national origin outside of Europe (>40%).

NON-FINANCIAL TARGETS BY 2030

	Clariant Group
Reduction in scope 1 & 2 emissions (%)	46.9
Reduction in scope 3 (cat. 1 + cat. 12) emissions (%)	27.5
Employee Net Promoter Score (eNPS)	Top quartile

Environmental intensity targets

Clariant has set itself sustainable operations targets for the 2019–2030 period, measured by impact per ton of production:

- Water intake (without »pass-through« cooling water): -20 %
- Wastewater generation: -25 %
- Share of sites in areas of high water stress that apply advanced water management: 100 %
- Landfilled nonhazardous waste: -40 %
- Hazardous waste: -25 %
- Nitrogen oxide emissions: -30 %

All business units have developed a roadmap toward these 2030 sustainability goals, including projects, implementation timeline, and investment requirements for 2025 and up to 2030.

Clariant has also set itself a long-term net-zero target for Scope 1&2 emissions by 2050. You can find more information in the chapter → »ESRS E1: Climate change.«

Levers for success

With organic local currency sales growth of 4% per annum in a very challenging market environment, Clariant outperformed the peer group average between 2021 and 2024. The Group's top-line medium-term target is underpinned by tangible growth levers, assuming a market growth of 2–4%. The three Innovation Arenas are expected to deliver around 1.5% growth per annum. In addition, the planned APAC and MEA geographic expansion is expected to deliver around 0.5% growth per annum. Executing on these initiatives will therefore add an additional 2% growth per annum for Clariant, over and above chemical industry market growth.

Since 2021, Clariant has been delivering resilient margins above the peer group average. The Group expects that around two-thirds of the EBITDA margin growth until 2027 will be growth-driven. Top-line growth will drive improved operational leverage on the back of the reduced cost base and will be strengthened by margin-enhancing growth from the Innovation Arenas. Self-help measures will contribute one-third to margin improvement. By the end of 2024, Clariant had delivered CHF 168 million in savings, which means that over 95% of the 2025 target of CHF 175 million

savings had already been achieved. During its Investor Day in November 2024, Clariant announced it aims to achieve an additional CHF 80 million in savings by 2027 at the latest. Key levers for the realization of these savings are selling, general, and administrative cost reductions, asset footprint optimization, operational efficiency and savings from procurement programs. Each business unit and corporate will contribute to delivering this target.

Property, Plant and Equipment (PP&E) CAPEX amounted to about CHF 207 million in 2024, and Clariant expects that in the medium term, the average PP&E CAPEX spend will be between CHF 210 million and 230 million annually. Of this amount, 40% is earmarked for expansion projects in the business units, and 20% for decarbonization measures in Clariant's own operations.

Clariant has been showing progress toward delivering its targeted free cash flow (FCF) conversion ratio, defined as cash generated from operating activities minus PP&E CAPEX, divided by EBITDA, of around 40% through capital and cost discipline. Since setting the target back in 2021, the company delivered an FCF of 36% in both 2022 and 2023, before the cash-out for sunliquid™ saw the number reduce toward 32% in 2024.

Management Discussion

Summarized by Clarita^{AI}

- + Clariant's sales declined 3% in local currency in 2024 and EBITDA margin improved to 15.8% through effective cost management as the company navigated significant challenges with resilience and in line with its purpose-led strategy.
- + The acquisition of Lucas Meyer Cosmetics strengthened Clariant's personal care ingredients business, and the company launched several innovative new products.
- + Clariant expects limited indications of an economic recovery in 2025. Therefore, the company anticipates local currency sales growth towards the lower end of the 3–5% range and an EBITDA margin before exceptional items of between 17% and 18%. Clariant reiterates its commitment to its medium-term targets, to be achieved by 2027 at the latest.

Geopolitical and economic environment

During the year 2024, the global economy saw a continued easing of inflationary pressures but no significant recovery, as many of the uncertainties and risks observed in prior years remained in place. The war in Ukraine continued, as did the conflict between Israel and Hamas. Political tensions remained high between some of the world's economic regions and within individual countries.

Global economic growth in 2024, as measured by Gross Domestic Product (GDP), was 2.7%, with significant regional variation, while staying below the pre-pandemic 3% trend globally. Robust consumer spending, driven by wage gains and a strong labor market, and an easing of interest rates saw the US grow by 2.8%. In China, the ongoing downturn in the property sector and weak consumer confidence continued to impact economic performance. GDP for 2024 was 4.8%, almost in line with the Chinese government's target of 5% as several stimulus efforts were imple-

mented throughout the year. In Europe, economic growth came in at 0.8% and thus remained at a low level. Furthermore, there were strong regional differences, with Germany declining 0.2%. While energy prices in Europe stabilized, they remain elevated in comparison to historic levels and thus pressured industrial production in particular. In the emerging economies, 2024 saw continued strength growth in India of 6.4% and of 2.3% in Brazil.

The service industry was the driving force behind the economic growth in 2024, continuing a pattern observed in the prior year, which was not supportive for the chemical industry. The global manufacturing Purchasing Managers Index (PMI) was at or below 50 throughout the year, indicating little to no growth in the industrial output. Europe in particular was weak, with its Manufacturing PMI persistently around 45, while the US and China fared slightly better. This is in contrast to the global Services PMI, which remained above 50 for all of 2024, although the pace of growth showed some moderation in the second half. These figures were also reflected in the performance of individual sectors within the global economy. For example, software, technology, banking, and insurance were strong, and weakness was observed in automotive and construction.

The Swiss franc, Clariant's reporting currency, depreciated somewhat in the first half of the year, driven by the relatively early rate cuts by the Swiss National Bank in comparison to other central banks. This effect regressed over the second half of the year, as interest rates were also reduced in the US and by the European Central Bank.

GDP GROWTH AND INFLATION RATE

in %	2024 GDP growth	2024 inflation rate
US	2.8	3.0
EU27	0.8	2.4
China	4.8	0.2

Source: Oxford Economics

»We continued to put ourselves in the right position to drive financial performance with the realization of cost savings, the successful refinancing of the Lucas Meyer Cosmetics acquisition and the sunliquid™ downsizing that was delivered ahead of its original financial estimates.«

Bill Collins
Chief Financial Officer
Member of the ESC

Group results

Sales – actual vs. guidance

For the full year 2024, Clariant expected to see a continued easing of the inflationary environment, but no significant economic recovery, with macroeconomic uncertainties and risks remaining. The company therefore expected low single-digit sales growth in local currency as growth in Care Chemicals, including the impact of the acquisition of Lucas Meyer Cosmetics, and in Adsorbents & Additives was expected to offset a temporary slowdown in Catalysts momentum.

However, as the year got underway, uncertainties about underlying demand remained. Production volumes did not show significant signs of a recovery to levels seen in the past, which saw sales in Catalysts decline, particularly as customers increasingly shifted their catalyst refill orders into the future. Therefore, Clariant initially revised its sales guidance for 2024 down to flat to low single-digit sales growth in local currency. As the challenging environment continued, the company then had to revise its 2024 sales guidance to a low single-digit percent decline in local currency, as growth in Care Chemicals and in Adsorbents & Additives was expected to only partially offset lower Catalysts sales.

Actual Group sales in 2024 amounted to CHF 4 152 million, versus CHF 4 377 million in the previous year. This represents a sales decrease of 3% in local currency¹ and 5% in Swiss francs. Pricing was down 2%, while volumes decreased by 1%. Changes in scope had no impact, as the contribution from Lucas Meyer Cosmetics was offset by the divestments of the North America Land Oil and Quats businesses. Currency had a net -2% impact, with a slight positive impact from hyperinflation in Argentina and Türkiye more than offset by changes in other currencies against the Swiss franc.

¹ All references to local currency growth, pricing, volumes and scope exclude the impact from hyperinflation countries Argentina and Türkiye. All references to currency include a net impact from hyperinflation countries Argentina and Türkiye.

Sales in local currency declined in the large geographic areas, but with growth in selected countries. Sales in Europe, Middle East & Africa decreased by 4%, mainly driven by lower pricing. Growth in Catalysts, driven by European engineering partners who supplied their global customers from the region, was unable to offset declines in Care Chemicals and Adsorbents & Additives. Sales in Germany declined by 4% as its economy contracted during the year. Sales in the Americas declined by 2% (1% including scope), as increased volumes in Care Chemicals and Adsorbents & Additives could not fully offset the project-driven decline in Catalysts. In the United States, sales declined by 5% due to the project cycle in Catalysts, while the 4% growth in Brazil was the result of higher sales in all businesses. Sales in Asia-Pacific declined by 2%, driven by lower Catalysts sales that could not be offset by growth in the other businesses. Sales in China increased by 6% as all businesses grew.

Profitability – actual vs. guidance

For the full year 2024, Clariant expected its reported EBITDA margin to improve to around 15%, including the contribution of Lucas Meyer Cosmetics and a sunliquid™ restructuring impact of up to CHF 30 million. Clariant also expected operational sunliquid™ costs of up to CHF 15 million related to preparation for the closure or divestment of the Podari plant. Cost savings benefits from restructuring programs were expected to deliver CHF 25 million in 2024.

As the year progressed, Clariant's EBITDA margin developed ahead of these expectations, and the company raised its reported EBITDA margin guidance by 100 basis points, from around 15.0% to around 16.0%. This was the result of the operational restructuring and downsizing of sunliquid™ progressing better than initially anticipated, driven by the signing of an agreement to sell the Romanian plant assets, the divestment and sub-renting of two facilities in Germany, and the successful termination of multiple contractual relationships. This also enabled the reversal of some provisions related to sunliquid™.

Actual Group EBITDA for 2024 increased by 8% to CHF 657 million from CHF 607 million in the prior year. Profitability was supported by effective margin management in a deflationary environment, as raw material costs decreased by 7% and energy costs by 5%. The profitability was also supported by lower sunliquid™ costs, as the negative operational impact improved by CHF 33 million to CHF 10 million on an annualized basis. Furthermore, the Group was able to close the bioethanol plant and downsize related activities ahead of its original financial estimates, enabling the reversal of some provisions. Performance improvement programs resulted in additional cost savings of CHF 33 million in the period. Overall, EBITDA margin increased by 190 basis points to 15.8% from 13.9% in 2023.

Order situation

Across the Clariant portfolio, the order situation and visibility thereof vary significantly. In the Catalysts business, orders are placed comparatively far in advance, as a large part of the products is used as either a first-fill or refill of a chemical production facility. However, in 2024, the business had a somewhat weaker and less stable order book. In addition to the anticipated weak new-build activities in the industry, the challenging macroeconomic environment resulted in low customer operating rates, which led to shifts in the regular refill cycles. Overall, volumes in the Business Unit Catalysts declined 9% in 2024.

On the other hand, the order situation in Care Chemicals and Adsorbents & Additives follows a less straightforward pattern with relatively short lead times. In 2024, volumes in both businesses improved in comparison to the prior year, which was significantly impacted by destocking. In Care Chemicals, this development was reflected in the strong volume growth in Industrial Applications, Mining Solutions and Personal & Home Care, while in Adsorbents & Additives, the improvement in the Additives end markets was the main driver behind the growth.

Cashflows

Net cash generated from operating activities for the total Group in 2024 amounted to CHF 418 million versus CHF 421 million in the full year 2023. Free cash flow, defined as cash generated from operating activities – PP&E CAPEX, of CHF 211 million compared to CHF 216 million in 2023 resulted in a free cash flow conversion rate (FCF / EBITDA) of 32% for full year 2024, only slightly below the 36% of a year ago despite the sunliquid™ cash-out.

Business Unit Care Chemicals

For the full year 2024, sales in Care Chemicals decreased by 1% in local currency¹ and by 3% in Swiss francs. Volumes were up 2%, but this improvement was more than offset by pricing, which was lower by 3% due to the impact of formula-based price adjustments, particularly in the first half of 2024. Scope was flat for the year, as the contribution from Lucas Meyer Cosmetics was offset

by the divestments of the North America Land Oil and Quats businesses. Sales grew strongest in Mining Solutions, with positive prices and volumes, while increased volumes in Personal & Home Care and Industrial Applications also contributed to the growth.

The EBITDA margin in the full year 2024 decreased to 18.0% from 19.9% in 2023, when the business had a gain from the Quats disposal. On an underlying basis before exceptional items, the margin increased to 18.2% from 17.6% due to effective margin management in a deflationary environment.

»If you look across our segments, we are present in fast-growing markets and see exciting growth opportunities in both consumer and industrial markets.«

Christian Vang

Business President Care Chemicals and Americas
Member of the ESC

Acquisition and integration of Lucas Meyer Cosmetics

On 2 April 2024, Clariant officially completed the acquisition of Lucas Meyer Cosmetics, a leading provider of high-value ingredients for the cosmetics and personal care industry, from IFF. As a result, Clariant increased its exposure to the active and functional cosmetic ingredients market in the Business Unit Care Chemicals. The transaction further transformed Clariant's portfolio toward high-growth, high-margin, and highly cash-generative specialty chemicals businesses and consumer end markets, underpinned by accelerating demand for natural and sustainable products.

Following the completion, 190 highly qualified professionals joined Clariant and started working together with their new colleagues in leveraging the complementarity in customer portfolio, product portfolio, and regional strongholds and capabilities in R&D, as well as in marketing to further enhance Clariant's position as a leading solutions provider for high-value personal care brands.

¹ All references to local currency growth, pricing, volumes and scope exclude the impact from hyperinflation countries Argentina and Türkiye. All references to currency include a net impact from hyperinflation countries Argentina and Türkiye.

New partnerships and products

Over the course of the year, many new products were launched within the Care Chemicals business. A few highlights include:

Clariant launched eight new products in its portfolio of products for the healthcare industry at the leading CPHI tradeshow in Milan, Italy. These high-performing pharmaceutical ingredients support the evolution of safe and effective medicines and include excipients for different applications, such as for sensitive active pharmaceutical ingredients, parenteral formulations, and applications where the final formulation needs to be colorless.

The Sapogenat™ T range of products are innovative Nonylphenol Ethoxylates (NPEs) alternative emulsifiers designed for agricultural applications. Due to their superior emulsification, they help in mixing and applying pesticides more effectively on plant leaves (foliar application). It also is an environmentally conscious solution, which addresses recent restrictions on NPE use. These alternative emulsifiers, as well as a host of other high-performance solutions for the agricultural industry, were highlighted at the 24th China International Agrochemical & Crop Protection Exhibition (CAC) in Shanghai. In one of the most populous countries in the world, the agricultural industry in China shoulders huge responsibilities for consistent growth to ensure strong output for ever-growing market demand. Clariant is poised to keep investing in and growing with China's agricultural chemical industry to deliver effective, more sustainable solutions to help safely feed a growing population while stewarding the land for future generations.

The natural skincare active CycloRetin™ debuted at in-cosmetics Global 2024 in Paris, where it was well received by customers.

Pickmulse™ is a quinoa-based skin-friendly emulsifier that utilizes patented technology. It was developed by Lucas Meyer Cosmetics by Clariant. The product offers both emulsification and encapsulation capabilities while maintaining skin microbiota balance. Its unique properties create positive sensory experiences proven through scientific studies.

Furthermore, existing Clariant technologies were expanded into new applications:

- **VitiPure™ product line:** New pharmaceutical-grade excipients designed for sensitive applications. The products feature enhanced purity levels and low endotoxin content for parenteral formulations. These excipients specifically address challenges in API delivery and bioavailability.
- **Glucopure™ Sense:** Multifunctional sugar surfactant expanded into laundry care applications. The product combines robust cleaning power with innovative fabric care benefits, including superior softness. It enables resource-friendly washing routines with a high Renewable Carbon Index of 96 %.

Continental and Clariant celebrated 75 years of collaboration in vehicle braking technology. This partnership has driven significant advancements in brake safety and performance, particularly through the development of next-generation brake fluids. These fluids were crucial for modern systems like ESP and ABS, ensuring maximum safety and functionality. Through a joint emphasis on sustainability, the partners are also able to offer carbon-neutral brake fluid options.

Clariant received the Petrobras Best Suppliers Award for its VIVAZ Program, supporting employee health and wellness. The program focuses on three pillars, health, work-life harmony, and environmental responsibility, and validates Clariant's commitment to employee well-being and sustainable business practices.

FEATURED STORY



Ancient wisdom meets modern skincare

Retinol is a popular ingredient for skincare products. However, it can cause unwanted irritation. To deliver the performance of retinol compounds without the compromise, Clariant developed CycloRetin™ as a naturally derived alternative.

CycloRetin™ is derived from Prince Ginseng, an adaptogenic plant used in traditional Chinese medicine for more than 3 000 years. Prince Ginseng is the only plant known to produce heterophyllin B, a cyclic peptide with high bioactivity, stability, and performance. No pesticides are used in the production of Prince Ginseng, and only green solvents are accepted in the extraction process, which has a traceable supply chain to the plant origin.

Laboratory results show that CycloRetin™ is as effective as retinol in enhancing skin appearance within 14 days while avoiding irritation. This ingredient requires only about half the concentration of other market actives, delivering better cost benefits.

[Learn more](#)

Innovation activities

Lucas Meyer Cosmetics by Clariant launched its new Beauty CoLABoration House near Los Angeles, California, marking a significant advancement in collaborative cosmetic formulation development. The state-of-the-art facility serves as an innovative hub where customers work directly with in-house experts to develop new beauty products using the company's extensive portfolio of active and functional ingredients. Following the integration of Lucas Meyer Cosmetics into Clariant, this strategic move strengthens the company's position in the specialty chemical industry and expands its North American presence to establish stronger connections with indie brands, consultants, and contract manufacturers in the region.

Business Unit Catalysts

For the full year 2024, sales in Catalysts decreased by 9% in local currency¹ (12% in Swiss francs). This development was entirely driven by lower volumes, as pricing was stable. Since there was no significant economic recovery during the year, demand for chemicals remained muted, and utilization rates of production facilities were below their long-term averages. This development led to shifts in the regular refill cycles, which came in addition to the anticipated weak new-build activities in the industry. At a segment level, Propylene was stable in comparison to the prior year while all others declined.

In 2024, the EBITDA margin increased to 19.7% from 10.3% in the prior year due to a lower negative impact from sunliquid™. The EBITDA margin before exceptional items in 2024 was 17.4%, compared to 16.3% in the prior year.

New partnerships and products

Figures presented by the business unit in 2024 indicate how the use of its catalyst products enabled the avoidance of greenhouse gas emissions in 2023. Combined, customers from a variety of industries, including steel and nitric acid production as well as new energy transition projects, were able to avoid greenhouse gases equivalent to approximately 40 million tons of CO₂e.² The figure presents an increase of 5 million tons over 2022,³ demonstrating the company's growing commitment to climate protection.

¹ All references to local currency growth, pricing, volumes and scope exclude the impact from hyperinflation countries Argentina and Türkiye. All references to currency include a net impact from hyperinflation countries Argentina and Türkiye.

² The methodology used by Clariant to calculate carbon reductions achieved by its customers is based on internationally recognized standards. For the steel industry, the baseline for calculations was conventional steel production. Compared to the traditional coal-based method, DRI reduces 1 ton of CO₂e emissions per ton of steel produced compared to the traditional coal-based steel-making method. Clariant's carbon handprint is calculated by summing the total tons of steel produced by customers using Clariant's catalysts and multiplying by the 1-ton CO₂e emissions reduction per ton of steel. For N₂O abatement, Clariant's handprint is equivalent to the N₂O flow in the plant off gas to the N₂O abatement system multiplied with the N₂O conversion of the abatement system (typically 95% for so-called »secondary systems« and 99% for so-called »tertiary systems«). This is summed across all nitric acid plants and abatement systems supplied by Clariant.

³ Clariant Catalysts helps customers cut over 35 million tons of CO₂e in 2022

»We have invested in novel technologies to accelerate the energy transition. As future technologies are more widely adopted, we expect to see even greater carbon savings over the coming years.«

Jens Cuntze

Business President Catalysts and APAC
Member of the ESC

Also in 2024, Clariant launched CLARITY™ Prime, an advanced digital service for optimizing catalyst operations in syngas plants. This service, an upgrade of the CLARITY™ portal, offers machine-learning-based performance projections and automated health alerts. It enhances decision-making and operational efficiency through real-time data visualization and predictive analytics. Indorama Eleme Fertilizer & Chemicals was the first to implement this service at their ammonia plant in Nigeria.

Clariant further expanded its collaboration with Wanhua Chemical Group. In addition to the support provided to Wanhua's world-scale propane dehydrogenation (PDH) plant in Penglai, China, which uses Clariant's industry-leading CATOFIN™ catalyst technology, both parties are now working on leveraging the benefits of digital transformation, where Clariant's catalyst services CLARITY™ provides fast insights into catalyst performance.

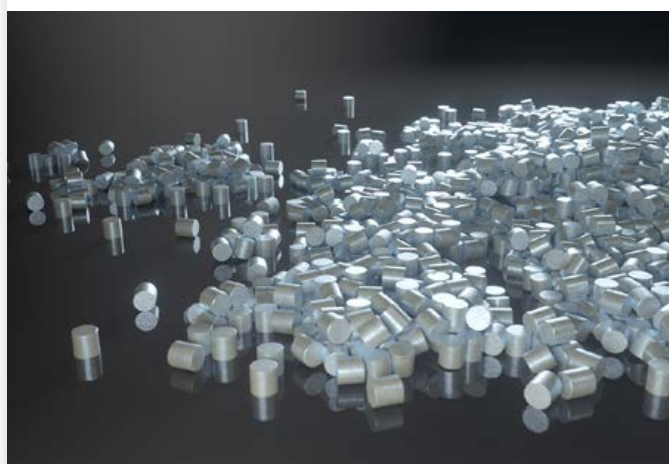
Also in China, Clariant's MegaMax™ catalyst was selected for a biomass gasification-to-green methanol project. The plant will use a combination of farm waste and wind power to produce up to 250 000 tons per annum of green methanol in two phases by 2027. Construction of the first plant phase began in March 2024 and is expected to start producing green methanol in the first half of 2025 as China's first commercialized biomass gasification-to-green methanol plant.

Clariant and its process partner Lummus Technology had a successful year in 2024, realizing several contract wins. In March, the partners were awarded a contract by Huizhou Boeko Materials Co. Ltd. to provide CATOFIN™ catalyst and process technology for a new isobutane dehydrogenation plant in Huizhou City, China. This plant will produce 550 000 metric tons of isobutylene annually, serving as feedstock for methyl tertiary butyl ether

(MTBE) production. The CATOFIN™ technology, known for its high efficiency and low operating costs, will enhance the plant's productivity and profitability. In June 2024, this was followed by a contract to supply CATOFIN™ catalysts and process technology for Qingyang Tongxin Petroleum Technology's new paraffin dehydrogenation plant in Qingyang City, China, which will process 300 KTA (kilo tons per annum) of combined propane and isobutane feedstock to produce chemicals and refined products. This project marked the 40th plant since 2017 to employ the CATOFIN™ technology. The collaboration underscores Clariant's leadership in sustainable petrochemical solutions.

As part of its commitment to delivering advanced, sustainable solutions in the petrochemical industry, Clariant launched CATOFIN™ 312, a new propane dehydrogenation catalyst. This catalyst offers up to 20% longer life and greater selectivity, potentially increasing productivity by up to USD 20 million over its lifetime for a typical 600 KTA PDH facility. The CATOFIN™ 312 catalyst, combined with Clariant's CLARITY™ digital service, enhances plant performance through real-time data and advanced analytics.

FEATURED STORY



Cracking good news for plant safety

Running plants safely and reliably is a top priority for the entire chemical industry. For example, ethylene producers face operational challenges associated with »front-end« plant configurations. Risks during start-ups and operations include thermal runaway reactions, unplanned downtime, and flaring incidents.

Clariant's OleMax™ 260 catalyst was developed specifically to meet the demands of ethylene producers. The catalyst drives exceptional selectivity and stability even at critically challenging operating conditions. Since its launch in 2016, plants have benefited from faster startups, stable and safer operations, improved reliability, and lower emissions. An important milestone was achieved in July 2024 with the one-year successful operation of OleMax 260 at a world-scale steam cracker in Kuwait. The cracker is run by EQUATE Petrochemical Company, the first Middle East ethylene producer to adopt this catalyst for the selective hydrogenation of acetylene.

[Learn more](#)

Business Unit Adsorbents & Additives

For the full year 2024, sales in Adsorbents & Additives were stable in local currency¹ and declined 3% in Swiss francs. Volumes grew by 1% while pricing decreased by 1%. At a segment level, Adsorbents was slightly below the prior year as lower volumes could not be offset by pricing. In Additives, the business improved against a low base in the prior year as increased demand and new business development drove volume growth.

In 2024, the EBITDA margin increased to 15.1% from 11.2% due to the impact of the performance improvement programs, while the uptick in Additives volumes improved operating leverage.

New partnerships and products

Clariant has successfully transitioned to a completely PFAS-free additive portfolio. The company has introduced innovative PFAS-free solutions, including Ceridust™ 8170 M for powder coatings, the new AddWorks™ PPA line of polymer processing aids, which maintain high performance while reducing environmental impact, and Licolub™ PED 1316, a new oxidized HDPE wax for PVC processing in construction applications. Clariant plans to expand its sustainable innovations portfolio further in the course of 2025.

Clariant and Beijing Tiangang Auxiliary Co., Ltd. expanded their successful partnership with the construction of a second production line at their Cangzhou site in China's Hebei Province, following the full capacity achievement of their first joint venture facility launched in 2021. The new production line will manufacture Nylostab™ S-EED™, a specialized multifunctional additive that enhances the quality and features of nylon products through improved color stability, heat resistance, and composite compatibility. This expansion responds to the surging demand from China's rapidly growing nylon industry, particularly in the textile, fibers, automotive, and packaging sectors.

¹ All references to local currency growth, pricing, volumes and scope exclude the impact from hyperinflation countries Argentina and Türkiye. All references to currency include a net impact from hyperinflation countries Argentina and Türkiye.

»We offer unique technologies, and in combination with the expertise of our techno-commercial teams, we help our customers achieve their sustainability targets.«

Angela Cackovich

Business President Adsorbents & Additives and EMEA
Member of the ESC

Clariant also achieved a significant milestone for its Adsorbents business with the commissioning of an upgraded production line for its Tonsil™ RNF series at its Pohang site in Korea. This was celebrated through a Memorandum of Understanding (MOU) signing ceremony with customer DS Dansuk, a resource recycling company that operates bioenergy, battery, and plastic recycling businesses. The Tonsil™ RNF series is a high-performing adsorbent essential to produce sustainable aviation fuel (SAF) and hydro-treated vegetable oil (HVO) from used cooking oil, effectively removing contaminants during the pretreatment process. With production now running, this strategic move responds to the growing demand for sustainable solutions in the Asia-Pacific region's aviation industry. The new facility strengthens Clariant's leadership position in providing crucial technologies for renewable fuel production while supporting the region's transition to greener aviation fuels.

In 2024, Clariant launched Exolit™ AP 422 A, a next-generation melamine-free flame retardant. This innovative solution comes in response to Europe's classification of melamine as a Substance of Very High Concern (SVHC) in 2023, providing manufacturers with a compliant alternative for applications including intumescent coatings, firestop sealing systems, and PIR insulation panels. Customers have already praised the product as a game-changer, noting its ability to deliver reliable fire protection while aligning with sustainability commitments and future regulatory requirements. → Read more about Exolit™ AP 422 A in the Non-Financial Report, chapter »ESRS E2: Substances of concern and product stewardship.«

FEATURED STORY



Transforming waste into value

Each year, 1.5 million tons of edible rice bran oil are produced. Crude rice bran wax (RBW) is a by-product of this process. Clariant upgrades the inedible RBW, transforming it into various grades of Licocare™ RBW Vita. In coatings and consumer and care products, this product delivers gloss, hardness, and compatibility for applications such as car and floor polish, printing inks, metal packaging coatings, furniture finishes, and protective and powder coatings. In plastics applications, Licocare™ RBW Vita additives also function as lubricants, dispersion aids, and nucleating agents for engineering thermoplastics and biopolymers.

The product is also interesting because of its sustainability profile: Licocare™ RBW Vita is a non-food-competing alternative to carnauba wax. It also serves as a renewable and more environmentally friendly option to montan wax – a product derived from lignite coal. Lignite coal processing contributes significantly to greenhouse gas emissions, and open-cast mining can be linked to deforestation, loss of biodiversity, and soil and water contamination.

[Learn more](#)

Innovation activities

The »Global Impact Coalition« brings together leading chemical companies to co-create and scale up new technologies and business models to accelerate the transformation to a low-carbon and circular future. Clariant is active in different working groups, for example, contributing with its industry expertise in chemical recycling of plastics (purification and upgrading of pyrolysis oils) to implement actions to debottleneck the availability of this cracker-compatible circular feedstock.

Outlook

In 2025, Clariant anticipates a moderation in general inflation but no significant economic recovery due to persistent macroeconomic challenges, uncertainties, and risks, which include potential trade tensions and tariffs. Clariant therefore expects 3% to 5% growth in local currency sales in 2025, with the current economic environment implying a growth rate toward the bottom end of this range. Care Chemicals and Adsorbents & Additives are expected to grow, while sales in Catalysts are expected to be at levels similar to those of 2024.

Clariant continues to expect to further improve its profitability in 2025 by delivering an EBITDA margin before exceptional items of between 17% and 18%. Exceptional items in 2025 are expected to include restructuring charges of around CHF 75 million. These charges are related to the Performance Programs announced during the company's Investor Day in November 2024. These programs are expected to deliver run-rate savings of around CHF 80 million through business unit and corporate actions by end of 2027, with a significant part of these savings targeted in

2025. Other exceptional items for 2025 are expected to be around CHF 20 million. Clariant therefore expects its reported EBITDA margin for 2025 to be between 15.0% and 15.5%. Clariant also expects to make further progress toward the targeted 40% free cash flow conversion during 2025.

Clariant reiterates its commitment to its medium-term targets, to be achieved by 2027 at the latest: 4–6% local currency sales growth; 19–21% reported EBITDA margin; and around 40% free cash flow conversion.

The company is well-positioned to deliver these medium-targets, as top-line growth will drive improved operational leverage on the back of the reduced cost base and will be strengthened by margin-enhancing growth from the innovation arenas. As outlined above, Clariant will also implement incremental cost measures and productivity improvements. Overall, Clariant therefore expects around two-thirds of the margin improvement from 2024 to 2027 to be driven by growth and around one-third to be driven by self-help measures.

Non-Financial Report

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ESRS 2: General Disclosures

Summary of the chapter General Disclosures:

- An overview of Clariant's sustainability management approach, including its policies, actions, and progress toward sustainability goals transitioning toward the new European Sustainability Reporting Standards (ESRS)
- A detailed explanation of the company's double materiality assessment process, which identifies and prioritizes material impacts, risks, and opportunities (IROs) related to sustainability
- Information on Clariant's Portfolio Value Program (PVP), a strategic tool used to systematically evaluate and steer the product portfolio toward increased sustainability
- Description of Clariant's sustainability targets for 2030, covering areas such as greenhouse gas emissions reduction, water management, waste reduction, and portfolio sustainability assessment
- Insights into how Clariant integrates sustainability into its business strategy, including product innovation, stakeholder engagement, and reporting frameworks

Introduction to the reporting frameworks

In 2024, Clariant transitioned to a more comprehensive sustainability reporting framework to align with evolving regulatory requirements and stakeholder expectations. In addition to the company's longstanding reporting in accordance with the **Global Reporting Initiative (GRI)** and adherence to the **Swiss Code of Obligations**, the 2024 report also includes disclosures that comply with the new **European Sustainability Reporting Standards (ESRS)**. The 2024 report reflects a dual approach, where the ESRS framework is applied to cover new and more stringent disclosure requirements while alignment with the GRI and **Swiss Code of Obligations** reporting requirements is maintained. Several subsidiaries of Clariant are assessed to be within the scope of the **Corporate Sustainability Reporting Directive (CSRD)** from the 2025 reporting period onward. Clariant, therefore, plans to issue a CSRD-compliant report at the Group level to fulfill the requirements. Where the partial application of these frameworks is relevant in this report, specific references to the applicable sections are provided.

This transition allows Clariant to enhance transparency, provide more granular insights into sustainability impacts, and improve the alignment of its reporting with stakeholders' expectations. The chapter titles primarily reflect terminology from the ESRS.

Key changes and additions under ESRS

The ESRS framework requires additional disclosure on several sustainability matters.

Key changes include:

- **More granular data:** ESRS emphasizes a higher level of detail in reporting. For example, when assessing material risks and opportunities, quantitative metrics are provided in addition to qualitative descriptions.
- **Double materiality:** The double materiality assessment (DMA) was reviewed in 2024 to better align with the approach specified in the ESRS.
- **Increased focus on value chain impacts:** ESRS necessitates a more comprehensive analysis of Clariant's value chain, both upstream (suppliers) and downstream (customers and end users).

As Clariant continues to transition toward full ESRS compliance, the company is committed to refining its sustainability reporting process. In subsequent reporting periods, the business model and strategy will further align with the evolving expectations of stakeholders and regulators.

Appendices and cross-references

For a detailed overview of how Clariant's disclosures map to the respective standards (ESRS, GRI, Swiss Code of Obligations), please refer to the → disclosure indices (ESRS, GRI, Swiss Code of Obligation, SASB, UNGC).

BP-1 – General basis for preparation of sustainability statements

Scope of consolidation

The sustainability statement has been prepared on a consolidated basis, covering all subsidiaries and entities within the reporting boundary, except the new entity acquired in 2024, Lucas Meyer Cosmetics, due to the ongoing integration process. This approach provides a comprehensive view of the company's sustainability efforts across the entire group, including all subsidiaries and associated entities, excluding Sunliquid, as active operation was discontinued at the end of 2023. The scope of consolidation for the sustainability statement aligns with the company's financial statements, ensuring consistency across financial and sustainability disclosures. Please refer to the **Notes to the Consolidated Financial Statements** for the list of → Important Subsidiaries.

Value chain Consideration

✓I Clariant's sustainability statement incorporates both upstream and downstream value chain impacts. The impacts, risks, and opportunities have been assessed through the double materiality assessment (DMA) process. The DMA methodology and its outcomes are explained in this chapter.

BP-2 – Disclosures in relation to specific circumstances

Definitions of time horizons

For the purposes of reporting, Clariant adheres to the ESRS 1 time horizons as follows:

- Short-term: The year 2025
- Medium-term: The period from 2026 to 2030
- Long-term: Starting from 2031 I

In instances where Clariant deviates from these ESRS 1 time horizons, the rationale for the alternative time horizons is provided.

Use of value chain estimations, sector-average data, and proxies

Clariant has utilized sector-average data and other proxies for key performance indicators related to Scope 3 emissions, where upstream and/or downstream value chain data were estimated using indirect sources. See → »Climate Change« chapter

The rationale for the selection and the basis for the preparation of the sector-average data or other proxies are provided in the corresponding chapter. The level of accuracy of each of the metrics from indirect sources is also provided in the respective chapters. In instances where Clariant relied on proxies, plans to enhance data accuracy by transitioning from indirect to direct data sources are outlined.

Sources of estimation and outcome uncertainty

In addition, Clariant identified the following specific quantitative metrics, which contain a high level of measurement uncertainty: percentage of biological materials and active innovation projects.

Further details on these sources of uncertainty are provided in the respective chapters. Clariant has provided details on the key assumptions, approximations, and judgments used in the measurements of each identified quantitative metric and monetary amount. These considerations are outlined in the relevant sections of the report to ensure transparency in how the data were calculated.

Changes in preparation or presentation of sustainability information

Clariant has identified material errors from prior reporting periods.

- Due to a graphical error in chapter → »Customer Dialogue«, two KPI's in the table Customer Relationships had to be swapped.

- An error in the sum of the individual NO_x, SO_x, HCl and NH₃ emissions in 2023 has been identified and is corrected in this report. → See »Significant air emissions«
- Due to a wrong over-reporting of gypsum waste as non-hazardous waste at one site in 2023, the KPIs a) non-hazardous waste generated, b) total waste generated and c) non-hazardous waste landfilled have been corrected. See → »Waste« table and → »Progress toward 2030 targets«

Clariant will review and refine its sustainability targets if changes such as acquisitions, divestments or methodology changes contribute to a difference of +/-5% of the total. A policy on sustainability target review is currently being formalized.

For Clariant's Scope 1, 2, and 3 climate targets, a deviation of >5% has been identified. This was prompted by cumulative changes exceeding the threshold across scope 1, 2, and 3 emissions. The targets have been updated in 2024. Please refer to the → »non-financial targets« for details.

For the other environmental KPIs, there was no evidence through material events to justify a review.

Clariant's management approach to sustainability

✓ I Management approach – Performance

Although business growth and profitability are a shared responsibility between all management functions, Clariant's Board of Directors (BoD) defines the Group's overall direction. It has delegated the executive management of this strategy to the Executive Leadership Team (ELT), which is responsible for implementing, monitoring, and improving the financial and operational management strategy. Read more in → »Executive Steering Committee and Executive Leadership Team.« Clariant's Strategic Management Process (SMP) ensures that each business unit executes the corporate strategy.

Clariant has made it a priority to set and refine its sustainability strategic approach with the so-called »1+5 priorities« (read more in → »Clariant Sustainability Strategy«). Clariant material topics (read more in → »Double Materiality Assessment«) are clustered along these priorities. The Group's efforts center around the ambition to be safe and sustainable in everything Clariant does. This comprises the target of zero accidents and the development of a safe and sustainable product portfolio. Based on this foundation, there are five key priorities: fight climate change, increase circularity, foster a sustainable bioeconomy, eliminate waste and pollution from operations and value chains, and create social value. Social value includes fostering the development of employees as well as creating value in the business networks and society.

PLANET OVERVIEW¹

	Total 2024	2023
Total greenhouse gas emissions (scope 1 & 2 market-based, CO ₂ equivalents) (in m t)	0.49	0.54
Total indirect greenhouse gas emissions for purchased goods and services (scope 3, CO ₂ equivalents) (in m t)	2.58	2.70
Water intake (without »pass-through« water) (in m ³ /t production)	2.00	1.95 ²
Wastewater generation (in m ³ /t production)	1.54	1.48
Sites in areas of high water stress with advanced water management (%)	77	77
Landfilled nonhazardous waste (in kg/t production)	10	7
Hazardous waste (in kg/t production)	6.7	6.8
Nitrogen oxide (NO _x) emissions (in kg/t production)	0.09	0.09
Energy consumption (in kWh/t production)	657	630
Greenhouse gas emissions (scope 1 & 2 market-based, CO ₂ equivalents) (in kg CO ₂ e/t production)	135	142
Indirect greenhouse gas emissions (scope 3, CO ₂ equivalents) (in kg CO ₂ e/CHF net revenue) ³	1.16	1.08
Total water intake (without »pass-through« water) (in m m ³)	8.2	8.4
Total wastewater generation (in m m ³)	6.9	6.8
Total quantity of waste (in thousand t)	99.4	129.2
Total energy consumption (in m kWh)	2 359.0	2 389.7

¹ Clariant follows the »financial control approach« in the consolidation of the data.

² In 2023, the total volume of water withdrawn and intake consumption from 2019 to 2022 was restated for 3 sites in Germany to exclude losses from 3rd party cooling towers outside the operational boundaries of Clariant. Based on previous years' reporting, the specific water intake (without »pass-through« water) has been calculated at 2.24 for 2022 and 2.06 for 2023.

³ Net revenue see Consolidated Income Statement on page 239

Management approach – Planet

The Board of Directors (BoD) has overall accountability for Clariant's environmental, social, and governance priorities.

The Innovation and Sustainability Committee (ISC), a BoD committee tasked with the oversight of innovation and sustainability matters, sets sustainability and innovation objectives and strategies, with a focus on the 1+5 sustainability-related priorities, including climate and forest portfolio implications as well as the related risk and impact management. The ISC monitors the progress on sustainability KPIs, including Scope 1, 2, and 3 emission reductions and the corresponding roadmaps as well as progress on occupational health and safety. The chair of the ISC has to be a member of the BoD. The ISC is composed of four members of the BoD, the Chief Executive Officer, and the Chief Strategy & Technology Officer (CSTO) ex officio. The direct responsibility for the implementation of the strategy lies with the CEO.

The innovation and sustainability KPIs and progress of material topics within the dimension »planet« are reviewed quarterly in the Innovation and Sustainability Meeting (ISM), comprising the CSTO; the innovation and operation heads of the BU's; key global functions, like Sustainability Affairs, Environmental Safety & Health Affairs (ESHA), and Product Stewardship; in addition to the CEO and the BoD delegate of the ISC as permanent guests. Material proposals and conclusions from the ISM are discussed in the ELT and, if they are of strategic relevance, they are brought to ISC and the Board of Directors.

To ensure the implementation and execution of the innovation and sustainability strategies, the Chief Strategy & Technology Officer is supported by Global Function Technology & Sustainability (T&S) and the global organization in executing these responsibilities. T&S comprises Global Sustainability Affairs, Global ESHA/IGSM, Global Product Stewardship, Government Affairs & Public Funding, Analytical Sciences, and, as of February 2025, the Global Function

Corporate Strategy and the Global Function Engineering & Process Technology. It is responsible for Group-wide innovation and sustainability policies, processes, tools and reporting, regulatory compliance, strategies, and standards, and it coordinates their implementation.

The innovation heads of the business units have a dotted line to the CSTO, facilitating the implementation of company-wide policies, systems, and processes, such as the rollout of a company-wide ELN system, the training of innovation green belts, and the harmonization of a company-wide innovation process. Clariant regularly reviews its innovation approach as part of its Strategic Management Process (SMP). **I**

The Global Function Sustainability Affairs defines the Sustainability Strategy and Policy and supports the organization with the necessary tools and capabilities to translate them into action. Sustainability is additionally embedded into the existing management and governance structures as well as into the core processes of the company.

✓ **I** Specialized ESHA teams set the standards for environmental protection and resources. They ensure via audits that the executing business units and country organizations who have full operational responsibility adhere to them.

The Global Function Product Stewardship is responsible for all relevant regulatory aspects of the company's portfolio throughout product life cycles. In addition, local and regional teams play an integral role by supporting business and external customer communication in all regulatory issues regarding the management of chemicals. **I**

✓I Management approach – People

The progress of the material topic Diversity, Equity, and Inclusion (DE&I) within the dimension »people« is steered by the DE&I Steering Team. It is chaired by the Chief Executive Officer and the Chief Human Resources Officer, and it comprises six additional senior leaders. The purpose of the DE&I Steering Team is to set the direction of DE&I and monitor progress and outcomes yearly. In addition to the global goals, each business unit and global function is establishing specific action plans and will review achievements twice a year. **I → Read more in »Diversity, Equity, and Inclusion.«** To foster an inclusive workplace, Clariant is supporting Employee Resource Groups (ERGs), which are sponsored by members of the Executive Leadership Team.

Human Rights are overseen by the Human Rights Committee, chaired in 2024 by the Chief Strategy & Technology Officer.

The Human Rights Committee consists of the Chief Executive Officer, the Chief Strategy & Technology Officer, the Chief Human Resources Officer, the General Counsel, the Head of Compliance, the Head of Sustainability Affairs, the Head of ESHA/IGSM, and the Head of Procurement. The Committee meets quarterly.

→ Read more in »Human Rights.«

Business ethics has been anchored in the value »act with integrity.« Clariant's business units are responsible for managing business ethics and compliance in their daily operations. Group Compliance supports the business units in adhering to Clariant's ethical standards by providing the Ethics and Integrity Framework, communication, tools, training, and advice. The oversight of the topic is within the quarterly Ethics and Risk Management Committee, which consists of the CEO as its Chair, as well as the CFO, the General Counsel, the CHRO, the Head of Compliance as its secretary, and Internal Audit as a standing guest.

→ Read more in »Business Conduct.«

GOV-1 – The role of the administrative, management, and supervisory bodies

Executive leadership composition and employee representation

The Board of Directors includes eleven nonexecutive members. The Executive Steering Committee (ESC) includes five executive members: the CEO, the CFO, and three Business Presidents. They are supported by the General Counsel, the CHRO, and the CSTO. Together, they all form the Executive Leadership Team (ELT). In 2024, the ELT also comprised the Chief Corporate Development Officer. **→ Read more in the »Corporate Governance Report.«**

The company recognizes the importance of diverse perspectives. It has representation of employees or other workers on its administrative and management bodies in Switzerland. In some Clariant legal entities, as in the German legal entities of Clariant, employees have representation in their management and supervisory bodies. For details on the composition of the administrative, management, and supervisory bodies, please read the → »Group Management« chapter of the Corporate Governance Report.

Clariant's Board of Directors and Group Management is composed of members with extensive experience across key sectors, products, and geographic regions relevant to the company's global operations. This diverse expertise ensures effective leadership and strategic decision-making consistent with Clariant's business objectives. The members of the BoD are experienced in sustainability matters through their role in the specific BoD-led committees, such as the ISC. Clariant's BoD is composed of 100% independent members, ensuring strong governance and impartial oversight. Detailed information on BoD composition, including gender and the specific experience of each member and their independence, is available in the → Corporate Governance Report.

✓I Management's role and responsibility for the impacts, risks, and opportunities (IROs)

The Executive Leadership Team (ELT) leads the oversight of the IROs through the Strategic Management Process (SMP). Additionally, they are increasingly integrated within the Enterprise Risk Management (ERM) framework. The ELT presents and discusses the SMP with the Board of Directors (BoD) for further guidance. **I**

Key aspects of how the ELT, in collaboration with the BoD, manages the IROs:

- **Tracking:** Specific monitoring of environmental and social impacts and targets.
- **Evaluation:** Annual SMP and ERM processes assess risks and opportunities.
- **Delegation:** Ongoing management of IROs is assigned to respective business functions.
- **Reporting:** ELT members report directly to the BoD, ensuring effective communication of strategic decisions and IROs.
- **Controls:** The Global Function Technology & Sustainability (T&S) manages and consolidates IROs, with the Chief Strategy & Technology Officer (CSTO) holding ultimate responsibility.
- **Target setting and monitoring:** The ELT collaboratively establishes targets related to material IROs, which are then approved by the BoD. Regular progress updates are provided during BoD meetings, ensuring alignment with strategic objectives.

Ensuring expertise

Continuous engagement aligns sustainability issues with company metrics, targets, and processes. External experts provide additional insights and training when needed. The CEO receives targeted training on the regulatory landscape from the Head of Government Affairs. Material sustainability topics (IROs) are regularly reviewed and integrated into Clariant's overall strategy. This structure ensures comprehensive oversight and effective management of sustainability matters across Clariant's operations.

GOV-2 – Information provided to, and sustainability matters addressed by, the undertaking’s administrative, management, and supervisory bodies

Information flow on material IROs

The administrative, management, and supervisory bodies, including relevant committees, are informed about material impacts, risks, and opportunities (IROs) regularly through multiple channels:

Regular updates:

- The Project Lead of the Integrated Report updates the Executive Leadership Team (ELT) and Board of Directors (BoD).
- The Chief Strategy & Technology Officer (CSTO) provides in-depth explanations on specific sustainability issues.
- All IRO-related policies are reviewed and approved by the ELT before implementation.

Strategic integration:

- The Board actively considers IROs during the annual Strategic Management Process (SMP).
- Material IROs are integrated into project selection and business opportunity evaluations. This process allows for the identification of trade-offs and resource planning.

Comprehensive review:

- The BoD and relevant committees address all material IROs annually.
- Every material IRO is reviewed by the ELT and BoD as part of the Integrated Report preparation.

The continuous monitoring and consideration of all significant IROs in strategic decision-making ensure that Clariant’s administrative, management, and supervisory bodies are well-informed about material IROs, enabling effective oversight and alignment with sustainability objectives.

GOV-3 – Integration of sustainability-related performance in incentive schemes

Bonus scheme

Success in achieving the sustainability targets is rewarded by short- and long-term bonus scheme incentives. Scope 1 & 2 emission reduction and eNPS (employee Net Promoter Score) have been a key performance indicator (KPI) in the long-term incentive plan for top management. Scope 3 and DART rate (Days Away from Work, Restricted, or Transferred) have been part of the short-term incentive plan. Since 2024, site-specific sustainability targets have started to be rolled out for most employees directly involved in the production processes as part of Clariant’s site bonus plans.

The Executive Leadership Team (ELT) and Management Levels 1-4 are incentivized via the Clariant Long-Term Incentive Plan (CLIP) for Scope 1 & 2 and eNPS with a weighting of 17 % each. The target is set for a three-year period.

All management employees are incentivized annually for Scope 3 short-term target achievement with a weighting of 15 % and for the DART rate (Days Away from Work, Restricted, or Transferred) with a weighting of 15 %. Employees in Production, Maintenance, Warehouse, and Quality are incentivized via the site bonus plan, where environmental targets are weighted individually from 10-30 %. Please find more details in the Compensation Report.

GOV-5 – Risk management and internal controls over sustainability reporting

Risk management and internal control processes

Clariant has identified several key risks related to sustainability reporting. They include:

- Misstatement risk
- Incorrect data risk
- Subjective claims risk

The mitigation strategies and controls to manage the identified risks related to sustainability reporting encompass several key components:

- **Highest responsibility:** The CSTO holds the ultimate responsibility for overseeing the sustainability reporting process, ensuring accountability and strategic alignment.
- **Standard operating procedures (SOPs):** Clariant has established an overarching process instruction on sustainability reporting, outlining clear governance, procedures, and methodologies. The specifics of the procedures are detailed out in established SOPs for each material topic, outlining clear procedures and methodologies for data collection, analysis, and reporting.
- **Four-eyes principle:** To enhance accuracy and transparency, the four-eyes principle is applied, requiring that all significant data and reports are reviewed by multiple individuals before finalization. This principle also ensures that all significant data and risk assessments are reviewed by multiple individuals, promoting accuracy and thoroughness in identifying potential risks.
- **Data automation:** Specific software is increasingly utilized to automate data collection and processing, minimizing manual errors and ensuring efficiency in the reporting process.

These features collectively contribute to a robust framework for managing risks and maintaining internal controls related to sustainability reporting. To further strengthen the internal control process, the implementation of a risk-control matrix (RCM) for ESG reporting purposes is being assessed. Also, Clariant employs a comprehensive risk assessment approach that incorporates several key elements:

- **Proofreading and review:** The risk assessment results are subject to proofreading by various internal stakeholders, including the Executive Leadership Team (ELT), and external consultants, such as Kirchhoff Consult. This multi-layered review process enhances the reliability of the risk assessment and ensures that significant risks are appropriately prioritized.
- **External assurance:** Material quantitative metrics and qualitative statements undergo external assurance to mitigate potential risks from inaccuracies or misrepresentations.

SMB-1 – Strategy, business model, and value chain

Significant products and markets

During the reporting period, Clariant made significant changes to its product portfolio to align with its Sustainability Strategy: In 2024, Clariant introduced new product lines focused on sustainable solutions. For example, some of these product lines arose from the integration of the acquired Lucas Meyer Cosmetics business, designed to reduce environmental impact and meet growing market demand for more sustainable alternatives through a lower product carbon footprint and higher traceability to the source of the raw materials. At the same time, Clariant discontinued certain products that no longer aligned with its sustainability goals or had lower environmental performance, ensuring that the portfolio remains consistent with the company's long-term strategy. These changes reflect Clariant's ongoing commitment to sustainability and innovation in its product offerings.

Clariant serves a range of significant markets and customer groups, focusing on the specialty chemical sector. In 2024, there were notable changes to these markets and customer segments: Clariant introduced segment steering and expanded into Asia-Pacific and MEA, reflecting the company's strategic focus on sustainable growth in emerging economies. Concurrently, Clariant has introduced three Innovation Arenas, »Health- and Sustainability-conscious Consumers and Brands,« »Energy Transition,« and »Circularity,« building on global megatrends and focusing on growth through innovation in these areas. The total number of Clariant employees by geographical area across its countries of operations is disclosed in the table »Breakdown of employees by nationality« in the DE&I chapter. For more details on Clariant's significant markets and any changes, please refer to the → »Sustainable Innovation and Technology Advances.«

Sector-based revenue

The entire business of Clariant falls under the ESRS sector classification »Chemicals« as defined by the draft European Sustainability Reporting Standard SEC1 from March 2023. This alignment allows for consistent reporting across sustainability and financial frameworks. In terms of segment reporting under IFRS 8, Clariant's revenue is broken down into three key business units, which represent the company's reportable segments: Care Chemicals, Catalysts, Adsorbents & Additives. For a detailed reconciliation of revenue by segment in accordance with IFRS 8, please refer to the → Segments section of the »Financial Report.«

Clariant's core activities are primarily focused on chemical production, which falls under Division 20.2 of Annex I to Regulation (EC) No. 1893/2006. The related revenues from these activities form a significant portion of Clariant's overall business. For more details on the financial performance of this segment, please refer to the revenue breakdown provided and the → segments table in the »Financial Report.«

Product sustainability goals and strategy

Clariant applies its Portfolio Value Program (PVP) to assess and categorize the sustainability performance of its product and project portfolio. Products identified as nonsustainable through this process are slated for phase-out within the next five years. This process is applied universally across all regions and applications, ensuring alignment with Clariant's sustainability objectives and long-term strategy. Clariant's sustainability-related goals are closely aligned with PVP's material topics, and significant products, services, markets, and customer groups are evaluated as part of the PVP assessment. Currently, 77% of Clariant's revenue in 2024 underwent screening through the PVP.

Clariant's purpose-led strategy incorporates several key elements that directly address sustainability matters. For detailed information on our Sustainability Strategy, including upcoming challenges such as geopolitical risks and climate-related impacts and the critical solutions we plan to implement, please refer to the → Clariant Sustainability Strategy in the »Management Report.« The → Management Discussion section outlines Clariant's approach to managing risks and advancing sustainability goals through specific projects and initiatives.

Business model and value chain

Clariant operates a B2B business model focused on the production and sale of specialty chemical products. Centrally positioned in the value chain, with upstream and downstream channels on either side of its own operations, Clariant serves various industries, including industrial sectors, consumer markets, and other manufacturers. The company's key raw materials include ethylene, propylene, ethylene oxide (EO), propylene oxide (PO), and a range of bio-based specialty chemicals, which are essential inputs for its product offerings across multiple value chains. Read more in → »Foundations of the Business.«

SBM-2 – Interests and views of stakeholders

Sustainability engagement

An open and constructive dialogue with Clariant's stakeholders and collaboration in numerous sustainability and innovation collaborations activate the company's purpose, »Greater chemistry – between people and planet.« Read more in → »Customer Relationships and Dialogue.« By participating actively in sustainability initiatives, such as the World Business Council for Sustainable Development (WBCSD), the Global Coalition Impact (GCI), the Alliance to End Plastic Waste (AEPW), the Renewable Carbon Initiative (RCI), the Roundtable on Sustainable Palm Oil (RSPO), the Action for Sustainable Derivatives (ASD), GC3 (Green Chemistry and Commerce Council), Together for Sustainability (TfS), Responsible Care®, the UN Global Compact, and the Hydrogen

Council, Clariant is driving sustainability forward in general. Clariant supports transparency and is a supporter of the Task Force on Climate-related Financial Disclosures (TCFD) and the Circular Plastics Alliance (CPA). It also actively participates in external ratings and rankings. The ratings include CDP, EcoVadis, Sustainalytics, and others. → [Read more in »Clariant on the Capital Markets.«](#)

Sustainability highlights 2024

- Winner of the Responsible Care® Award
- Aligning Clariant's CliMate tool to calculate PCFs based on TFS requirements
- Upgraded Scope 1-3 targets resubmitted to SBTi
- Introduction of three iArena's to steer sustainability-driven innovation
- Record low DART rate

Clariant engagement in the public policy dialogue

The continuous engagement of Clariant representatives in trade associations, industry coalitions, and sustainability organizations is aimed at monitoring and influencing external policies and regulations in alignment with Clariant's strategy and pledges. Clariant is a member of numerous trade associations at the international level (ICCA), at the EU level (Cefic), and at the national level with national chemical industry associations such as ABIQUIM in Brazil, CPCIF in China, Verband der Chemischen Industrie (VCI) in Germany, the American Chemistry Council (ACC) in the US, and Scienceindustries, the Swiss association for the chemical, pharmaceutical, and biotech industries.

Clariant supports ambitious, science-based, and consistent policies, recognizing the importance of a fit-for-purpose legislative environment that can also further enable and incentivize the chemical industry's transition to net zero, as well as to safer and more sustainable chemicals. In 2024, Clariant has been addressing various policy areas across several jurisdictions. These policies include chemical regulations addressing safety requirements; sustainable product legislation (ESPR, sectorial legislations); the promotion of circular and renewable alternatives to accelerate the defossilization of chemicals and value chains; and ambitious and globally harmonized climate and energy transition policies in industry, transportation, and agriculture.

Clariant Advocacy strategy is coordinated by the Head of Government Affairs and the Head of Product Stewardship, reporting to the CSTO. Clariant also has topic-specific steering groups where legislative and regulatory matters are discussed, and advocacy activities are steered. These topics are regularly reviewed in the Group's Innovation and Sustainability Meeting.

Clariant's CEO, Conrad Keijzer, is a Board member of the International Council of Chemical Associations (ICCA) and the European Chemical Industry Council (Cefic). Together with leaders from the chemical industry and other sectors, Conrad Keijzer has signed the Antwerp Declaration for a European Industrial Deal, witnessed by European Commission President Ursula von der Leyen and Belgian Prime Minister Alexander De Croo. The Antwerp Declaration calls for the placement of a new Industrial Deal at the core of the new European Strategic Agenda for 2024-2029. Europe's industry believes that the success of the Green Deal requires a competitive and thriving chemical industry as a fundamental partner. It delineates ten concrete actions aimed at streamlining regulations that address high energy prices, establish common European infrastructure, secure raw material supplies, foster a smarter innovation framework, and stimulate demand for sustainable products.

Purpose of stakeholder engagement

Suppliers are engaged directly through the procurement team and via the Together for Sustainability (TfS) initiative. The purpose is to identify more sustainable products and services and to secure a resilient and economically viable supply chain.

Customers are engaged through the sales team and feedback is collected via customer surveys. The purpose for engaging with customers is to understand their needs, develop more sustainable solutions, and communicate Clariant's product offerings.

Employees are consulted through the Net Promoter Score (eNPS) survey, Employee Resource Groups (ERGs), specific Coffee Connect meetings of the senior management with all management levels, and through townhall meetings of the ELT members and their respective organizations, offering opportunities for Q&A. Clariant consults with employees to foster an engaged, motivated, and inclusive workforce whose voices are heard.

Shareholders participate through the Annual General Meeting (AGM). It is important to engage with shareholders to inform them about Clariant's financial results and overall performance.

Investors are engaged through quarterly calls and direct communication. This enables Clariant to provide updates on the strategy, progress toward emission reduction, and financial results.

Clariant engages with policymakers at the regional, national, and local levels, directly or indirectly, via industry associations. Policymakers and politicians are entitled to receive relevant industry perspectives and hear different stakeholders' views to be able to make balanced and well-informed decisions.

EXAMPLES OF STAKEHOLDER ENGAGEMENT

Stakeholder Group	Examples of engagement formats	Key needs and concerns
Customers	<ul style="list-style-type: none"> – Daily interactions – Customer interviews, innovation workshops, joint ideation – Best practice exchange sessions – Biennial customer satisfaction survey – Trade fairs and international conferences – Webinars and customer portal – Panel discussions at Tradeshows 	<ul style="list-style-type: none"> – On time, in full: quality, reliability of supply, prices – Innovative solutions – Achieving sustainability goals – Circular economy
Employees	<ul style="list-style-type: none"> – Personal dialogues – Intranet, Viva Engage, newsletters, town halls – Employee engagement survey – Performance management cycle – mySuccess platform – Awards landscape (special recognition, appreciation, badges) – Integrity Line – Global learning catalogue – Focus group discussions with Senior Management – Evaluation of training and development programs – Employee assistance programs (with local adaptations) – Diversity, Equity, and Inclusion communities /Employee Resource Groups – Interactions on social media and employer review sites 	<ul style="list-style-type: none"> – Compensation and benefits – Competence building – Leadership skills – Occupational health, safety, and well-being – Integrity – Diversity, Equity, and Inclusion – Digitalization, simplification, and harmonization – Work setup and configuration – Clariant purpose, culture, and values – Attrition – Cost of living
Shareholders / Investors	<ul style="list-style-type: none"> – Integrated Report – Annual General Meeting – Quarterly Results - including conference call and webcast – Financial Media Releases – Roadshows /Investor Day – Participation at conferences 	<ul style="list-style-type: none"> – Value creation – Growth and capital returns – Contribution to environmental, social, and governance improvements – Access to up-to-date public financial information – Insight into Clariant's outlook

EXAMPLES OF STAKEHOLDER ENGAGEMENT CONTINUED

Stakeholder Group	Examples of engagement formats	Key needs and concerns
Environment	<ul style="list-style-type: none"> – Corporate culture that prioritizes sustainability – Innovative and sustainable products and offerings addressing sustainability challenges – Environmental management tools and programs – Global Impact Coalition incubated by the World Economic Forum – EcoCircle collaborations fostering transition to a circular plastics economy – Clariant Podcast »Sustainability Shift« – »The science of between for greater chemistry« social media campaign – Volunteering activities of employees 	<ul style="list-style-type: none"> – Minimizing impacts on the environment – Safeguarding natural resources – Reducing environmental footprint and handprint of customers – Creating transparency – Collaboration for increased impact – Strengthen communities
Suppliers	<ul style="list-style-type: none"> – Together for Sustainability (TfS) initiative – Supplier performance assessment reviews – Procurement events – Partnerships – Innovation initiatives – Integrity Next 	<ul style="list-style-type: none"> – Prices, payment practices – Supply disruption – Compliance (e.g., Supplier Code of Ethics) – Safety – Circular economy – Digitalization
Polymakers and Civil Society	<ul style="list-style-type: none"> – Engagement in trade associations, multistakeholder alliances, and scientific and research associations – Community dialogues – Dialogue with policymakers and related stakeholders (industry alliances, NGOs, academia) on public policies – Preparation of position papers and communication materials – Responses to public consultations – Investor conferences 	<ul style="list-style-type: none"> – Governance and compliance – Sustainable chemistry – Circular economy – Bio-economy – Climate change and energy transition

Outcomes and further steps ahead

The outcomes of stakeholder engagement are integral to Clariant's Strategic Management Process (SMP). Insights gathered from stakeholders inform the development of strategies and guide business execution, ensuring that the company addresses the needs and expectations of its stakeholders effectively. Clariant's understanding of the interests and views of key stakeholders is shaped by their engagement outcomes, which are analyzed during the due diligence and materiality assessment processes. These insights are incorporated into the SMP, ensuring that the company's strategy and business model align with stakeholder expectations and priorities. This approach helps Clariant address relevant issues while fostering sustainable business practices.

The company remains committed to executing its strategy while continuously monitoring the market landscape for potential opportunities or necessary adjustments. Since there are no planned amendments to Clariant's strategy or business model, there are no immediate implications for stakeholder relationships

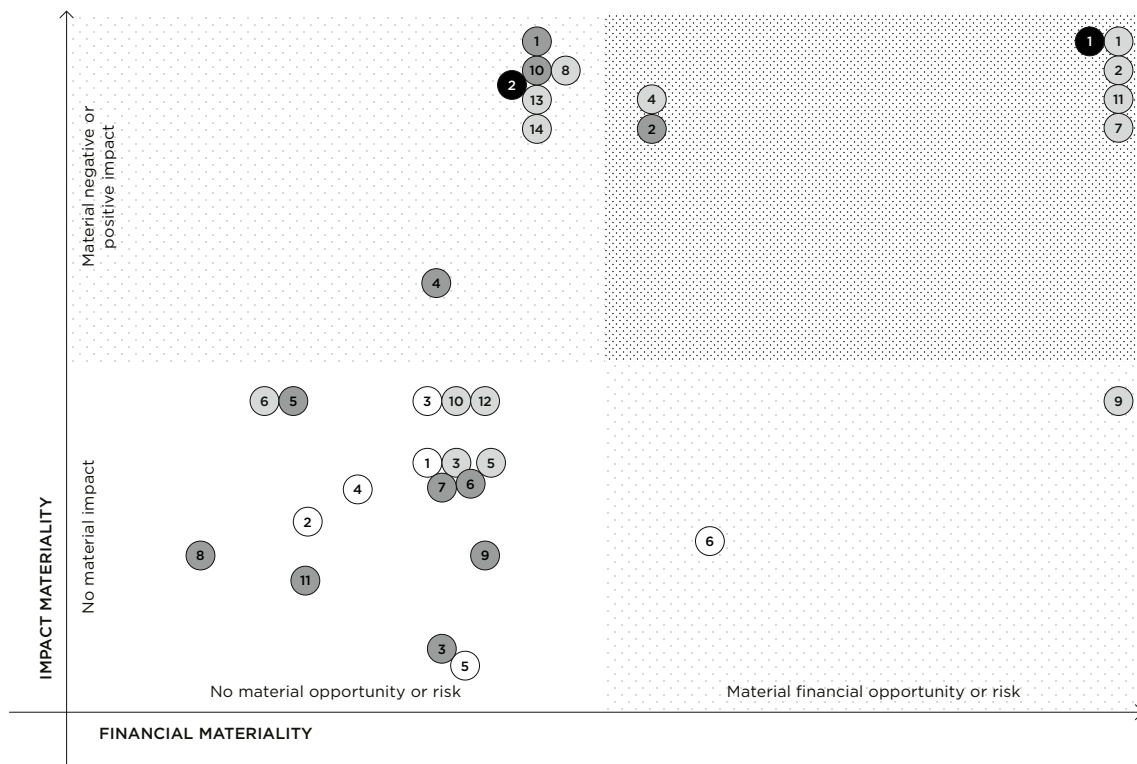
or perceptions. The company remains focused on executing its existing strategy while actively monitoring the market for potential opportunities that may arise in the future, ensuring that stakeholder interests continue to be addressed.

The Board of Directors (BoD) receives an annual update on sustainability-related topics, which includes insights into the interests and views of affected stakeholders, to ensure that the BoD is well-informed about stakeholder perspectives. This enables them to make informed decisions regarding the company's sustainability impacts.

Double Materiality Matrix

✓I The Clariant Double Materiality Matrix summarizes the 16 topics that were identified as material in the materiality assessment. The topics were identified as material, either because of impact materiality (upper part of vertical axis), financial materiality (right part of horizontal axis), or both (upper right quadrant). I

CLARIANT MATERIALITY MATRIX



ENVIRONMENT

1. Climate*
2. Energy*
3. Pollution of air
4. Pollution of water*
5. Pollution of soil
6. Pollution of living organisms and food resources
7. Substances of concern and very high concern*
8. Microplastics
9. Water
10. Marine resources
11. Direct impact drivers of biodiversity loss*
12. Impacts on species and ecosystems
13. Resource use
14. Waste

SOCIAL

1. Own workforce: Working conditions
2. Own workforce: Equal treatment*
3. Own workforce: Other work-related rights
4. Value Chain: Working conditions
5. Value Chain: Equal treatment
6. Value Chain: Other work-related rights
7. Communities' economic, social, and cultural rights
8. Communities' civil and political rights
9. Particular rights of indigenous communities
10. Information-related impacts for consumers and/or end users
11. Personal safety of consumers and/or end users

GOVERNANCE

1. Corporate culture
2. Protection of whistleblowers
3. Animal welfare
4. Political engagement and lobbying activities
5. Management of relationships with suppliers, including payment practices
6. Corruption and bribery

ENTITY-/SECTOR-SPECIFIC

1. Sustainable innovation/Innovation and technological advances*
2. Bio-based economy

	Not material topic		Material topic		*Material and relevant for non-financial reporting in Switzerland
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Article 964b of the Swiss Code of Obligations requires undertakings to prepare and publish a report that covers the following five areas:

- environmental matters (with particular focus on emissions targets);
- social issues;
- employee-related issues;
- respect for human rights; and
- combating corruption.

All topics in the upper right quadrant of the materiality matrix were identified as relevant in accordance with Article 964b of the Swiss Code of Obligations.

SBM-3 – Material impacts, risks, and opportunities (IROs) and their interaction with strategy and business model

The following table summarizes Clariant's material impacts, risks, and opportunities (IROs) identified through the double materiality assessment (DMA). Only items with a score of 10 or higher are included. These elements are concentrated within Clariant's own operations and across the upstream and downstream value chain. Within the upstream value chain, the focus lies on the most

important groups of raw materials for each business unit and across business units. Petrochemicals, particularly ethylene, represent the raw materials with the highest purchasing volume and have a very high relevance for Clariant's business model and daily business operations, particularly for Business Unit Care Chemicals.

Moreover, oleochemicals are highly relevant raw materials for the Business Unit Care Chemicals. They are also known for major environmental impacts, particularly in relation to palm oil and biodiversity. Metals used within Clariant's Business Unit Catalysts are highly relevant from a risk perspective. Precious metals are known for significant social and environmental impacts in the supply

chain. In addition, chemicals, such as phosphorus and derivatives, are important for Clariant's daily business operations across all units. Within Clariant's own business, the analysis includes a focus on all three business units, i.e., Catalysts, Care Chemicals, and Adsorbents & Additives, and includes the different production and R&D methods within the different countries.

Within the downstream value chain, the emphasis is on B2B customers in various sectors, including chemical manufacturers, oil/refining manufacturers, mining operations, manufacturers of personal care products and agrochemical solutions, and agriculture.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES (IROS)

Name + description + corresponding ESRS-sub-sub-topic or sub-topic + corresponding sub-chapter(s)	Type Actual/potential, positive/negative, impact/risk / opportunity	Value Chain Location			Time Horizon			Chapter
		Upstream	Own ops.	Downstream	Short-term	Medium-term	Long-term	
Contribution to climate change through the release of greenhouse gases	Actual negative impact	■	■	■	■			Climate Change
Provision of carbon-neutral products to reduce customers' emissions	Opportunity			■	■			Climate Change
Exacerbation of the energy shortage	Actual negative impact	■	■	■		■	■	Climate Change
Support for energy generation from renewable sources	Actual positive impact			■	■			Climate Change
Less volatility thanks to greater independence from the energy market	Opportunity		■	■	■			Climate Change
Contamination or impairment of water resources	Actual negative impact			■	■			Pollution of Water
Risk of increased operational and remediation costs	Risk		■				■	Pollution of Water
Reduced operational costs and enhanced business continuity	Opportunity		■		■			Pollution of Water
Clariant offers products that reduce water contamination	Opportunity			■		■		Pollution of Water
Negative effects on ecosystems	Actual negative impact	■	■		■			Substances of Concern and Product Stewardship
Securing market access through safer alternatives	Opportunity		■			■		Substances of Concern and Product Stewardship
Microplastics in products cause pollution due to non-biodegradability	Actual negative impact			■		■		Microplastics
Innovation in biodegradable solutions to mitigate environmental impact	Opportunity			■		■		Microplastics
Water withdrawal: Rising river temperatures hinder cooling use	Risk		■				■	Water
Water withdrawal: Reduced water availability and supply for production	Risk		■	■			■	Water
Water withdrawal: Reliable water supply ensures production continuity and customer trust	Opportunity		■			■		Water
Water consumption: Increased water reuse cuts withdrawal costs in stressed areas	Opportunity		■			■		Water
Fragmentation of the ecosystem and reduction of habitat	Actual negative impact	■	■	■	■	■	■	Biodiversity and Bio-Based Economy
Rising costs, e.g., for prescribed renaturation measures	Risk	■	■		■	■	■	Biodiversity and Bio-Based Economy
Soil and groundwater contamination	Potential negative impact	■		■	■	■	■	Biodiversity and Bio-Based Economy



Name + description + corresponding ESRs- sub-sub-topic or sub-topic + corresponding sub-chapter(s)	Type Actual/potential, positive/negative, impact/risk / opportunity	Value Chain Location			Time Horizon			Chapter
		Upstream	Own ops.	Downstream	Short-term	Medium-term	Long-term	
Innovations improve operational efficiency, reducing resource use and emissions	Actual positive impact		■	■		■		Sustainable Innovation and Technological Advances
Project delays and rising costs from changing customer demands and regulations	Risk	■	■	■	■			Sustainable Innovation and Technological Advances
Sustainable solutions growth	Opportunity		■	■	■			Sustainable Innovation and Technological Advances
Resource inflows, including resource use: Fossil fuel use in production contributes to high GHG emissions	Actual negative impact	■			■			Circular Economy
Resource outflows related to products and services: Improper waste management by consumers leads to environmental plastic pollution	Actual negative impact			■	■			Circular Economy
Waste: Persistent hazardous waste pollutes land and water, affects biodiversity and, endangers worker health in low-income countries	Actual negative impact			■	■			Circular Economy
Working Conditions / Health & Safety: »Injuries to employees«	Actual negative impact		■		■	■	■	Own Workforce
Equal treatment and opportunities for all / Gender equality and equal pay for work of equal value: »Persistence of the gender pay gap and negative contribution to gender equality«	Actual negative impact		■		■	■	■	Own Workforce
Equal treatment and opportunities for all / Training and skills development: »Employee dissatisfaction and higher risk of mental health issues«	Actual negative impact		■		■	■	■	Own Workforce
Equal treatment and opportunities for all / Diversity: »Exclusion or denial of participation in society or the ability to finance oneself«	Actual negative impact		■			■		Own Workforce
Equal treatment and opportunities for all / Gender equality and equal pay for work of equal value: »Attractive employer for high potentials who contribute to the economic success of the company«	Opportunity		■		■			Own Workforce
Equal treatment and opportunities for all / Training and skills development: »Motivated employees ensure higher revenues«	Opportunity		■		■			Own Workforce
Equal treatment and opportunities for all / Diversity: »Increased sales through good reputation«	Opportunity		■		■			Own Workforce
Increased health risks from inadequate safety measures in sourcing countries	Potential negative impact	■			■	■	■	Workers in the Value Chain
Active portfolio communication builds trust and strengthens customer relationships	Opportunity			■	■			Customer Relationships and Dialogue
Enhanced trust, reputation, efficiency, and compliance-driven risk mitigation	Opportunity		■	■	■			Business Conduct

Effects and time horizons of IROs on business model, strategy, people, and the environment

Clariant addresses IROs through specific strategies and responses, which are detailed in individual chapters of the report. These actions are integrated into the business model, value chain, and decision-making processes as follows:

- **Current and anticipated effects:** The identified material IROs have direct effects on the Clariant business model and value chain, influencing product innovation, operational efficiency, and market positioning. Anticipated effects include shifts in regulatory landscapes, resource availability, and customer preferences, which Clariant continuously monitors and incorporates into its strategic planning.

- **Response to effects:** Clariant has implemented measures to mitigate risks, capitalize on opportunities, and address sustainability impacts across its operations and value chain. This includes aligning product portfolios with sustainability goals, enhancing resource efficiency, and fostering collaboration with suppliers and customers.
- **Strategic adjustments:** While specific actions to address IROs are managed at a granular level within the respective business units, Clariant remains agile in adapting its overall strategy. This includes ongoing monitoring and adjustments in line with the evolving sustainability landscape, ensuring that Clariant can effectively navigate emerging risks and capitalize on sustainability-driven opportunities. Further details on how individual IROs are managed and integrated into Clariant's strategy are provided in the respective chapters of this report.
- Clariant's material impacts, both negative and positive, are detailed in the IROs table in the respective chapters. These impacts have various effects on people and the environment. For more specific information on how each material impact affects people and the environment, please refer to the IROs table in the topical chapters, which provides a breakdown across Clariant's operations and the value chain.
- Resilience of strategy to address IROs.
- Clariant's strategy and business model demonstrate resilience in addressing material impacts and risks, while seizing material opportunities. This resilience is grounded in the company's ability to adapt to market changes and regulatory shifts while maintaining a focus on sustainability. Clariant regularly assesses the impact of material risks and opportunities as part of its Strategic Management Process (SMP), aligning them with long-term sustainability goals.
- **Qualitative analysis:** Clariant's strategy integrates the PVP (Portfolio Value Program), which assesses and classifies products based on sustainability criteria. This ensures the company can respond to risks related to regulatory changes, environmental impact, and shifting customer preferences.
- **Quantitative analysis:** Clariant quantifies its resilience through metrics related to environmental impacts (e.g., carbon emissions, water usage), social impacts (e.g. DART, eNPS), product sustainability performance, and financial performance under different risk scenarios. Time horizons applied are short-term (up to 1 year), medium-term (1-5 years), and long-term (beyond 5 years).

Financial materiality threshold

Clariant's financial materiality assessment relies on the magnitude and likelihood of risks and opportunities, in alignment with the company's ERM framework. For a financial risk classification, Clariant uses the following classification: very low to low: <CHF 10-50m, medium: CHF 50-100m, high to very high: CHF 100m-9 999m.

Changes: Chapter consolidation and IROs specification

The bioeconomy and biodiversity topics, previously separate, are now combined into one focus area due to their overlap, especially in Clariant's product development and sustainability efforts. Clariant outlines which subtopics meet ESRS Disclosure Requirements and which are covered by entity-specific disclosures. This provides a clear view of how these sustainability factors are managed across its business model and value chain.

✓ I ERS 2-IRO-1 – Description of the process to identify and assess material impacts, risks, and opportunities

In 2024, Clariant refined its double materiality assessment, shifting focus to the sub-subtopic level. This enhancement builds upon the 2023 assessment, which was conducted at the subtopic level. The refined process combines:

- summarized external stakeholder inputs from 2023
- internal expert knowledge
- the refinement aimed to capture deeper insights and improve the accuracy of materiality judgments

Looking forward, Clariant plans to continue reviewing its materiality assessment annually with respect to:

- evolving stakeholder expectations
- regulatory requirements

Sustainability trends

Future revisions will be driven by changes in business strategy, stakeholder input, and emerging sustainability issues. I

Methodologies and assumptions to identify the IROs

Clariant's materiality assessment process involves a structured multistep methodology, designed to align with the ESRS framework and ensure comprehensive identification of material topics:

- **Conducting a status quo analysis:** Clariant mapped impact, risks, and opportunities to the sub-subtopics defined in the ESRS and performed a peer group analysis. The relevant SASB Standards, the MSCI Materiality Map, and CSR Risk Check were incorporated during this phase to ensure alignment with industry best practices.

✓ I Basis for the topics

Longlist development: Topics were derived from the ESRS framework (10 topics, 37 subtopics) and analyzed primarily at the subtopic level for efficiency. Predefined material topics were mapped to the ESRS list, with additions like »bio-based economy« for entity-specific relevance. Peer analysis (Evonik, Solvay, Croda) identified »sustainable innovation« as a priority for the specialty chemical sector.

Shortlist refinement: Desk research using SASB standards, the MSCI Materiality Map, and CSR Risk Check identified irrelevant topics like »social inclusion of consumers,« excluded due to Clariant's B2B focus. Aggregation of similar topics allowed for clearer expert evaluations of company-specific impacts, risks, and opportunities.

- **Involving internal stakeholders:** 18 internal stakeholders, across various departments, evaluated the actual and potential impacts, risks and opportunities in Clariant's operations and across its value chain, including upstream and downstream activities.
- **Involving external stakeholders:** 19 interviews were conducted with customers, suppliers, NGOs, sustainability experts, and financial institutions. Financial institutions provided insights from a financial materiality perspective, while other external stakeholders contributed to the impact perspective.
- **Determining impact materiality:** Impact materiality was determined by assessing the severity and likelihood of potential negative and positive impacts using a specific threshold. Negative impacts were evaluated as Severity × Likelihood, while positive impacts were evaluated as Magnitude × Likelihood.
- **Determining financial materiality:** Financial materiality was assessed based on the magnitude and likelihood of risks and opportunities, following Clariant's Enterprise Risk Management (ERM) classifications.
- **Consolidating results:** The findings were consolidated and presented to top management for review and validation.

To summarize the key assumptions, the stakeholder feedback collected during the assessment was assumed to reflect the perspectives of broader stakeholder groups for a comprehensive representation in the materiality analysis. External data, including regulatory trends and peer benchmarks, were evaluated for relevance and applicability to the reporting period 2024–2026. To ensure consistency with Clariant's business objectives and strategic direction, all identified material topics underwent an internal validation process.

Input parameters to identify the IROs

Clariant used a comprehensive range of input parameters to support its materiality assessment process so that the assessment is grounded in robust data and aligned with both internal and external expectations. The following key input parameters are applied:

- **Data sources:** Internal reports and sustainability-related performance data; environmental assessments, including product carbon footprints (PCFs) and climate-related impact reports; external benchmarks, such as the MSCI Materiality Map and relevant SASB Standards; feedback from the CSR Risk Check tool.

- **Scope of operations covered:** Clariant's assessment encompasses its full value chain, including upstream (suppliers) and downstream (customers) activities. Both global operations and region-specific data are incorporated to ensure a complete view of the company's impacts, risks, and opportunities. **I**

Sustainability management at Clariant: Policies

✓ **I** Based on Clariant's Management Bylaws, Clariant is guided by its corporate values and its Code of Ethics in all its business activities. Its commitment to sustainability is outlined in its Group Sustainability Policy. Clariant is using the Portfolio Value Program (PVP) to assess the innovation projects and product portfolio according to their sustainability performance with respect to sustainability ambitions, often setting requirements beyond those outlined in applicable regulations. The standards and guidelines are applied throughout the Group. Clariant promotes internationally recognized principles, such as the principles of the UN Global Compact, and complies with international labor and social standards of the International Labour Organization (ILO), as outlined in the Human Rights Policy. The company expressly acknowledges International Labour Organization (ILO) Conventions 138 (Minimum Age Convention) and 182 (Worst Forms of Child Labor Convention) as the minimum standard.

The main reporting channel for any indication of bribery, corruption, and money laundering is Clariant's Integrity Line. Reports are handled by the compliance team under the Head of Compliance's supervision.

→ Read more in »Business Conduct.«

Clariant's commitment to No Deforestation, No Peat, No Exploitation (NDPE) in the palm oil value chain is outlined in the palm oil policy. Clariant also abides by the principles of the Responsible Care® Global Charter, which was initiated by the members of the International Council of Chemical Associations (ICCA). It creates a global vision and highlights the industry's commitment to continuous improvement in the environmental, health, and safety performance of chemical producers worldwide.

Clariant expects its business partners to comply with prevailing laws, regulations, and internationally recognized principles, as also described in our Supplier Code of Ethics.

- Clariant's social commitment is fostered through its Volunteering Policy, providing employees with paid time off to volunteer in Clariant's communities.
- Innovation is managed through the Idea-to-Market (I2M) process, which is the core process within R&D management.
→ Read more in »Sustainable Innovation and Technological Advances.« **I**

Clariant's Sustainability Policy prioritizes investment in research, development, and technology, with sustainability as a core innovation driver. The policy emphasizes utilizing the I2M process and setting clear KPIs to guide innovation efforts and strategic discussions. It leverages digitalization in R&D and operations to enhance efficiency and resource savings. The policy also highlights the importance of fostering industry and academic partnerships to accelerate value chain innovation. These elements drive sustainable practices across all business operations, aligning innovation efforts with Clariant's sustainability goals.

The company's innovation process is driven by addressing customer needs and pain points and aligning policies with stakeholder expectations. Business units play a crucial role in innovation, engaging in portfolio risk assessments, scientific evaluations, and regulatory strategy.

Clariant's policy-setting process considers the interests of key stakeholders, including customers, employees, regulators, and the broader community. Clariant makes its policies accessible to all relevant stakeholders through internal communication channels. This approach guarantees that both those potentially affected by the policies and those responsible for their implementation have full access to the necessary information, supporting organization-wide understanding and adherence to these important guidelines.

✓ I Sustainability management at Clariant: Actions

Clariant has set environmental targets in its efforts to increase sustainability. All business units have developed roadmaps toward these 2030 sustainability goals. In this context, they defined improvement projects, planned their implementation, and calculated medium-term investments and specific intermediate reduction targets for 2025. Progress toward these targets is monitored regularly. I

How impacts are managed

Growing demand for sustainability products and solutions

Consumer and customer demand for sustainable products increased again in 2024. In response to this development, Clariant continuously brings forward sustainable solutions that do not compromise on performance or on the company's commitment to fulfilling customer needs. That is why Clariant's innovation portfolio has shown particularly robust performance over the past few years, allowing it to grow through innovation.

The number of consumers considering sustainability criteria when buying products continues to increase. In addition, in 2024, Clariant experienced an expansion of industrial goods companies taking sustainability criteria into account in their buying decisions,

most frequently to lower their carbon footprint. These trends are expected to endure in the future, driven by an increasing number of companies setting climate-related targets, including Scope 3 targets, and by increasing pressure to back up sustainability claims of products with robust data.

Clariant's customers face challenges surrounding climate change, safe and sustainable chemistry, plastic waste, and overall circular economy needs. Clariant's sustainable products help them achieve their sustainability targets, decrease their environmental footprint, and comply with existing and anticipated policies and regulations.

FEATURED STORY



Getting the full picture with product life cycle assessments

If you own an electronic device, chances are that it contains a brominated flame retardant. While this type of retardant is effective, it may also have negative effects on human health and the environment. This is why the industry is looking for alternatives such as phosphorus-based flame retardants, which are safer and less toxic.

Toxicity is an important category to consider when determining a product's impact on humans and the environment. But to get the full picture, researchers have to consider a wider range of categories over its entire life cycle – including water use, ozone depletion, and land use.

This is why Clariant initiated a life cycle assessment – one of the first of its kind to be published in a scientific journal – comparing the phosphorus-based Exolit™ OP 1400 with bromine-based flame retardants. The analysis considered the entire value chain in the production of plastic charging plugs, from the extraction of the raw materials bromine and phosphate rock to compounding and injection molding to the hazardous waste incineration at the end of the life cycle. The study was published in 2024 and showed that the overall environmental impact of Exolit™ OP 1400 is indeed lower, with savings in 12 out of 13 impact categories.

[Learn more](#)

KEY AREAS COVERED BY PVP'S 39 CRITERIA

Raw Materials	Own Production	Use Phase	End of Life
GHG and water footprint	GHG emissions and water consumption	GHG and other emissions and water consumption	Biodegradability and compostability
Chemical hazard profile	Chemical hazard profile and hazardous waste	Levels of solvents and VOCs	End-of-life evaluation, whether supports reuse or recycling of articles
Use of renewable raw materials, and if food-competing, certified, or genetically modified	Use of recycled material and recycling of side products	Supporting transition to bio-economy	Partnerships and collaboration along the value chain: EU Taxonomy
Impact on biodiversity; sustainable sourcing; traceability and scarcity	Waste generation	Supporting customers to use fewer resources, shift to a circular economy, and use circular packaging	
	Material efficiency	Third certification of product; overall sustainability benefit to customers	
		Waste and wastewater generation	
		Material efficiency and additional performance features	

Portfolio Value Program (PVP)

Since its launch in 2012, Clariant's Portfolio Value Program (PVP) serves as a strategic tool for evaluating and steering the product and project portfolio toward increased sustainability. With a major update introduced in 2022, the methodology is now continuously refined to proactively anticipate and address external requirements and initiatives while aligning with Clariant's expanding sustainability objectives.

The product and project portfolio are continuously assessed according to PVP requirements. The PVP screening methodology employs a two-sided assessment approach, which compares each product against the market average and holistically evaluates each product across 39 criteria. This approach establishes a »checks and balances« system that ensures a balanced assessment between market-based performance and absolute benefit-risk, reducing the risk of misleading results. Aligned with both present and future sustainability requirements, the PVP criteria mirror Clariant's 1+5 priorities, ensuring a robust evaluation that covers a cradle-to-grave thinking.

The PVP incorporates the sectoral Portfolio Sustainability Assessment (PSA) framework of the World Business Council for Sustainable Development (WBCSD), underscoring Clariant's ongoing commitment to sustainable business practices. Clariant contributed to the initial development of the PSA framework in 2018, and in 2023, Clariant proudly collaborated once again with WBCSD and industry peers to develop the revised version. In 2024, Clariant partnered with ERM to conduct a high-level review of the PVP, focusing on its alignment with the PSA, identifying deviations, and providing recommendations. The main findings of this review are detailed in a report available on Clariant's Portfolio Management

page. Among these, ERM notes that »the PVP reflects the comprehensive scope of PSA 2.0, while adapting the methodology for enhanced sustainability assessment and decision-making. Although the systems use different terminology, they share common objectives in advancing portfolio sustainability transitions.«

Steering the product portfolio toward sustainable solutions has become a cornerstone toward implementing climate, nature, and social equity goals while providing key insights into how to address physical company risks. This requires building a common language in the value chain and a standardized methodology that can be adopted across sectors. Since 2023, Clariant has supported the shaping and execution of WBCSD initiatives aiming to develop a sector-agnostic standardized methodology to assess sustainability risks and opportunities and steer the product/service portfolio toward sustainable solutions. In 2024, Clariant took over the role as steering committee member and in addition, accepted the responsibility to co lead one workstream, Clariant has continued to provide strategic guidance, insights, and company experience, and help mobilize stakeholders for success. This project will be continued in 2025.

The PVP screenings play a pivotal role in providing Clariant with insights, offering a comprehensive understanding of sustainability drivers and concerns within Clariant's existing and upcoming portfolio. This serves as a proactive early warning system, enabling the identification of solutions that could be vulnerable to regulatory impact and negative market perception. To address sustainability concerns, mitigation options are developed as necessary, reflecting our commitment to responsible business practices.

PVP CATEGORIZES THE CLARIANT PORTFOLIO IN FOUR CATEGORIES



Frontrunners of the market segment standing out for their sustainability excellence performance.

SUSTAINABLE

Products with a positive sustainability contribution.

TRANSITIONAL

Products with material sustainability risks without more sustainable viable alternatives; have active R&D projects to achieve sustainable solutions.

NON-SUSTAINABLE

Products with material sustainability risks with more sustainable viable alternatives in the market, require phase-out within 5 years.

The PVP establishes a robust foundation of sustainability evidence, anchored in reliable criteria, and verified assessments. This foundation facilitates collaborative engagement with key stakeholders, ensuring a transparent and credible approach to sustainable solutions. Any external sustainability claim is communicated only for products classified as EcoTain™ or sustainable. This approach underscores Clariant's dedication to delivering and communicating sustainable practices with integrity and accountability.

Products undergo a PVP screening before commercialization. PVP screenings are conducted annually, covering Clariant's innovation process (Idea to Market), via PVP R&D assessments to ensure sustainability requirements are met at key milestones. Projects labeled »nonsustainable« cannot advance until all sustainability concerns are resolved, reinforcing the commitment to sustainable innovation.

In 2024, Clariant focused on three key areas. First, prioritization of (re)screening across business units to achieve a minimum of 75% PVP coverage of sales to external third parties. Second, continued development of PVP R&D screenings for the project portfolio, ensuring the sustainability of the future project pipeline. Third, building on the significant governance improvements made in 2023, Clariant conducted a deep dive into all products classified as »nonsustainable.« This resulted in the recategorization of products facing sustainability risks but not having more sustainable alternatives and those with active R&D projects, moving them into the Transitional category. For the remaining products that did not meet the criteria for this category, Clariant established clear next steps and responsibilities within each segment, often including phase-out roadmaps.

Continuing the journey toward enhanced governance while streamlining internal processes, a revision of the EcoTain™ label was started in 2024 to simplify procedures while maintaining its credibility and transparency. As a result of this update, no new EcoTain™ products were classified in 2024. However, an increase is expected starting in 2025 with the rollout of the new process.

Regular training on PVP internally as well as with external audiences ensures the level of understanding required. Internal training covered the onboarding of new colleagues, department-specific training, and an introduction to the Clariant Innovation Green Belt Training. In total, the training reached more than 60 people. This included two sessions for BU Adsorbents & Additives, which was attended by 44 people. External training has been customer-specific, as well as in specific forums to foster discussion and transpar-

ency on the topic. Examples include the OECD workshop on »Additional Attributes Beyond »Safer for Chemical Selection and Substitution« and Cefic's »Safe and Sustainable by Design – A Well-Established or New Guideline for Innovation?« inACHEMA.

SUSTAINABILITY PORTFOLIO CLASSIFICATION

	Total 2024
Product portfolio screened for sustainability performance via PVP (sales %) ¹	77
Screened products meeting internal sustainability definition, EcoTain™ + Sustainable (sales %) ²	85
Screened products not meeting internal sustainability definition, Transitional + Non-Sustainable (sales %) ²	15

¹ Considers sales from products classified as "EcoTain™", "Sustainable", "Transitional", "Non-Sustainable", "Excluded". Excluded are sales not involving third parties, non-strategic items, and internal transactions like joint ventures, licenses, discontinued products, samples, traded goods, and waste.

² Disregards "not screened" products and those "excluded".

Dynamic PVP

In 2024, Clariant introduced a new tool, the Dynamic PVP, to gain real-time insights into how changes in sustainability criteria affect its product portfolio. Developed by a cross-functional team from Product Stewardship, Sustainability Affairs, and Engineering & Process Technology, this tool was integrated into the existing PVP process. It enables fast simulations of the impact of new sustainability developments, helping the business conduct early risk analysis and prioritize innovation projects.

Unlike traditional static assessments, the Dynamic PVP offers continuous evaluation of changes in regulations, hazard classifications, or sustainability requirements. It can quickly simulate how these changes would affect the portfolio without a reassessment of all criteria. This forward-looking approach allows Clariant to identify products that may become nonsustainable due to evolving criteria and to target those products for improvement or innovation. By doing so, Clariant can proactively address sustainability challenges before they escalate, ensuring the portfolio stays aligned with emerging standards and stakeholder expectations. In 2024, the Dynamic PVP was commended by the Responsible Care® Award in the category »Time for Change« under »Transition to Safe and Sustainable Chemicals« for its comprehensive nature and strong potential.

Clariant designators:

Clariant's product sustainability designators help orient customers and value chains to the sustainability benefits of our products and solutions. They can be found across Clariant's sustainable product portfolio and target market and customer needs. In addition to meeting minimum market expectations on sustainability, products

and solutions distinguished with sustainability designators deliver confirmed contributions in some particularly important sustainability areas, such as renewable resource-based ingredients, plastics recycling, and circularity.

Terra: Found on products and solutions with significant content based on renewable resources, featuring biomass-balance certification or real renewable content of at least 50 % RCI (Renewable Carbon Index).

Vita: Found on products and solutions based on renewable resources, with real renewable content of at least 98 % RCI (Renewable Carbon Index). A biomass-balance approach is not allowed.

Circle: Found on products with the primary purpose of supporting the reduction, reuse, or recycling of plastic products demonstrating a beneficial and validated performance above the market standard.

Overall, the number of products with designators has increased over the past three years, reflecting the increasing interest in clearly distinguishing sustainability-driven products. The number of products with the Terra designator grew in 2024 to 122 different products being offered. Products with the Vita designator increased to 88 products, while products supporting circularity remained stable at 22. This development reflects the provision of products based on renewable carbon while decreasing dependencies on fossil-based raw materials.

Progress toward Clariant's sustainability targets

In line with the Science-Based Targets initiative (SBTi), the company's → **science-based targets** demand ambitious absolute reductions by 2030, compared to 2019:

- Scope 1 and 2 greenhouse gas emissions: – 40 %

- Scope 3 greenhouse gas emissions from purchased goods and services: – 14 %
- The Science Based Targets initiative (SBTi) requires a baseline review every five years or when significant changes (±5 %) occur in the baseline emissions. While Clariant's mandatory recalculation was initially scheduled for 2026 (following the 2021 SBTi target validation), the company conducted a comprehensive rebaselining project in 2024. This was prompted by cumulative changes exceeding the threshold across scope 1, 2, and 3 emissions. The recalculation encompassed all scopes and relevant scope 3 categories. The rebaselining process implemented current reporting methodologies while maintaining consistent data granularity between the 2019 baseline and present reporting standards.
- Scope 1 and 2 greenhouse gas emissions: – 46.9 %
- Scope 3 greenhouse gas emissions from purchased goods and services and end-of-life treatment of sold products: – 27.5 %

Consequently, the new targets have been submitted to the Science-Based Targets initiative (SBTi) for validation.

Consistent with its strategic pillar of the purpose »Leading in Sustainability,« Clariant has additionally set the target to have 85 % of the portfolio (in % of sales) classified as Sustainable or EcoTain™ by 2027.

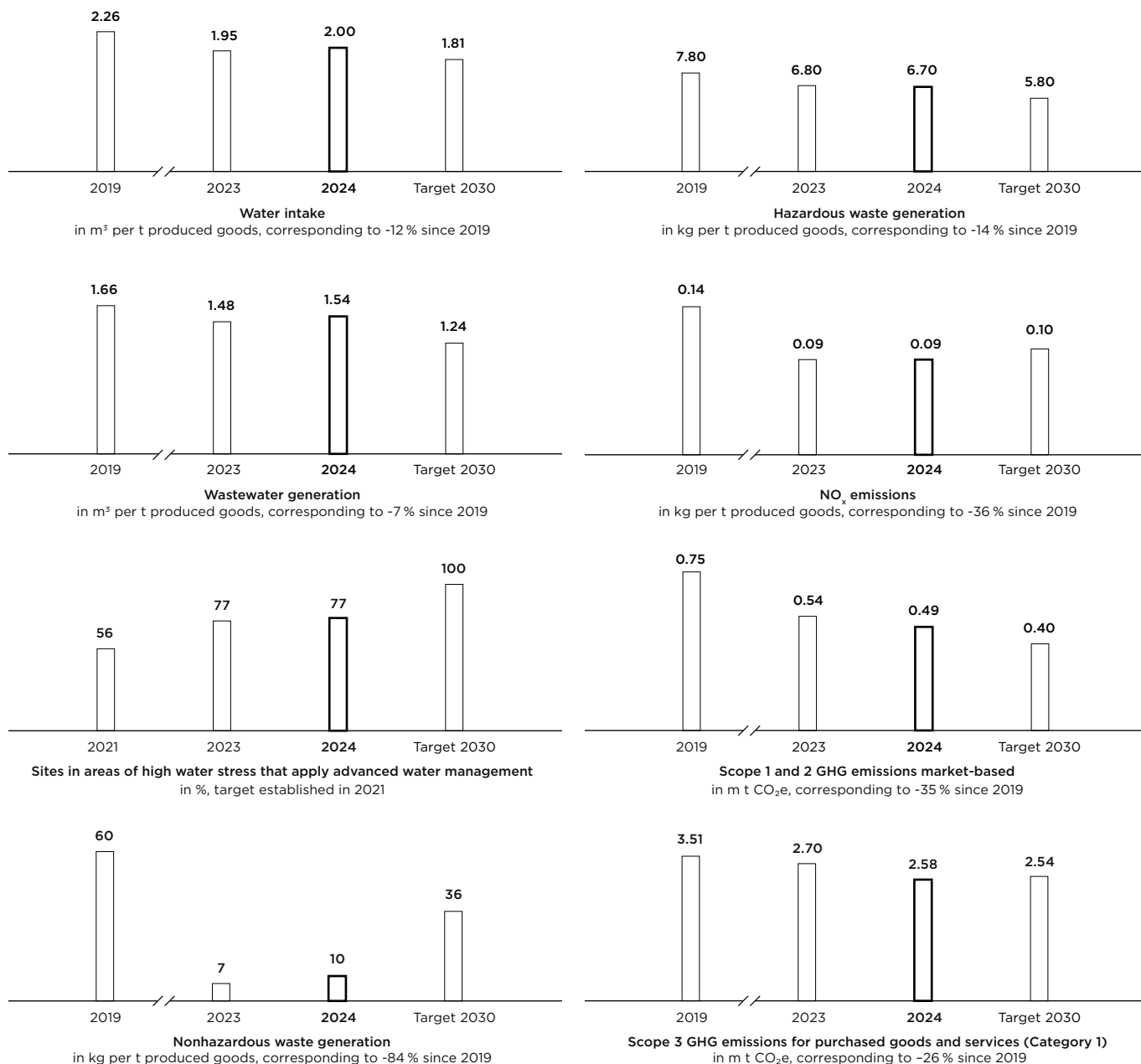
Furthermore, Clariant has set itself more sustainable operations targets for the 2019–2030 period, measured by impact per ton of production:

- Water intake (without »pass-through« cooling water): – 20 %
- Wastewater generation: – 25 %
- Share of sites in areas of high water stress that apply advanced water management: 100 %
- Landfilled nonhazardous waste: – 40 %
- Hazardous waste: – 25 %
- Nitrogen oxide emissions: – 30 %

»Our commitment to sustainability is reinforced as we upgrade our climate targets and respond to our customers' need for readily available and reliable product carbon footprints.«

Bettina Siggelkow
Head of Sustainability Affairs

PROGRESS TOWARD 2030 TARGETS



All diagrams refer to the production activities of continuing business only (without Pigments).

Sustainability management at Clariant: Progress

Expenditures for environment, safety, and health protection are the bases to support Clariant's ambitious targets to keep the environmental performance. In 2024, investments related to environment, safety, and health decreased slightly to CHF 43.1 million, including CHF 9.0 million for environmental protection. The expenditures for environment, safety, and health protection in operative facilities were CHF 109.3 million, including CHF 69.1 million for environmental protection.

Overall, Clariant is well on track to achieve its 2030 emission reduction targets. For Scope 1 and 2 emissions, since 2019, there has been a 35% (265 kt CO₂ equivalents) absolute reduction, which brings Clariant ahead of the trajectory toward the goal of a 46.9% reduction by 2030.

Notably, our Bonthapally site in India has already achieved net-zero Scope 1 and 2 emissions, becoming Clariant's first production site to reach this milestone.

For Scope 3 category 1 emissions from purchased goods and services, Clariant exceeded expectations, achieving a 26% emission reduction since 2019, bringing Clariant well ahead on the trajectory toward the 2030 target of a 27.5% reduction compared

to a 2019 baseline. The decline in Scope 3.1 emissions is partly attributable to the shift toward low-carbon materials, including bio-based raw materials; an increase in recycled materials; and a portfolio shift from commodities to specialties. Decreased purchasing volumes across certain business segments, driven by lower demand and effective inventory management, added to a decrease in Scope 3 category 1 emissions.

Progress towards the environmental targets is well on track. The impact is measured per ton of production. Water intake reduction corresponds to -12% since 2019 and wastewater generation to -7% since 2019. The specific water intake reduction slightly increased due to production volume decrease and year-on-year fluctuations, despite a decrease of the total water intake by 3%. The total wastewater generated in 2024 is only 2% below 2023. In some areas, Clariant faced significant more rain that impacted the wastewater volume. The specific wastewater generated per ton of product increased from 1.48 to 1.54 due to 5% lower production volume.

The generation of hazardous waste could be further reduced and is well on track to reach the 2030 target. Specific NO_x emissions remained on last year's level and already exceeded the 2030 target. Clariant also exceeded its target to reduce landfilled nonhazardous waste measured per ton of production between 2019 and 2030 by -40%. The specific nonhazardous waste generation could be reduced by 84% against the 2019 baseline. This improvement was achieved by finding a second life for a large-volume by-product.

In 2024, 77% of sites in areas of high water stress applied advanced water management. This reflects an improvement since the baseline was established in 2021, and the result is well on track toward the 100% target in 2030.

Clariant's efforts in innovation and sustainability are also acknowledged through reputable awards, such as the Responsible Care™ Award 2024 (Graphical User Interface (GUI) project), the Energy Industries Council Award (Energy Transition), first place at BSB Innovation Awards (active ingredients category for Corneo-peptyl™), the Gulf Energy Information Excellence Award (CLARITY™), and the 2024 Syngenta Supplier Sustainability Award (»Reduction in Water Impact«). → **Read more in »Sustainable Innovation and Technological Advances.«**

Clariant also continued its podcast »Sustainability Shift,« featuring discussions about sustainability with external guests. Even though only one episode was published in 2024, there have been more prepared for publication in 2025.

Through its corporate citizenship activities, Clariant is creating a positive impact across the globe, particularly in the communities around the sites. Clariant's Volunteering Policy allows each employee to spend a day performing volunteer activities of their choice. In 2024, Clariant employees performed different types of volunteer work around the globe, including tree planting, waste collection, and social support.

EXAMPLES OF CORPORATE CITIZENSHIP ACTIVITIES

- Clariant Foundation donation to support education in rural communities in Brazil
- Participation by Clariant employees in World Clean Up Day and in other cleaning initiatives in Germany, India, Malaysia and US
- Supporting local »Araçá Project« for an environmental restoration in the Peixe and Camanducaia river basins in Brazil
- Providing essential aid to local communities in Bintan, Indonesia
- Volunteering activities by Clariant employees at Kati Primary School in South Africa

ESRS E1: Climate Change

Summarized by Clarita^{AI}

- + Clariant has set ambitious targets to achieve net-zero scope 1 and 2 emissions by 2050, with a detailed roadmap focused on renewable energy transition, energy efficiency improvements, and replacing fossil fuels with biomass and electrification.
- + In 2024, Clariant conducted a comprehensive rebaselining of its scope 1, 2, and 3 emissions, updating methodologies and emission factors to enhance accuracy and transparency in emissions reporting. The rebaselining also accounted for the impact of acquisitions and divestments on the emissions baseline.
- + Clariant engages with external stakeholders, leverages internal tools such as the Sustainable Operations Cockpit and eWATCH™, and utilizes its AI assistant Clarita to drive emission reductions across operations and the value chain.

Introduction

✓ **I** Climate change is widely recognized as one of the greatest challenges in recent times, and greenhouse gas emissions are at their highest levels in human history. Droughts, heat waves, melting glaciers, and biodiversity loss pose serious risks to life as we know it. Customers are searching for low-carbon alternatives, including materials produced using renewable energy, to meet their climate targets. Meanwhile, an increasing number of financial players are requesting investor-grade data for non-financial information. Clariant is fully committed to operating sustainably and reducing pollution from its business activities. **I**

The first binding global milestone occurred at the United Nations (UN) Climate Change Conference in Paris, France, in 2015 to limit global warming to 1.5 °C. At COP29 in December 2024, countries committed to tripling climate finance for developing nations but failed to reach a unified agreement on phasing out fossil fuels despite rising global emissions and the urgency of meeting the 1.5 °C target.

The EU has adopted its »Fit for 55« climate and energy package, a major legislative effort that targets a reduction of GHG emissions by at least 55% by 2030 compared to 1990 levels. With the adoption of the revised Renewable Energy Directive (REDIII) and the ReFuelEU Aviation Regulation in October 2023, the EU now has legally binding enhanced climate targets covering key sectors of the economy ranging from industry to transport, incentivizing

technologies such as renewable hydrogen, e-fuels, advanced biofuels, and biogas. The overall package also includes an expanded and more ambitious Emissions Trading System (ETS), a new Carbon Border Adjustment Mechanism (CBAM), and emission reduction targets across sectors. The US Inflation Reduction Act (IRA) also includes unprecedented measures and incentives supporting GHG emission reductions, clean energy, and clean mobility.

China is positioning itself as the global leader in renewable energy, solar power capacity, and electric vehicle (new energy vehicle (NEV)) production. China has a critical role in the success of global efforts to prevent climate change. In 2024, China accelerated the PV and wind power deployment and increased the renewable energy (hydropower, PV, wind, and bioenergy) share of the total power generation. E-mobility development continuously grew at a fast pace in China. In the first three quarters of 2024, 8.3 million NEVs were produced, an increase of 31.7% year on year.

Clariant constantly optimizes its own operations with respect to reducing GHG emissions and focuses on climate issues along its entire value chain and the life cycle of its products.

ESRS 2 SBM 3 – Material impacts, risks, and opportunities and interaction with strategy and business model

✓I As sustainability is of strategic importance for Clariant, the Board of Directors (BoD) is advised by the Innovation and Sustainability Committee (ISC) quarterly. → [Read more in »General Disclosures.«](#) The Chief Strategy and Technology Officer (CSTO), who has the highest management responsibility for sustainability

topics, regularly reports to the ISC on progress and risks and proposes mitigations in relation to the sustainability policy. The ISC monitors the progress on sustainability KPIs, including scope 1, 2, and 3 emission reductions and the corresponding reduction roadmaps. In addition, the CSTO oversees and manages climate risks and opportunities across the company and is part of the Executive Leadership Team. I

At an operational level, the Group Function Sustainability Affairs (SA) coordinates core teams that steer the reduction of emissions relative to scope 1 & 2 and scope 3 purchased goods and services (category 1) and drives other climate-related topics such as the Task Force on Climate-related Financial Disclosures (TCFD). The core teams include BU and Procurement representatives, including other relevant representatives from different functions. The SA team's mission is to develop strategies with the BUs to achieve Clariant's climate targets and to identify investment needs, risks, and mitigation activities. Clariant will conduct a full reassessment of impacts, risks, and opportunities (IROs) in 2025.

Sustainability Affairs is responsible for ensuring that climate and environmental data are being managed in response to increasing demands from the investor community.

✓I IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks, and opportunities

A double materiality assessment identified negative and positive impacts, risks, and opportunities. For a detailed discussion of the process and outcome, please see the → [»General Disclosures«](#) chapter.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES (IROS) RELATED TO CLIMATE CHANGE: IRO-1

IRO	Description + corresponding ESRS-sub-sub topic or sub-topic + corresponding sub-chapter(s)	Type (Actual/potential, positive/negative, impact/risk / opportunity)	Value Chain Location			Time Horizon		
			Upstream	Own ops.	Down-stream	Short-term	Medium-term	Long-term
Contribution to climate change through the release of greenhouse gases	Climate change mitigation (Climate)	Actual negative impact	■	■	■	■		
Provision of carbon -neutral products to reduce customers' emissions	Climate change mitigation (Climate)	Opportunity			■	■		
Exacerbation of the energy shortage	Energy (Energy)	Actual negative impact	■	■	■		■	■
Support for energy generation from renewable sources	Energy (Energy)	Actual positive impact			■	■		
Less volatility thanks to greater independence from the energy market	Energy (Energy)	Opportunity		■	■	■		

Description of the IROs

Climate – Negative impact (upstream, own operations, downstream). Contribution to climate change through the release of greenhouse gases: Clariant's greenhouse gas (GHG) emissions contribute to global warming and climate change, which could pose significant risks to both nature and human well-being. The negative impacts could include health issues, food insecurity, migration, and potential conflicts. A substantial portion of Clariant's GHG emissions are scope 3 emissions, primarily from purchased goods and services (scope 3, category 1 (3.1)) and end-of-life treatment of sold product emissions (scope 3, category 12 (3.12)).

Climate – Opportunity (downstream). Provision of carbon-neutral products to reduce customers' emissions: Clariant can expand its market share by meeting the growing demand for low-emission products or solutions that enable low-emission processes. This shift toward sustainable products is consistent with increasing regulatory requirements and consumer preferences for climate-conscious choices.

✓ Energy – negative impact (upstream, own operations, downstream). Increasing costs for fossil energy and potential shortage of renewable energy: Energy-related negative impacts across Clariant's value chain include the sourcing of raw materials that rely heavily on fossil fuels, both as feedstock and energy sources for production. Additionally, the chemical industry still has to rely on fossil fuels. As fossil energy faces increasing carbon pricing, Clariant is facing increasing indirect costs for energy.

Energy – positive impact (downstream). Transition to renewable energy sources: Switching to renewable energy and using energy-efficient products has a positive impact on the climate by reducing the carbon footprint and promoting sustainable energy use. The transition supports the broader goal of mitigating climate change and helps society reduce its dependence on fossil fuels while promoting a more sustainable and energy-efficient future.

Energy – opportunity (own operations, downstream). Less volatility due to greater independence from the energy market: Focus on increased energy efficiency and reduced dependence on fossil fuels creates positive impacts by promoting cost savings and

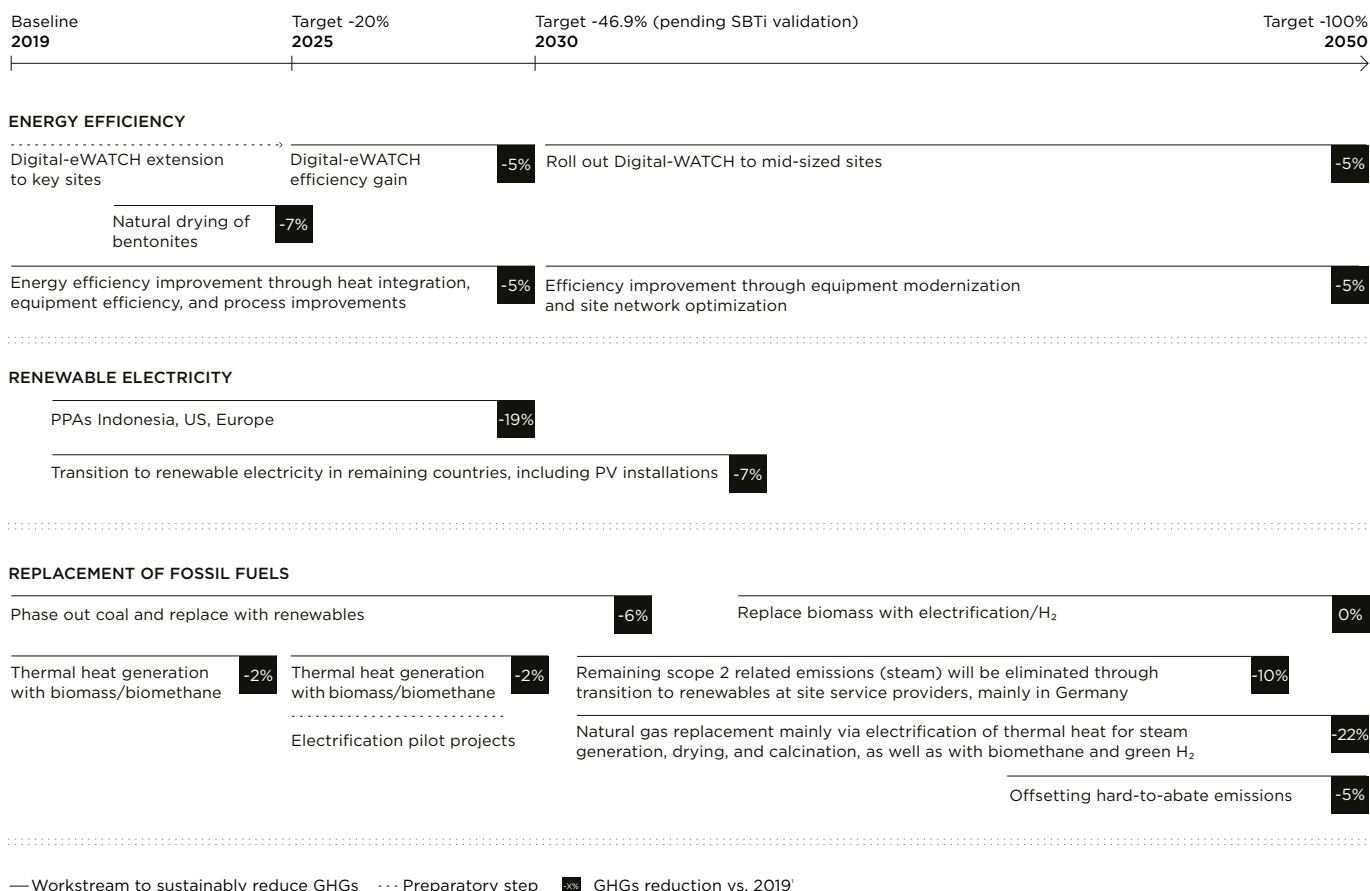
resource optimization. Shifting to Power Purchase Agreements (PPAs) ensures price stability, helping to mitigate energy price volatility. Utilizing more efficient transport methods reduces reliance on fossil fuels, lowering both scope 3 emissions and energy costs.

E1-1 – Transition plan for climate change mitigation

Clariant's transition plan for climate change mitigation aligns with the objectives of the Paris Agreement and the European Climate Law, limiting global warming to 1.5 °C. The company has set its own ambitious goal to achieve climate neutrality by 2050 across its operations (scope 1 & 2). To meet the targets, Clariant developed a detailed net-zero roadmap, which outlines key strategic adjustments to its operating model. These include transitioning to 100 % green electricity sourced from renewable energy, combined with significant enhancements in operational efficiency to reduce energy consumption and emissions. Power Purchase Agreements (PPAs) will contribute 19 % where available and applicable. Renewable Electricity Certificates (RECs) will contribute an additional 7 % to the target achievement.

Replacing fossil fuels has already begun, but near-total replacement is the most significant challenge to reducing emissions beyond 2030. Coal has been replaced by biomass and partially, as an interim step, by natural gas. This is expected to lead to a reduction of around 5-6 % by 2030. The replacement of natural gas (scope 1) will be mainly through electrification, with the pilot phase starting after 2025. To a lesser extent, Clariant plans to use biomethane and, if available at affordable costs, green hydrogen for specific applications. The remaining hard-to-abate 5 % of scope 1 & 2 emissions will be offset through certificates. Clariant implements energy efficiency measures in combination with digitalization (Digital-eWATCH), which are expected to reduce GHG emissions for scopes 1 & 2 by 10 % by 2030 and another 10 % by 2050. This is supported through the use of AI for energy and resource efficiency. Production processes are investigated with a hybrid of machine learning and a large language model. Clarita – Clariant's AI assistant – automatically interprets results, combines findings, and detects outliers. Clarita also proposes measures to improve operations performance and save energy.

CLARIANT'S SCOPE 1 & 2 GHGs NET-ZERO ROADMAP



¹ potential growth related emissions must be reduced as well.

In addition, the use of coal will be phased out. The initial focus is to reduce and finally eliminate coal. Each business unit (BU) evaluates its specific impacts and identifies projects to reduce scope 1 & 2 GHG emissions.

Switching the drying of bentonites from fossil fuel-based drying to natural drying will contribute 7% by 2025. This measure serves to improve the efficiency and transition from fossil energy to renewable energy, such as solar and wind energy. In general, the substitution of coal as a fuel for steam generation is planned.

Energy is one of Clariant's 1+5 sustainability priorities in the focus area of fighting climate change (q Read more in »Clariant Sustainability Strategy«) and has been identified as a material topic in the 2024 conducted double materiality assessment, based on high impact and high financial risk. (q Read more in »Materiality Assessment.«) Energy consumption is a key issue due to the associated costs and also because it determines the scope 1 & 2 emissions.

Clariant monitors energy consumption and related CO₂ emissions at all production sites. The energy manager at each production site reports the data in a predefined matrix monthly. The data are consolidated at the site level and visualized in the Sustainable

Operations Cockpit (SOC). The SOC analyzes trends, including the specific energy consumption. The trends and deviations from standard values or historical trends are analyzed by the site management teams. The teams also monitor the implementation of improvement measures. Actions are defined and taken as needed. The data are compiled on various hierarchical levels in the SOC and used for reporting.

✓ I Material physical and transition risks and potential climate-related opportunities and the related anticipated financial effects (partly E1-9, TCFD)

Physical and transitory risks and opportunities

Clariant categorizes climate-related risks and opportunities into physical and transitory risks and opportunities. Physical risks include extreme weather, storms, heavy precipitation, and chronic changes in climatic conditions, such as temperature changes or sea level rise. Transition risks, which arise in the transition to a lower carbon economy, emerge in policy and legal, technology, market, and reputational risks. Examples are changing political frameworks, technological developments, and changing market expectations. Physical and transitory risks present opportunities with climate mitigation solutions as a focus area for Clariant.

CLIMATE PORTFOLIO ASSESSMENT¹



¹ Figures refer to the share of locations taken into account,

² 4-Degree Scenario (IPCC, RCP 8.5)

Physical risks:

- **Physical climate risk assessment:** Clariant analyzes physical risks in short (2025), medium (2030), and long-term (2050 and 2100) categories for the 1.8 °C, 2.4 °C, and 4 °C paths. In 2024, Clariant extended the physical risk assessment and identified its sites with the highest risk exposures according to the MunichRe software analysis and an assessment from Group Function ESHA, Sustainability Transformation, and Sustainability Affairs. This analysis showed for most sites the highest risk exposures for heavy precipitation and heat stress. Furthermore, the analysis revealed that these higher risk exposures are already foreseeable on the medium-term

horizon. This detailed risk assessment was performed for the scenario that covers the medium term and a 1.5 °C temperature increase by 2050. Labs and offices, as well as joint ventures, are excluded when their share is below 50%. Within the Enterprise Risk Management (ERM) process, the sites with the highest risk exposure were looked at closely and checked for preventive measures taken and whether additional measures are needed. Due to thorough analysis in the past, only a few further measures were identified for action, e.g., further development and practice of flood response protocols and additional flood protection barriers for warehouses.

LIST OF SITES WITH HIGHEST RISK EXPOSURE, BASED ON ASSESSMENT WITH MUNICHRE SOFTWARE AND IPCC DATA

	Drought stress	Fireweather	Heatstress	Precipitation
Baroda	■	■	■	■
Bonthapally			■	
Clear Lake				■
Cimapag				■
Cochin				■
Coatzacoalcos			■	
Daya Bay				■
Doha	■	■	■	
Jiangsu				■
Jiaxing				■
Kashipur			■	■
Medan			■	■
Reserve				■
Novara				■
Pohang				■
Jinshan				■
Shizuoka				■
Toyama				■
Zarate				■
Zhenjiang				■

Physical risks: Limited insurance capacity / increasing costs for insuranceE

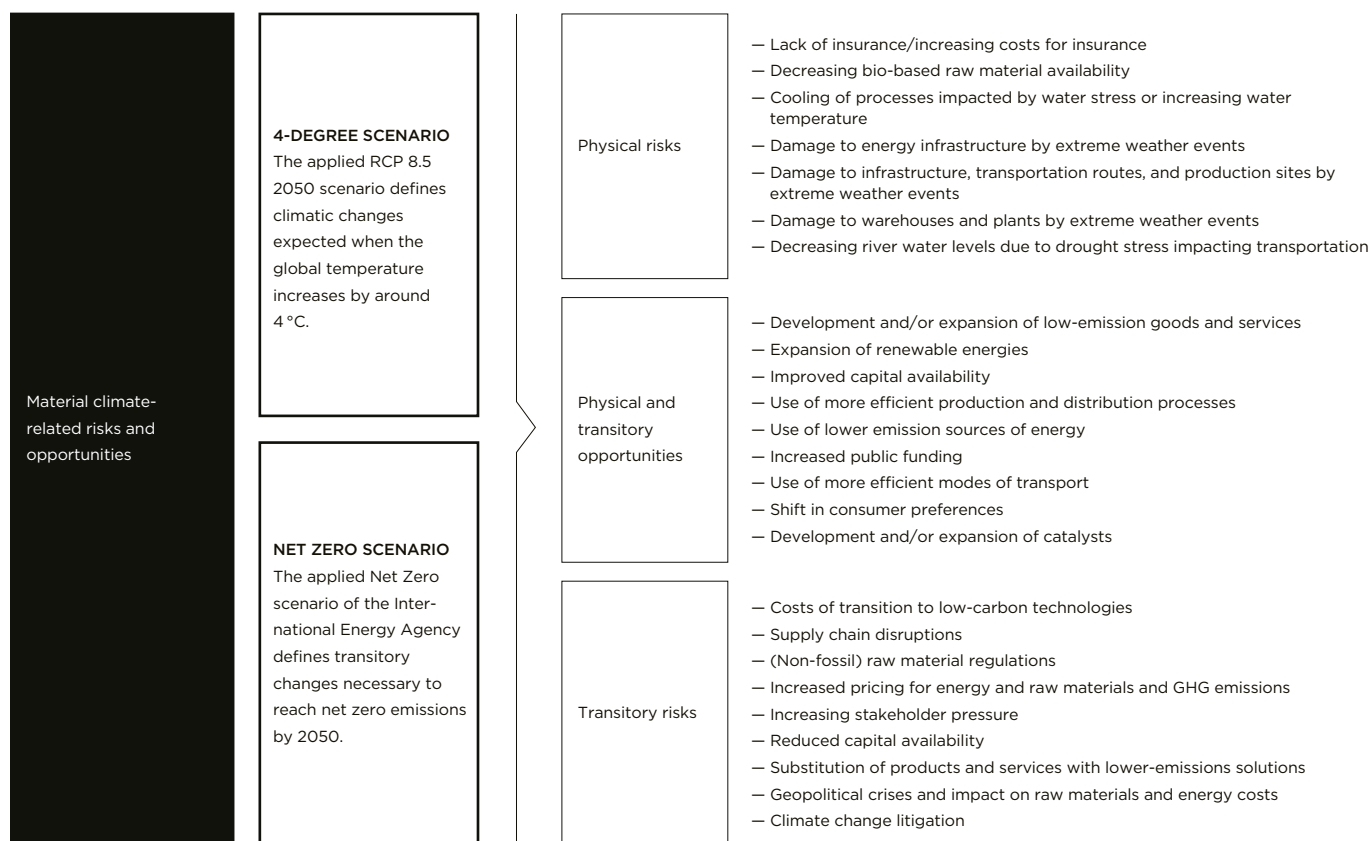
- **Main risk:** The increasing frequency and severity of natural catastrophes, combined with an accumulation of risks at certain locations, has led insurance companies to carry significant losses. The financial ability of insurance companies to cover such scenarios can be expected to come to a limit. Consequently, steep increases in insurance premiums can be expected. The inability to transfer such risks is also expected.
- **Main initiatives:** Risk mitigation measures, such as flood defense improvement and business continuity planning, will consequently need to be gradually enhanced where risk transfer mechanisms are no longer available. I

✓I Actual material negative impact on climate in Clariant's own operations and in the upstream and downstream value chain

Scope 3 emissions account for the majority of GHG emissions for the specialty chemical sector:-

More than 85% of Clariant's 2024 total scope 3 GHG emissions come from purchased goods and services (scope 3.1) and end-of-life treatment of sold products (scope 3.12). The emissions from purchased goods and services are largely due to the types of raw materials Clariant sources, which are often based on fossil-based materials. The end-of-life treatment of sold products depends significantly on the waste treatment options in the markets to which we sell our products and the carbon content of those products.

MATERIAL RISKS AND OPPORTUNITIES



Transitory risks:

Clariant analyzes transitory risks in short (2025), medium (2030) or long-term (2050) categories, depending on the nature of the risk. The assessment is conducted globally, meaning no detailed regional analysis of transition risks has been conducted. The risk assessment occurs on a high level. Clariant's resilience analysis covers all its business operations, excluding joint ventures that are not financially consolidated within Clariant. Furthermore, while the assessment addresses material physical and transition risks, specific exclusions or limitations may apply, particularly regional variations in transition risk.

Increased prices for energy

Situation: The energy market has shown high volatility in the past five years. There are various factors impacting availability and prices. Also, climate change poses risks to reliable energy generation and the security of the supply infrastructure. Resulting shocks in the global energy market can, therefore, affect energy prices, directly affecting Clariant's indirect operating costs.

Main risk: Geopolitical crises, carbon pricing, and energy shortages would lead to higher operational expenditures and high fossil fuel price dependency.

Main initiatives: Clariant is actively diversifying its supplier landscape and increasing the share of renewable energies to become more independent of fossil fuels. In its strategies for procuring raw materials, Clariant also relies on multi-sourcing to achieve optimum

purchase prices through competition. Digital market analysis and regular strategy meetings to assess the raw material situation have been established. Additionally, replacing fossil-based raw materials with low-carbon alternatives reduces the dependency on fossil-based price drivers. **I**

Financial impact 2025: very low

Explanation of financial impact figure: For the financial quantification, Clariant focuses on energy as one of the key cost components associated with climate change impacts. Clariant expects stable prices over the next five years. Due to increasing investments in renewable electricity generation, the increasing demand for renewable electricity will be covered. Therefore, Clariant does not expect electricity prices to rise during this period. However, unexpected events in the supply of energy, such as extreme weather events, including droughts and flooding, can have an additional impact on energy prices. In 2024, Clariant spent approximately CHF 154 million on electricity, natural gas, and steam, which are the primary types of energy. IEA data for average wholesale prices from 2016 show no consistent price trend in all types of energy but a variance in prices of >100 %. Considering risk hedging in electricity procurement, a maximum increase was assumed at 25 %, medium at 10 %, and minimum at 5 %.

✓I Costs of transition to low-carbon technologies and products

Clariant already offers solutions to low-carbon products in the market. → **Read more in the chapter »Sustainable Innovation and Technology Advances.«** Achieving long-term emission reduction in own operations requires additional investments in new technologies and equipment. Quantifying the financial impact of the costs associated with the low-carbon technologies is essential for supporting the transition, enabling effective long-term planning and implementation in line with the emission reduction target.

Main risk: High expenditures required for the development of sustainable products, reliable energy supply, and sustainable raw materials, which can impact the company's overall profitability.

Main initiative: Investments in sustainable long-term green electricity PPAs increase supply security and optimize expenditures. Another approach of Clariant is to improve efficiency by leveraging cross-industry collaborations, thereby simultaneously enhancing the scope and chances for the success of innovative and sustainable solutions. Clariant is actively participating in industry forums like Global Impact Coalition (GIC) to find further cross-industry collaborations. |

Financial impact: low

Explanation of financial impact figure: Emission reduction requires investments in energy efficiency and the transition to renewable energy. Investments in energy efficiency are distributed over many individual measures such as heat integration, digitalization, more efficient equipment, and implementation of natural drying for bentonites. The transition to renewable energy requires investment in new equipment, including new boilers for biomass steam generation, or the adaptation of infrastructure for electrification and the use of biomethane. For the financial impact, Clariant also includes the additional costs for green electricity, which gradually increase until 2027. However, Clariant expects a much higher financial impact, based on a 26-year forecast until 2050. The expected accumulated cost for transitioning to low-carbon technologies is CHF 750 million.

✓I Pricing of GHG emissions/carbon pricing

Carbon pricing (either in the form of direct taxation or emission trading schemes (ETSs)) is designed to make polluters pay and reduce greenhouse gas (GHG) emissions. Putting a price on carbon has become the preferred policy tool implemented by governments to achieve their climate and emission reduction goals. Carbon prices are hitting record highs in many jurisdictions, and an increasing number of companies will be subject to regulatory-driven impacts in their jurisdictions. As a specialty chemical company, Clariant does not operate carbon-intensive processes, and operational emissions only represented 10 % of total scope 1, 2, and 3.1 emissions. According to the current scenario and the expected development until 2027, CO₂ costs will not have a major direct impact on the company. |

Financial impact: very low

Explanation of financial impact figure: While Clariant expects the CO₂ price at the EU level to increase in the coming decade, Clariant is currently facing a limited/low financial impact from the world's largest ETS scheme. At present, Clariant has one site in Germany, which is in scope of the EU ETS, that is sufficiently covered by certificates. Therefore, no direct costs will occur until the end of 2025. Following the adoption of the revised EU ETS Regulation in 2023, free allocations of European Union Allowances (EUAs) will gradually decrease, and EUA prices will rise and result in additional direct costs to Clariant operations, especially after 2034. For 2026, 97.5 % of Clariant's CO₂ emissions under the EU ETS will be covered with allowances. This will decrease to 95 % in 2027. Clariant is currently not in scope of any other ETS schemes. Lastly, as Clariant competes in global markets, additional indirect costs (pass-through of ETS-derived costs from power and steam suppliers) may affect international competitiveness.

At the national level, the only notable impact should occur in Germany: CO₂ price has been set at €45/t CO₂ in 2024 and will increase to €55-65/t CO₂ by 2027.

✓I Mitigation steps: Clariant has set SBTs with the SBTi and is committed to reducing absolute scope 1 and 2 GHG emissions. In 2024, Clariant submitted revised near-term scope 1 & 2 targets to SBTi for validation with an enhanced commitment to meet the 1.5 °C climate scenario. Clariant's new target aims to reduce its scope 1 & 2 emissions by 46.9 % by 2030 from a 2019 base year. The upgraded ambition will be achieved through several projects and initiatives such as energy efficiency measures (heat integration, natural drying of bentonites, and digitalization), the transition to renewable electricity via PPAs and RECs, and finally, the replacement of fossil fuels with biomass, biomethane, and electrification. In addition, an internal carbon price (CHF 100 per ton CO₂) helps to factor in costly carbon regulations and reallocate resources to lower carbon projects. |

Opportunities

Development/expansion of low-emission goods and services

A significant share of Clariant's sales is based on carbon emission-reducing products, such as catalysts and renewable products. The Net-Zero Scenario by the IEA foresees that the demand for low-emission goods and services will increase through policy changes and consumer behavior (IEA World Energy Outlook 2022, November 2022). For companies developing low-emission products, this rising demand in the Net-Zero Scenario can lead to increased revenue. For example, Clariant is working closely with the automotive value chain to offer advanced additive technologies for plastics and to strengthen their focus on weight optimization, sustainable and recyclable materials, and CO₂ reduction alongside performance and safety needs.

Clariant's additives will support and unlock e-mobility developments for the chemical industry's sustainable transformation across design and production. The trend toward using higher voltages for faster charging creates the need for advanced battery and charging infrastructure materials and high voltage connec-

tors, offering higher tracking resistance and flame retardancy. Clariant's patent-protected, widely used halogen-free flame retardants help achieve industry goals toward faster charging and lower greenhouse gas-emitting materials. Policymakers in the United States, the EU, and Member States have adopted ambitious and mandatory targets for deploying EV-charging infrastructure. The new regulation for deploying alternative fuels infrastructure (AFIR) in the EU sets mandatory deployment targets for recharging passenger cars, vans, and heavy-duty vehicles.

Among different additives, one of Clariant's most important products is the halogen-free Exolit® OP flame retardant series. For this single product group for the EV market, Clariant expects a medium financial impact, illustrating the significant opportunity for all low-emission goods and services for Clariant. These flame retardants also have a more sustainable version (TERRA), based on renewable carbon sources, which enables savings of approximately 0.07 million tons of CO₂ equivalents from 2024 until 2027 (compared to fossil-based Exolit® OP).

Financial impact 2028: medium

Explanation of financial impact figure: Based on internal forecasts for e-mobility sales that consider newly registered electric vehicles, Clariant expects an increase in sales of flame retardants for this specific market. Due to the expected lower demand for BEV in the coming years, Clariant reduced the estimated sales for 2025 and 2028 accordingly.

Expansion of renewable energies

Increasing energy prices affect Clariant, making energy efficiency improvements even more important, especially for some sites and business activities. Energy prices fluctuate strongly due to external circumstances such as wars and political unrest. At the same time, fossil fuels are increasingly bound to CO₂ prices, making fossil fuels more expensive, and CO₂ prices are expected to further increase in the future.

Decreasing dependence on the fossil fuel market becomes a strong advantage in the short and medium term since carbon pricing will be introduced in additional countries, which seems likely given the current political developments. Therefore, Clariant is preparing for these scenarios with investments in renewable energies.

As a result of the Paris Agreement, the global demand for low-emission goods has increased. Reducing scope 1 & 2 emissions in the value chain is key to this transformation. Consequently, more and more customers would benefit from, and have expressed interest in, low-emission goods. Customers ask specifically for ways to reduce scope 1 & 2 emissions to reduce their scope 3 emissions. Clariant has implemented several Power Purchase Agreements (PPA) in various locations and countries, including Indonesia, India, and the US, and is working on realizing additional PPAs in Europe and Mexico. In 2024, the share of renewable elec-

tricity increased to 67%. Reducing the scope 1 & 2 emissions of Clariant products is an opportunity that will lead to higher returns on investments in low-emission technologies, especially as renewable energy prices are expected to fall due to higher availability.

Financial impact: low

Explanation of financial impact figure: Clariant is reducing its scope 1 & 2 emissions following the 1.5 °C pathway for scope 1 & 2. As of 2024, one site is net zero in scope 1 & 2. This will differentiate Clariant from peers and allow for above-industry-average GDP growth.

Clariant measures growth through innovation, and in the past years, the contribution of innovation to growth was in the range of 1.5% to 5.5%. Clariant believes that 30% to 50% of this innovation growth is and will be related to products with a competitive advantage in terms of reduced carbon footprints, and therefore assumes that the impact of an increased share of low-emission goods and services through lower scope 1 & 2 emissions on the growth will be in the range of 0.75 – 1.5% of the total sales.

Use of more efficient production and distribution processes

Situation: Clariant has 71 production sites with an output of 3.7 million tons and over CHF 4.152 billion in sales volume in 2024, which decreased by -3% in local currency. Efficient production and distribution processes are key to Clariant's business. In the past years, Clariant was successful at improving efficiency and generating savings between CHF 30 million and CHF 50 million per year. Clariant will continue to improve efficiency. Therefore, it is necessary to quantify the possible future financial benefits.

Financial impact: low

Explanation of financial impact figure: The quantification of this opportunity uses Clariant's historical data from 2018 to 2023. This includes the realized benefit of more efficient supply chain and production processes focused on energy-efficiency initiatives, including more efficient equipment, heat integration, digitalization, and the development of more efficient processes. Following the increasing historical trend for the next five years, the expected financial impact is calculated. Furthermore, a +/- 20% change in the trend gradient for calculating a corridor is assumed, leading to a minimum and maximum financial impact.

Development and/or expansion of catalysts

BU Catalyst's business is organized into four different business segments: Syngas & Fuels, Ethylene, Propylene, and Specialties. Syngas & Fuels manages Clariant's catalyst business related to processes for hydrogen, steam reforming, water gas shift, methanol, ammonia, Fischer-Tropsch, and the refinery businesses, such as dewaxing. The Ethylene segment is home to Clariant's catalyst businesses catering to the ethylene value chain, that is, selective hydrogenation of acetylene. It also manages Clariant's zeolite powder business. The Propylene segment manages Clariant's

catalyst businesses to produce propylene and polypropylene. The Specialties segment comprises a larger number of downstream specialty businesses, such as various hydrogenation businesses, oxidation businesses, and stationary emission control businesses.

✓ **Climate change risks and opportunities – the next five years:** The outlook for Clariant's businesses in the next five years is overwhelmingly determined by the traditional drivers in the industry. These are regional feedstock and energy price trends, regional economic outlook, geopolitical trends, and business and investment cycles. Clariant's Syngas & Fuels segment has the highest exposure to climate change-related trends in the industry, but most of these changes will not kick in at scale before 2030. Syngas (or synthesis gas) catalysts from Clariant are used around the world for cost- and energy-efficient production of ammonia, methanol, and hydrogen, as well as for fuel cells, gas processing, and various gas-to-liquid (GTL), coal-to-liquid (CTL), and biomass-to-liquid (BTL) processes. Clariant Catalysts has been supporting Power-to-X technologies for over a decade, collaborating in over 40 private and public projects. Clariant has developed several innovative catalysts for CO₂ conversion in Power-to-X applications, including those to produce green methanol, carbon-neutral SNG, and renewable hydrocarbons such as Sustainable Aviation Fuels (SAFs). These solutions will greatly benefit from the regulatory push in several jurisdictions that support transport defossilization.

Climate change risks and opportunities – looking to 2050: Assuming successful decarbonization of the chemical industry, the Syngas & Fuels segment in particular will see significant changes. Ammonia and methanol could develop into major hub molecules for the transport of energy and the production of alternative fuels. The respective markets for these products could increase several times compared to today, and there is an opportunity for Clariant's businesses to capitalize on this trend. However, a switch to synthesis gas produced from electrolysis and captured CO₂ alone would also mean a loss of Clariant's reforming and water gas shift businesses.

FEATURED STORY



Catalyzing the future of green ammonia

In August 2024, a deoxygenation catalyst from the EnviCat™ Green series was selected for a major green ammonia project in China. This large-scale project aims to produce green hydrogen from renewable sources for conversion into green ammonia. Carbon-free production of ammonia reduces the environmental impact of this base chemical, which plays a role in fields such as fertilizer production, transportation, power, and hydrogen supply.

In the project, EnviCat™ will be used to remove trace oxygen from the feed, enabling the production of high-purity hydrogen. The catalyst also facilitates efficient deoxygenation processes: Since the reactor for oxygen removal can be considerably smaller, producers save equipment costs and gain flexibility regarding transportation and installation. As a result, they benefit from significant CAPEX and OPEX savings.

[Learn more](#)

Clariant's other catalyst businesses are more insulated from climate change trends. One reason is the centrality and growth outlook for plastics and polymers. This is the case even if the energy inputs for these processes are decarbonized through the electrification of crackers or carbon capture of crackers. Clariant catalysts are required even in a scenario with extensive chemical recycling of plastics because all Clariant products are downstream of the cracker.

The carbon intensity of Clariant's propylene-producing PDH process can be significantly reduced through electrification and the use of green electricity. The downstream polypropylene process would be required irrespective of how the propylene is produced. Like the Business Segment Ethylene, the Business Segment Propylene is relatively insulated from any disruptive climate change-related changes happening in the chemical industry. |

The technologies in Clariant's Business Segment Specialties are furthest downstream of the large base chemicals (olefins and aromatics) of all Clariant products, and these conversions are also required in the context of green base-chemical production.

Development and expansion of products with low product carbon footprint (PCF)

An increase in customer needs for products with low PCFs is inevitable. Clariant's automated product carbon footprint calculator (CliMate) enables Clariant to efficiently calculate the carbon footprints of products covering >75% sales of Clariant's extensive product range. PCFs are calculated based on own production data, providing crucial data to customers in line with the TFS (Together for Sustainability) guideline for PCFs in the chemical industry. Clariant is also committed to increasing data transparency and has recently updated its emission factor database with new ecoinvent v3.10 data to incorporate the most recent datasets in its PCF calculations. Alongside Clariant's dedication to meeting its scope 1, 2, and 3 emissions targets, the company aims to increasingly offer products with lower PCFs.

✓ I E1-2 – Policies related to climate change mitigation and adaptation

Clariant's Sustainability Policy is central to its purpose, »Greater chemistry – between people and planet,« and outlines the company's approach to managing sustainability, innovation, and climate change. It outlines the overall target and approaches to manage climate change mitigation and adaptation.

Climate change mitigation: Clariant commits to reducing its absolute GHG emissions by 2030 from a 2019 base year. Clariant's scope 1, 2, and 3 emissions are calculated following the GHG Protocol and the »Guidance for Accounting & Reporting Corporate GHG Emissions in the Chemical Sector Value Chain« issued by the World Business Council for Sustainable Development (WBCSD), as well as the EcoBeauty Score Consortium methodology. Company-specific details on the application of these standards within Clariant are available in the internal Standard Operating Procedures (SOP) for carbon footprinting, which includes Clariant's processes and roles and responsibilities when it comes to carbon footprinting. For the consolidation of the overall emissions, Clariant follows the financial control approach. I

✓ I In 2024, Clariant performed a rebaselining exercise, reflecting the latest climate science and structural changes to the company since the 2019 baseline was developed. Based on the new baseline, Clariant has updated its near-term company-wide emission reductions to be consistent with the Paris Agreement goals aiming to limit global warming to 1.5 °C. The updated near-term targets were submitted to the SBTi for validation in 2024. Internal targets for 2025 have already been set in line with the upgraded target. I

Clariant is committed to achieving net-zero scope 1 & 2 emissions by 2050, integrating climate mitigation into management remuneration. The company uses its internal »CliMate« tool to calculate product carbon footprints (PCFs) and track emissions.

✓ I In 2024, Clariant fully embedded climate risk and opportunity assessments into its Enterprise Risk Management (ERM) process, with responsibilities outlined in internal SOPs. Site-specific adaptation plans are continuously developed and managed. I

Clariant's Sustainability Policy focuses on net-zero emissions through renewable energy transitions and operational efficiency, addressing climate mitigation, adaptation, energy transition, and environmental impact reduction. It also drives cost savings and supports sustainable product development, including solutions to enhance avoided emissions in the value chain.

✓ I Implementation is governed by SOPs ensuring compliance with the GHG Protocol, with a preference for Power Purchase Agreements (PPAs) and Green Tariffs over unbundled RECs to ensure a reliable transition to green electricity. The Chief Strategy and Technology Officer (CSTO) oversees execution, aligning with Clariant's sustainability goals. I

✓ I By reporting the progress toward the SBTi targets quarterly, Clariant can identify the impact of the measures taken with regard to the GHG emission reductions achieved. I

E1-3 – Actions and resources in relation to climate change policies

Educational webinars and trainings

In 2024, a significant group of professionals, mainly within the procurement community, underwent comprehensive training focused on the implementation requirements of the EU Carbon Border Adjustment Mechanism (CBAM) regulation. These internal sessions were prepared by Government Affairs and Sustainability Transformation. For BU Adsorbents & Additives, a training on ESPR and PPWR with approximately 250 attendees was conducted by Government Affairs and Product Stewardship. Additional trainings have been given in the different departments, such as legal, compliance, procurement, communications, and product stewardship regarding Clariant's targets, measures, and progress.

In 2024, the Sustainability Transformation Manager for BU Adsorbents & Additives provided training to many colleagues. The training on general sustainability topics was attended by 395 participants.

In addition, the Sustainability Transformation Manager for BU Care Chemicals also provided training in 2024 on topics including PCF and the overall sustainability strategy at Clariant. Approximately 760 employees attended in total.

SOC, YEE, eWATCH™, and CEIG

✓ I Clariant created the Sustainable Operations Cockpit (SOC) to enable monthly tracking of energy consumption and GHG emissions. It combines energy consumption data for all production sites with conversion and emission factors. It also enables more granular reporting using individual conversion factors at the site

and plant levels. All conversion factors are centrally managed to ensure data harmonization and accuracy. The SOC also tracks energy and utility supply to third parties at sites where Clariant serves as a service provider.

The SOC also allows user-friendly data visualization to analyze trends and perform benchmarking as a basis for improvement. The tool was successfully audited upon implementation and is subject to evaluation as part of our yearly limited assurance process. **I**

The Clariant Production System Yield, Energy, Environment (YEE) initiative is a holistic approach built on mandatory standards for resource efficiency and environmental impact. The YEE activity is incorporated into the »Operations, Strategy & Solutions« (OSS) team to promote its integration into the medium- and long-term operating strategy, which also envisages net-zero in operations. The team conducts Maturity Value Assessments, which analyze yield, energy, and the environment of a specific unit to find the overall maximum performance. For example, it defines how to increase yields, improve energy efficiency, and reduce waste streams by analyzing production processes and production units. Jointly with ESHA / IGSM, OSS assesses the site maturity against the mandatory standards through Operations Assessment audits to create a comprehensive picture of energy optimization potential.

✓ **I** Clariant also runs the energy management initiative eWATCH™. Since 2013, the program eWATCH™ has helped to minimize energy consumption and increase energy efficiency. It is a process to analyze energy consumption across operations and to identify cost-saving opportunities. Using eWATCH™, the operation teams systematically assess site maturity and propose improvement measures along three dimensions: operating system, management system, and employee system. Energy experts from EPT support the business units in evaluating technical savings potential to ensure the company achieves its new 2030 targets. Clariant's Energy Policy is described in the SOP »Energy Management System,« and the energy reporting is defined in the Guide to Guideline 8. **I**

With its global initiative »eWATCH™ goes digital,« Clariant aims to profit from the latest measurement and monitoring technologies. They ensure full visibility and high granularity of energy generation and consumption. In 2023, Clariant started using AI for energy and resource efficiency. Energy-intensive processes are being investigated with a hybrid solution of machine learning and a large language model. Clarita – Clariant's AI assistant – automatically interprets results, combines findings, and detects outliers, ultimately proposing measures to improve operations performance and save energy.

The Clariant Energy Intelligence Guide (CEIG) supports careful management of the company's energy demand. CEIG combines information, advice, best practices, successful optimization projects, and key figures and tools that support the operational teams to improve energy efficiency.

Through the Clariant Project Tracking Tool, Clariant measures the outcome of eWATCH™ by cost savings. In 2024, 139 projects were tracked. Clariant also measures the outcome of eWATCH™ by energy consumption and CO₂ impact through the Sustainable Operations Cockpit. Since 2013, Clariant has saved CHF 49.1 million through eWATCH™ by implementing energy-efficiency measures and energy-purchasing optimizations. Results are promising, with an energy savings potential of up to 10%. In 2024 alone, the savings amounted to CHF 4.7 million.

Clariant Production System Yield, Energy, Environment (YEE) initiative

Since its inception in 2012, YEE has saved more than CHF 77 million. In 2024 alone, YEE allowed for cost savings of CHF 5.5 million, thereof CHF 2.3 million related to energy savings.

Scope 1 & 2

Clariant has set ambitious goals to make its operations more sustainable by reducing scope 1 & 2 emissions. Clariant set a science-based target with SBTi to reduce scope 1 & 2 emissions. To reach this goal, all business units have conducted numerous workshops with their production sites in a guided process. A long list of ideas for reducing energy consumption and GHG emissions was developed, resulting in Clariant's 2030 roadmap. The roadmap is regularly reviewed to ensure that the 2030 target will be met. Annual targets are set year after year, and the achievement is quarterly reviewed in the ISM (Innovation and Sustainability Meeting) and the ISC (Innovation and Sustainability Committee). Countermeasures are defined in these meetings if needed. The individual measures of the 2030 roadmap have been categorized into three levers:

- Energy efficiency
- Green electricity
- Renewable fuels and steam

Energy efficiency of production processes

Clariant continuously optimizes its energy consumption with targeted energy efficiency programs. This also includes programs that implement investments in new energy-efficient plants, processes, and technologies. The energy efficiency programs are based on SOC, YEE, eWATCH™, and CEIG. Many small-scale projects have been identified and implemented. This is an integral part of Clariant's continuous improvement process. Some measures with a high impact on GHG reduction are highlighted below:

- Natural drying of bentonites by sun and wind
- Heat integration using the energy of exothermal reactions
- Replacement of coal with natural gas for drying purposes, allowing for more efficient energy usage

These measures will also contribute to the achievement of targets in the coming years.

Although energy consumption depends on several variables, such as production levels, product mix, and production technologies, Clariant monitors absolute and relative energy consumption to assess the effectiveness of its energy savings and GHG reduction measures.

Since 2019, absolute energy consumption has been significantly reduced by 11%. Energy consumption per ton of production varies significantly across Clariant's diverse product portfolio, making year-over-year comparisons of specific energy consumption challenging. Due to the distinct energy requirements of different product lines, changes in product mix substantially influence this metric, limiting its effectiveness as a standalone performance indicator. The most effective initiative to reduce energy consumption was the introduction of solar/natural drying of bentonites. For example, the specific energy consumption in MWh/t of finished goods produced at a production site in China has been reduced by about 50 % against the baseline year 2019 and the years 2020 and 2021. In a comparative analysis of 2021 and 2024 with almost the same production volume, the reduction in energy consumption in absolute terms is around 90 GWh.

✓ **I** A major energy efficiency improvement was achieved at Clariant's Indonesian site through the conversion from coal to natural gas in mineral drying operations. This transition, combined with optimized heat generation and enhanced dosing controls in the drying process, resulted in a 60 % improvement in energy efficiency in 2024 compared to 2022 levels. In absolute terms, the energy consumption was reduced by 60 GWh versus 2022. In addition, numerous smaller projects, including heat integration, upgrading of steam traps, improved lagging, dynamic reactive power compensation, installation of heat pumps, more efficient air compressors, and monitoring and visualization of top consumers, have been implemented. **I**

Switch to renewable electricity

Clariant has increased and will further gradually increase the share of green electricity. The share of green electricity increased from 10 % to 67 % between 2019 and 2024. The plan is to further increase this share to around 90 % by 2030. ✓ **I** Various sites have further increased their share of renewable electricity purchases in 2024. The company installed solar panels, e.g., in Germany, China, and Spain. The first long-term ten-year PPAs for green electricity in the US, India, and Indonesia have been implemented. For several production plants, certificates for green electricity have been purchased. **I**

FEATURED STORY



Sunny prospects for the Tarragona site

In May 2024, Clariant's Tarragona site commissioned a new solar panel farm. The installation covers approximately 25 % of the site's total electricity consumption and is expected to reduce CO₂ emissions by 1 250 tons annually. This initiative further demonstrates Clariant's commitment to sustainable operations, following the Tarragona site's transition to 100 % renewable electricity sources via certificates in 2023.

The project was implemented through a ten-year leasing agreement, with the supplier guaranteeing 90 % of the solar panel production for the first decade. The panels are designed to operate efficiently for over 25 years, with only a 10 % reduction in efficiency over their lifetime.

The Tarragona solar park is one example of the efforts to reduce emissions in Clariant's operations.

[Learn more](#)

Renewable fuels and steam

Replacing coal with biomass and, to a lesser extent, with natural gas is an important measure for Clariant to reduce scope 1 emissions. Clariant has made substantial progress and has reduced coal consumption by 80 % since 2020. In this way, Bonthapally, a site in India, became Clariant's first net-zero production facility in 2023. Plans are being made to further reduce coal consumption until 2030 and replace it with biomass.

Natural gas has been partially replaced by biomethane. This reduced scope 1 emissions by 2 000 tons in 2024. Plans have been made to further increase the share of biomethane in 2025.

In addition, the reduction of scope 2 emissions due to purchased steam will contribute to the reduction of GHG emissions. Clariant works closely with the utility suppliers to identify the best option for generating green (zero-emission) steam. This is expected to contribute to overall reductions as of 2025.

FEATURED STORY



A renewable alternative to natural gas

At the Suzano industrial complex in Brazil, Clariant has partially replaced natural gas with biomethane for thermal energy generation. This renewable energy source originates from sanitary landfills: As organic waste decomposes, it generates methane gas. Rather than incinerating this gas on the spot as is usually the case, it is now purified and delivered to the Suzano site.

Switching from one energy source to another became a two-year project. Various Clariant departments were involved in tasks such as obtaining environmental permits, ensuring a steady supply of biomethane, analyzing the gas composition and its performance, and conducting risk assessments.

Currently, about 40 % of the thermal energy produced on-site comes from biomethane gas, and this value can reach up to 80 %. The gas is delivered by trucks that also run on biomethane. These measures prevent the emission of 3 600 tons of CO₂ per year, as biomethane emissions are lower compared to natural gas.

This initiative is one example of the efforts to reduce emissions in Clariant's operations.

[Learn more](#)

Certifications

Clariant has certified some sites according to the new ISO 50001 standard for energy conservation. It passed the surveillance audits globally and prepared for the updated standard at sites, primarily in Germany and Spain. By the end of 2024, around 20 % of production sites were certified, and Clariant produced more than 40 % of its production volume at sites certified with ISO 50001.

Resources allocated for implementation of scope 1 & 2 reduction

Since 2020, CHF 65 million in CAPEX have been allocated to measures for scope 1 & 2 reductions. Until 2030, approximately CHF 60 million in CAPEX is planned in addition for the implementation of the 2030 roadmap.

Reducing scope 1 & 2 emissions

Regarding emissions management, Clariant foresees no long-term locked-in emissions for scope 1 & 2, provided the infrastructure is properly upgraded according to plan. Process-related emissions are particularly relevant for the Gendorf site, with most classified as scope 3 downstream emissions due to the sale of generated CO₂ to third-party companies. In the long term, Clariant aims to eliminate these process CO₂ emissions by transitioning to carbon-neutral raw materials, such as bio-based ethylene.

No strategic investments were made in 2024 due to coal-, oil-, and gas-related economic activities. On the contrary, Clariant divested parts of the oil-related business in the US.

The implementation of Clariant's climate strategy is integrated into its broader business planning. Detailed transition plans are developed for each site and business and incorporated into the company's Strategic Management Process (SMP). The SMP operates on a five-year basis with annual revisions, ensuring that investments and projects align with business expectations and strategic implications.

Through these comprehensive efforts, Clariant demonstrates its commitment to addressing climate change and contributing to the global goal of limiting global temperature increase as outlined in the Paris Agreement.

✓**I** By tracking the progress toward the SBTi targets quarterly, Clariant can identify the impact of the measures taken with regard to the GHG emission reductions achieved. **I**

Various environmental KPIs, including the energy consumption per type of energy, are collected at the site level and coordinated by the Program Manager Sustainable Operations. All KPIs are consolidated monthly using an in-house tool.

In 2024, Clariant made good progress at implementing the 2030 roadmap. Despite an increase of 8kt CO₂e due to newly detected N₂O-related GHG-emissions, a net reduction of 54 kt CO₂e, including a decrease of 2 kt CO₂e due to volume changes, could be realized through the following actions:

✓**I** Scope 1 & 2 mitigation actions in 2024:

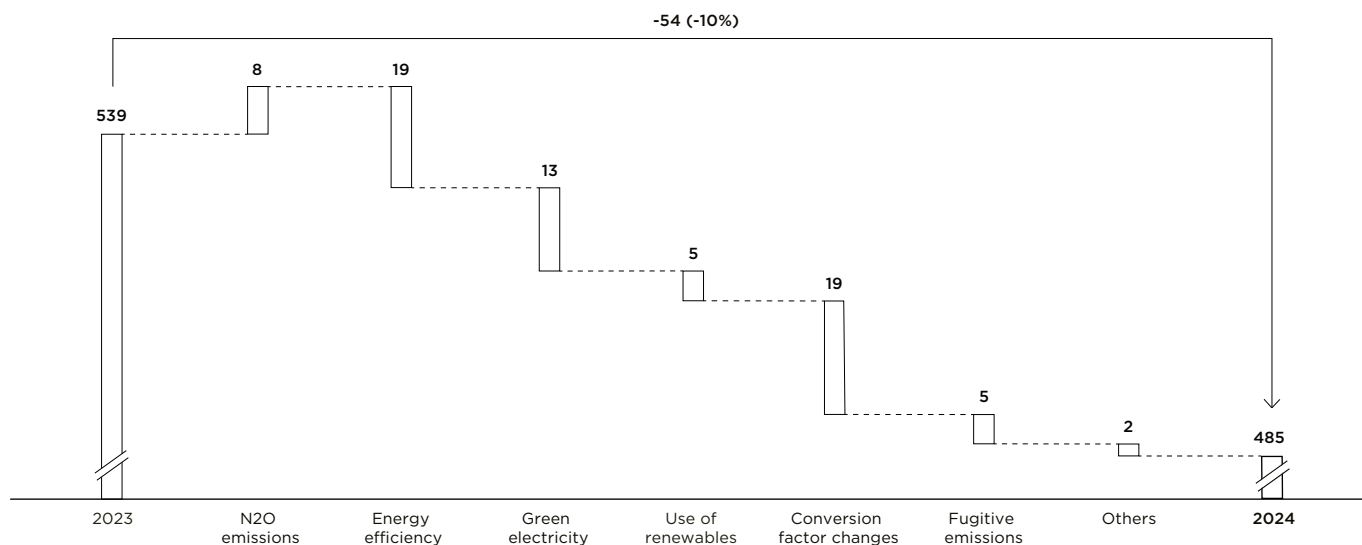
Energy efficiency measures: -18.5 kt CO₂e

- Replacement of coal with natural gas with improved dosing of heat: -9.5 kt CO₂e
- Improved steam efficiency at a site in India: -3 kt CO₂e
- Numerous small efficiency projects: -6 kt CO₂e

Green electricity: -13 kt CO₂e

- Power Purchase Agreement in Baroda, India
- Renewable Electricity Certificates (RECs) in Kashipur, India; Toyama, Japan; Oberhausen, Germany; and all sites in Turkey

SCOPE 1 & 2 GHG REDUCTIONS IN KT CO₂E



Transition to renewable energy sources: -5 kt CO₂e

- Biomass boiler in Cochin, India: -3 kt CO₂e
- Replacement of natural gas with biomethane in Suzano, Brazil: -2 kt CO₂e

Other effects: -26 kt CO₂e

- Conversion factor changes: -19 kt CO₂e; e.g.: Residual mix electricity factor in Germany: -10 kt CO₂e
- Fugitive emissions through improved maintenance: -5 kt CO₂e

For various sites, Clariant has been purchasing certificates for 100 % green electricity:

- **Since 2019:** Knapsack, Germany; Jacarei and Vitoria da Conquista, Brazil
- **Since 2020:** Aberdeen, UK; and Novara, Italy
- **Since 2021:** Bakersfield, Midland, and Reserve, US; and Suzano, Brazil
- **Since 2022:** Callao, Peru; Maipu, Chile; Louisville, US; Jacarei and Ananindeua, Brazil; Santa Giusta and S'Aliderru, Italy
- **Since 2023:** Artziniega, Yuncos, and Tarragona; Spain; Bonthapally, India; Daya Bay, Jinshan, Panjin, Jiaying, and Zhenjiang, China; Toyama, Japan; Quincy, US; and S'Aliderru and Santa Giusta, Italy
- **Since 2024:** Oberhausen, Germany; Kashipur, India; Balikesir and Fatsa, Turkey

✓I Reducing scope 3 emissions

As part of its extensive reporting for the Carbon Disclosure Project (CDP), and to fulfil the SBTi requirements, Clariant publicly reports its scope 1, 2, and 3 emissions annually. Scope 3 emission calculations include the categories deemed most relevant for Clariant's business: purchased goods and services (category 1), fuel- and

energy-related activities (not included in scope 1 or 2) (category 3), upstream transportation and distribution (category 4), downstream transportation and distribution (category 9), and end-of-life treatment of sold products (category 12). I

Scope 3, category 1 emissions are tracked monthly by the Sustainability Manager Climate. The KPIs are consolidated monthly with the use of an in-house digital tool. Scope 3 emissions account for the majority of GHG emissions for the specialty chemical sector. More than 49% of Clariant's 2024 carbon footprint (including scope 1, 2, and 3) comes from purchased goods and services, and 29% comes from end-of-life treatment of sold products. Since 2019, scope 3.1 GHG emissions have decreased by 26 %, and scope 3.12 emissions have increased by 4 %.

✓I In 2024, the scope 3, category 1 emission reductions are partially attributable to the projects, totaling 98.6 kt CO₂e of GHG emission reductions; volume changes; and other portfolio shifts.

Between 2023 and 2024, Clariant's net increase in scope 3 emissions was 2 % (0.10 m t CO₂e), partially reflecting the volume and portfolio changes. Clariant measures the emission intensity in terms of total reported scope 3 GHG emissions in relation to the Group-wide total sales in CHF. The emission intensity of Clariant's 2024 continuing business increased by 8 % compared to 2023.

The scope 3 emission reduction projects include the purchase of raw materials with lower product carbon footprints. For example, Clariant has increased the amount of sodium hypophosphite (SHP) purchased with a lower carbon footprint and purchases oxygen that has been produced using renewable energy.

Additionally, Clariant has significantly increased the primary data share based on purchased volumes; total emissions through its supplier engagement program; and an increase in the quality and transparency of emission factors related to the raw materials Clariant purchases. Projects are executed in all business segments,

in alignment with the business strategies. In 2024, scope 3, category 1 emissions decreased by 5 % (0.12 m t CO₂e) from 2023 emissions, of which the projects contributed to 0.10 m t CO₂e of the reduction achieved. I

Compared to the 2019 baseline, scope 3 emissions decreased by 17 %, while emissions related to purchased goods and services decreased by 26 %. Compared to 2019, the scope 3 emission intensity increased by 25 %.

Biogenic CO₂ emissions are currently included in the emission factors used for raw materials. Clariant is collecting information on biogenic carbon emissions and removals for scope 3 accounting to allow for separate reporting in the future. The separation of emissions will be required per the TfS PCF Guideline by the end of 2025.

Calculating product carbon footprints with Clariant's CliMate tool

In addition to corporate emissions, Clariant developed an internal tool called »CliMate« to calculate the product carbon footprints (PCFs) of its own products. The calculation methodology is based on the ISO 14067:2018 standard and follows the 2024 requirements in the Together for Sustainability (TfS) PCF Guideline. The methodology has been validated by the independent organization TÜV Rheinland. The certification can be found under certified products using the ID 0000082466 at → www.certipedia.com.

»CliMate« was launched in 2022 and was developed with an external partner, NDC Group. »CliMate« allows for the calculation of the PCFs of the portfolio based on product-specific standardized production recipes. The PCF includes the potential contribution of a product to global warming expressed as kg of CO₂ equivalents per kg of product by quantifying all significant GHG emissions from cradle to gate.

The system boundaries reflect the cradle-to-gate emissions and removals, including all material extraction, agricultural activities, manufacturing, production, and processing steps. They also include the disposal and treatment of waste generated by upstream activities, excluding capital goods, packaging, and transportation emissions. The downstream life cycle stages (i.e., use and end-of-life) are not included due to diverse applications and customer structures.

The primary operations data consist of Clariant's Bill of Materials (BOMs), which describes the inputs and outputs (e.g., intermediates, raw materials, utilities, waste, wastewater, etc.) that together create this product. The PCF refers to the most recent available BOM when the calculation is carried out.

»CliMate« enables Clariant to offer consistent cradle-to-gate greenhouse gas (GHG) emission data for more than 75 % of finished products and solutions by sales across the portfolio. It enables Clariant to monitor PCF improvements over time as it continues to achieve ongoing reductions in emissions within its own operations and from the sourcing of raw materials.

Engagement with external stakeholders

One of the most important means of achieving ambitious climate goals is engaging with external stakeholder groups that share Clariant's objectives. Together, through direct involvement with international organizations and in projects, Clariant can achieve significant progress. Clariant participates in diverse partnerships in the area of climate change and energy transition, including industry associations (Cefic, the American Chemistry Council, the Advanced Biofuels Coalition (LSB), and the Hydrogen Council), international organizations (WBCSD), and institutional platforms (EU Renewable and Low-Carbon Fuels Alliance (RLCF)). In addition, Clariant also participates in the TfS Work Stream 5 on GHG scope 3 emissions and specifically in the work package 2, which is dedicated to designing a data collection and sharing approach.

FEATURED STORY



Teaming up for low-carbon ammonia

In July 2024, Clariant announced the expansion of its strategic cooperation with KBR in the field of ammonia production. KBR is a leading ammonia process provider with over 75 years of experience and has licensed and designed more than 250 ammonia plants worldwide. The partners will significantly increase their focus on low-carbon and carbon-free green ammonia applications. KBR's K-Green® technology is combined with Clariant's AmoMax™ 10 Plus catalyst to convert green hydrogen with nitrogen from an air separation unit. The catalyst supports maximizing ammonia production and energy efficiency, while ensuring reliable performance. The partners' complete green ammonia solution has already been selected for twelve green ammonia projects.

[Learn more](#)

✓**I** Within WBCSD, Clariant contributed to the PACT Scope 3 Problem-Solving sessions and to the publication of two white papers in 2024: »Defining a Practical and Robust PCF Validation Approach« and »Understanding When and How to Rebaseline Due to Methodological Changes.« → See WBCSD website.

Through its membership in the TfS initiative, a chemical sector collaboration to build sustainable chemical supply chains, Clariant contributed to a chemical industry guideline on product carbon footprinting and corporate GHG emission accounting published in November 2022. Clariant has adapted its methodology based on the TfS PCF Guideline to ensure harmonized PCF calculations. Harmonization and standardization will allow consumers and the wider market to assess the climate impacts of products. **I**

Reducing emissions in the supply chain

More than 49% of Clariant's 2024 carbon footprint comes from purchased raw materials. In the future, an increasing share of renewable raw materials, recycled raw materials, and a portfolio shift to specialty chemicals will replace fossil-based resources, potentially leading to reduced GHG emissions. Engaging with suppliers is one of the key actions to ensure that GHG emissions are reduced over time. In addition, Clariant works closely with its joint venture (JV) business partners to align ambitions and aspirations toward reducing GHG emissions and making reduction targets achievable. A systematic approach to engaging with value chain partners is ongoing.

Supplier engagement to support emission reduction is a key priority over the next years. Transparency and availability of validated and credible supplier-specific emission factors of the raw materials purchased gain importance for making informed decisions and executing the strategies. Primary data share significantly increased based on purchased volumes and total emissions through the supplier engagement program.

✓**I** In 2024, Clariant undertook several steps to replace conventional raw materials with low-carbon alternatives. This includes obtaining ethylene oxide derivatives from renewable sources in the joint venture with India Glycols, switching toward recycled propylene glycol, and increasing the share of raw materials produced with a high share of renewable energy, such as phosphorous-based chemicals. Additionally, renewable energy certificates (RECs) have been purchased for a significant amount of oxygen in use. **I**

PCFs calculated by the CliMate tool enable Clariant to identify improvement opportunities within its supply chains. Clariant's current PCF portfolio coverage will expand to ever-wider application areas as supporting information becomes increasingly available from suppliers through the company's supplier engagement

program. Clariant continues to engage with its raw material suppliers to encourage them to share their supplier-specific emission factors and demonstrate the greenhouse gas emission reductions Clariant expects from its strategic suppliers.

PVP

Similar to other key sustainability focus areas, climate-related topics are assessed at the product level through a cradle-to-grave approach with Clariant's Portfolio Value Program (PVP), a strategic tool for steering the portfolio toward improved sustainability. → Read more in »General Disclosures.«

Metrics and targets

E1-4 – Targets related to climate change mitigation and adaptation

✓**I** Performance Assessment

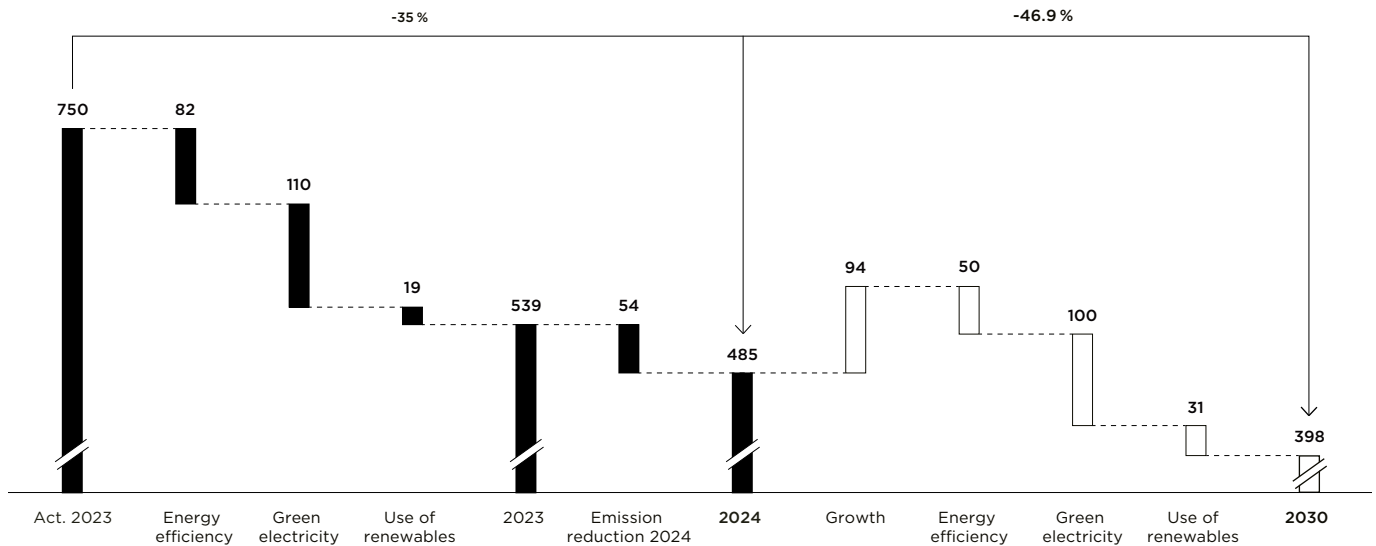
Clariant established near-term scope 1, 2, and 3 reduction targets in 2021, which were approved by the Science Based Targets initiative (SBTi). The company selected 2019 as the base year for its greenhouse gas (GHG) emissions targets, aiming for an absolute 40% reduction in scope 1 & 2 emissions and a 14% reduction in scope 3 emissions by 2030. **I** The base year coincides with the company's strategic realignment, marked by the divestment of the Masterbatches and Pigments businesses and increased focus on specialty chemicals. The absence of operational anomalies in 2019, combined with this strategic shift, makes it an ideal baseline year for sustainability targets.

✓**I** In 2024, Clariant rebaselined its scope 1, 2, and 3 emissions and submitted updated and enhanced targets to the SBTi based on the rebaselined emissions for 2019 and 2023 (base year and most recent year). The targets are more ambitious than the targets SBTi validated in 2021, strengthening Clariant's commitment to climate action aligning with the Paris Agreement goal of limiting global warming to 1.5 °C, and using an absolute contraction approach and not a sectoral decarbonization pathway because one is currently not available for the chemical sector. **I**

Clariant developed its roadmap to achieve the targets based on specific operations and growth projections. A critical assumption when updating the strategy to achieve the targets is to anticipate annual sales growth. The company's reduction strategies account for future developments to ensure target achievability. Clariant has also set itself a long-term net-zero target for scope 1 & 2 emissions by 2050.

The new commitment is subject to SBTi validation and includes a commitment to reducing absolute scope 1 & 2 GHG emissions by 46.9% and scope 3 GHG emissions from categories 1 and 12 by 27.5% by 2030 from a 2019 base year. Clariant's scope 3, category 1 and category 12 emissions targets collectively cover well over two-thirds of the total scope 3 emissions (83% in 2019 and 86% in 2024) in conformance with the SBTi Corporate Near-Term Criteria v5.2.

CLIMATE CHANGE MITIGATION ACTIONS AND PLANS BY DECARBONIZATION LEVER IN KT CO₂E



The graph illustrates Clariant's excellent progress in climate change mitigation actions. By 2024, a 35 % reduction in scope 1 & 2 emissions compared to the new 2019 baseline has been achieved through three key levers: energy efficiency improvements, increased use of green electricity, and to a lesser extent, the transition from fossil fuels to renewable energy sources. With emissions reduced to 485 kt CO₂e in 2024, Clariant is significantly ahead of its linear reduction trajectory. This achievement surpasses the projected 2024 target of 562 kt CO₂e on the path toward the 2030 goal. → Details on the reductions in 2024 can be found in section »E 1-3.«

To achieve its 2030 scope 1 & 2 targets, Clariant will build on its successful strategy through multiple initiatives. These include further enhancing energy efficiency through digitalization and AI technologies, increasing green electricity usage to 80–90 %, and accelerating the replacement of fossil fuels, particularly coal, with renewable biomass. These planned reduction measures will offset the additional emissions associated with anticipated future business growth.

✓ In 2024, a reduction in scope 3.1 emissions of 0.12 mt CO₂e was achieved since 2023, resulting in an overall reduction of 0.93 mt CO₂e between 2019 and 2024. I

In 2024, Clariant analyzed the exposure of the production sites to physical risks. Flooding has been identified as the main risk. Sites in areas with increased risk of flooding have already taken measures to protect critical infrastructure. Further actions are planned as needed. → Please see the discussion on physical risks.

Climate-related performance metrics are integrated into Clariant's remuneration framework for administrative and management personnel, as detailed in the Employee Participation Plans (→ see »Notes to the Consolidated Financial Statements« in the »Financial Report«). Management performance evaluations include specific targets for greenhouse gas (GHG) emission reductions, which are reported under Disclosure Requirement E1-4. Clariant's scope 3, category 1 emissions have been the subject of a short-term remuneration plan for 2024. → Please see »Compensation Report« for further information.

ENERGY CONSUMPTION

	2024	2023	2019
Total energy consumption including supply to 3rd party (in m kWh) ¹	2 429	2 463	2 627
Energy supplied to 3rd party	70 ²	73	
Total energy consumption within the organization	2 359	2 390	2 627
Total fuel consumption within the organization (in m kWh)	1 267	1 380	1 656
Oil	58	86	151
Natural gas	1147	1 184	1 271
Coal	62	110	234
Total electricity consumption (in m kWh)	511	503	507
thereof non-renewable sources ³	168.5	198	457
thereof renewable sources	342	305	50
thereof renewable grid share	98	100	
thereof renewable green electricity supply contract	1	1	20
thereof renewable PPA	39	43	6
thereof renewable REC	196	157	24
thereof renewable self-generated	8	4	0
Total steam consumption from outside the organization (in m kWh)	464	438	420
thereof from renewable sources	5	0	0
Total non-renewable energy consumption (MWh) ³	1 899	2 016	2 533
Share of non-renewable sources in total energy consumption (%)	81%	84%	96%
Fuel consumption from renewable sources, including biomass			
Biofuel (e.g., wood waste, agricultural waste, landfill gas)	118	68	45
Total renewable energy consumption (MWh)	465	373	95
Share of renewable sources in total energy consumption	20%	16%	4%
Share of contractual instruments of scope 2 emissions	24%	21%	5%
Specific energy consumption in kWh/t production	657	630	656
Specific energy consumption in kWh/CHF net revenue ⁴	0.568	0.546	0.599

¹ All values are based on upper heating value

² 64 m kWh steam and 6 m kWh electricity supplied

³ Non-renewable sources include fossil and nuclear sources

⁴ Net revenue see Consolidated Income Statement on page 239

E1-5 – Energy consumption and mix

Please refer to → section E1-6 for the disclosures of energy consumption and mix for scope 1 and scope 2.

As a chemical company, Clariant's whole operation is in the high climate impact sector. The consumption of energy by Clariant is in the form of process heat, steam, cooling, and electricity.

✓ I With respect to process heat and steam, it uses direct primary energy sources to generate them or has them supplied by site service providers. Its primary energy source is natural gas, while coal is used only in very few locations. In addition, sustainable biomass is used, replacing more coal. Clariant requires steam to heat reactors and separators, such as distillation columns. Wherever possible, it applies the remaining heat of the resulting condensate for steam generation or internal heating. The company also needs energy for drying as a part of its mineral processing. For this application, fossil energy sources have partially been substituted by natural drying with sun and wind. I

✓ I In absolute terms, energy consumption has decreased by 1% versus 2023, while the share of renewable energy consumed increased from 16% to 20%. Clariant further increased the share of green electricity from 60% to 67% and is well on track to reach the

target of 80-90% by 2030. The share of contractual instruments of scope 2 emissions increased from 21% to 24% in 2024. Power Purchase Agreements (PPAs) account for 8%, bundled Renewable Electricity Certificates (RECs) for <1%, and unbundled RECs for 38% of the total electricity consumption in 2024. In relative terms, the specific energy consumption in kWh/CHF turnover increased from 546 to 599. I

E1-6 – Gross scope 1, 2, and 3 (total GHG emissions)

Clariant discloses emissions from the consolidated accounting group, including the parent company and fully consolidated subsidiaries. Emissions from investees, such as associates, joint ventures, or unconsolidated subsidiaries that are not fully consolidated in the financial statements, are not relevant to Clariant's emissions reporting, as these entities are not controlled by Clariant.

Due to the rebaselining and the change of the reported scope 3 categories, the total of scope 1, 2, and 3 market-based emissions in 2019 increased to 6.54 million tons CO₂e, and the location-based emissions to 6.55 million tons CO₂e. The total GHG emissions (scopes 1, 2, and 3) intensity in 2024 is 1.27 kg CO₂e per CHF sales for market-based emissions, and 1.30 kg CO₂e per CHF sales for location-based emissions.

GHG EMISSIONS DISAGGREGATED BY SCOPE 1, 2, AND SIGNIFICANT SCOPE 3

in million tons CO ₂ equivalents	Retrospective				Milestones and Targets		
	2019	2023	Total 2024	% N / (N-1)	2025	2030	Annual % target / base year
Scope 1 GHG emissions							
Gross Scope 1 GHG emissions	0.38	0.29	0.27	-8			
Percentage of Scope 1 from regulated emission trading	2%	1%	2%	44			
Scope 2 GHG emissions							
Gross location-based Scope 2 GHG emissions	0.38	0.36	0.34	-5			
Gross market-based Scope 2 GHG emissions	0.37	0.25	0.22	-13			
Total scope 1 & 2 location-based GHG emissions	0.76	0.65	0.61	-6			
Total scope 1 & 2 market-based GHG emissions	0.75	0.54	0.49	-10	0.46	0.40	4.26
Significant scope 3 GHG emissions							
3.1 Purchased goods and services	3.51	2.70	2.58	-5	2.51	2.54	2.5
3.3 Fuel- and energy-related activities (not included in scope 1 or 2)	0.21	0.17	0.16	-6			
3.4 Upstream transportation and distribution	0.40	0.37	0.40	7			
3.9 Downstream transportation and distribution	0.17	0.11	0.11	-0			
3.12 End-of-life treatment of sold products	1.50	1.35	1.55	15	1.55	1.09	
Total scope 3 GHG emissions¹	5.79	4.71	4.81	2	4.06 ²	3.63 ²	
Total GHG emissions (location-based)	6.55	5.36	5.42	1			
Total GHG emissions (market-based)	6.54	5.25	5.29	1			
Intensity value of scope 3 GHG emissions (in kg CO ₂ e/CHF net revenue) ³	0.93 ⁴	1.08	1.16	7			
Intensity value of scope 1, 2 & 3 GHG emissions (location-based) (in kg CO ₂ e/CHF net revenue) ³	1.09 ⁴	1.22	1.30	7			
Intensity value of scope 1, 2 & 3 GHG emissions (market-based) (in kg CO ₂ e/CHF net revenue) ³	1.09 ⁴	1.20	1.27	6			

¹ Includes categories 1, 3, 4, 9 and 12 only

² Target in line with data submitted to SBTi for validation

³ Net revenue see Consolidated Income Statement on page 239

⁴ Based on actual figures in 2019 not considering rebaselining

Emissions calculation method

Clariant's scope 1, 2, and 3 emissions are calculated according to the GHG Protocol and the »Guidance for Accounting & Reporting Corporate GHG Emissions in the Chemical Sector Value Chain« issued by the World Business Council for Sustainable Development (WBCSD) and follow the financial control approach.

Clariant reports scope 1 & 2 emissions from all global production sites using the financial control approach. Laboratories, offices, and warehouses are included in the reporting only when located within Clariant-owned production sites. Other standalone locations are excluded from the reporting scope, as their contribution to direct and indirect GHG emissions amounts to less than 1% of total emissions and is therefore not material.

Scope 1 emissions primarily result from stationary combustion of natural gas, with additional contributions from oil products, coal, and biofuels. Fuel consumption data is predominantly based on monthly invoices, with some meter readings. Emissions are calculated by multiplying fuel consumption with the corresponding emission factors as defined by the GHG Protocol. The scope also includes emissions from mobile combustion in transportation; process-related emissions, including N₂O; and fugitive emissions

from refrigerants. In 2024, these additional emission sources accounted for 14% of total scope 1 emissions. In 2024, scope 1 emissions from regulated EU ETS emissions trading were at 2% of the total scope 1 emissions.

Scope 2 emissions result from purchased electricity and steam consumption. For electricity-related emissions, Clariant applies the market-based approach while also reporting location-based emissions. The market-based calculations utilize latest conversion factors derived from supplier-specific information and contractual instruments for green electricity procurement, including Power Purchase Agreements (PPAs) and bundled and unbundled renewable electricity certificates. For green electricity supply contracts, Clariant uses the emission factor obtained from contract agreements on specific sources for which there is no emission of specific attributes. Steam-related emissions are calculated using either supplier-specific information or, when unavailable, standard emission factors of the primary fuel combined with its corresponding efficiency factor.

For location-based electricity emissions calculations, Clariant uses latest emission factors from the International Energy Agency (IEA), except for US operations, where latest EPA eGRID factors specific to each state are applied. The same factors are used in a few cases where no market-based factors are available.

GHG SCOPE 1 AND 2 EMISSIONS BREAKDOWN

	Retrospective				Milestones and Targets		
	2019	2023	Total 2024	% N / (N-1)	2025	2030	Annual % target / base year
in thousand tons CO ₂ equivalents							
Scope 1							
Stationary combustion	338	257	228	-11%			
Mobile combustion	12	13	14	5%			
Process emissions	16	8	16	95%			
Fugitive emissions	11	10	8	-25%			
Total scope 1	377	288	265	-8%			
Scope 2							
Electricity market-based	230	133	106	-20%			
Electricity location-based	241	242	228	-6%			
Steam	143	118	114	-3%			
Scope 2 market-based	373	251	220	-12%			
Scope 2 location-based	383	360	342	-5%			
Scope 1 and 2 GHG emissions market-based	750	539	485	-10%	460	398	4
Scope 1 and 2 GHG emissions location-based	760	648	607	-6%			
Biogenic CO ₂ emission	21	42	64	52%			
Greenhouse gas emissions (scope 1 & 2 market-based, CO ₂ equivalents) (in kg CO ₂ e/CHF net revenue) ¹	0.157 ²	0.123	0.117	-5%			
Greenhouse gas emissions (scope 1, CO ₂ equivalents) (in kg CO ₂ e/CHF net revenue) ¹	0.085 ²	0.066	0.064	-3%			
Greenhouse gas emissions (scope 2 market-based, CO ₂ equivalents) (in kg CO ₂ e/CHF net revenue) ¹	0.072 ²	0.057	0.053	-7%			
Greenhouse gas emissions (scope 2 location-based, CO ₂ equivalents) (in kg CO ₂ e/CHF net revenue) ¹	0.074 ²	0.082	0.082	0%			

¹ Net revenue see Consolidated Income Statement on page 239

² Based on actual figures in 2019 not considering rebaselining

Carbon offsets are only used to eliminate the hard-to-abate emissions, which account for less than 5 % of the remaining emissions. GHG removals and avoided emissions are not included in emission reduction targets.

✓ I To calculate its scope 3, category 1 emissions, Clariant uses emission factors (EFs) based on data from secondary LCA databases such as ecoinvent (v3.10 is currently used), or other verified sources when supplier-specific emission factors are not available. All EFs go through an internal validation process. Global warming potential (GWP) characterization factors from the Intergovernmental Panel on Climate Change Assessment Report 5 (IPCC AR5) and IPCC AR6 with a 100-year time frame are used and expressed in kg of CO₂ equivalents per input unit. Where no data are available, extrapolations are used. This allows Clariant to generate transparency, identify hotspots and reduction opportunities in the value chain, influence suppliers, and work on innovation. I

Rebaselining scope 1, 2, and 3 GHG emissions

The Science Based Targets initiative (SBTi) requires a baseline review every five years or when significant changes (±5%) occur in the baseline emissions. While Clariant's mandatory recalculation was initially scheduled for 2026 (following the 2021 SBTi target validation), the company conducted a comprehensive rebaselining project in 2024. This was prompted by cumulative changes exceeding the threshold across scope 1, 2, and 3 emissions. The recalculation encompassed all scopes and relevant scope 3 categories. The rebaselining process implemented current reporting methodologies while maintaining consistent data granularity between the 2019 baseline and present reporting standards.

Rebaselining scope 1 & 2 GHG emissions

Since 2019, various acquisitions and divestments, as well as corrections, had a significant impact on Clariant's scope 1 & 2 baseline. It increased by 60 kt CO₂e, corresponding to +9%. Corrections account for +18 kt CO₂e due to initially not reported fugitive emissions of refrigerants and N₂O. The acquisition of additional production locations added 70 kt CO₂e, while the divestment of specific businesses reduced the GHG inventory by 28 kt CO₂e.

Rebaselining scope 3 GHG emissions

Key changes affecting the scope 3 baseline were categorized into three areas:

Inventory or target boundary:

- All 15 scope 3 categories were reevaluated, with the following exclusions:
- Category 10 was excluded in alignment with GHG Protocol's Scope 3 Standard due to difficulty in reasonably assessing emissions related to the processing of sold intermediates
- Category 11 was deemed not relevant because Clariant does not sell products such as fuels and fertilizers that result in direct use-phase emissions, in accordance with the GHG Protocol
- Category 14 was deemed not relevant because, Clariant does not have any franchises
- Scope 3.1 emissions no longer met the threshold of two-thirds of all scope 3 emissions and, thus, scope 3.12 was added to the target boundary

Company structure and activities:

- Emissions from 10 acquired sites were added
- Emissions from 2 divested sites and the divestments of the land oil business were removed
- Emissions from 2 closed sites remained in 2019 but were excluded in 2023
- Changes in insourcing/outsourcing were accounted for

Data or methodology updates:

- Emission factors for raw materials were updated based on ecoinvent v3.10, which was released in November 2023, when no supplier-specific EFs were available
- Revised the methodology for the category 12 emission calculations
- Granular emissions calculations for global outbound transport activities are now included with the use of 4flow software

Scope 3, category 1 (purchased goods and services)

The recalculation resulted in a 29% increase in the 2019 baseline emissions, while 2023 emissions increased by 18%. This difference is attributed to several key factors influencing the changes observed. While acquisitions and divestments collectively did not significantly impact overall emissions, data and methodology updates played an important role in refining the emissions profile. Updating EFs based on the latest ecoinvent version (from v2.2-v3.6 to v3.10) had a significant effect for many fossil-based materials. For instance, with the update, the ethylene emission factor increased by 35% to 70%, depending on the region. Transitioning from proxy data to current emission factors and implementing a full conversion to kilograms added to an emission increase. Some decreases in emissions were achieved through increased transparency in working with suppliers to collect supplier-specific emission factors for the key materials purchased and accounting for reduced emissions for palm and palm kernel oil derivatives certified by the Roundtable on Sustainable Palm Oil (RSPO). The methodology used was certified by a third party in 2024.

Scope 3, categories 4 & 9 (upstream and downstream transportation and distribution)

In 2024, Clariant commissioned 4flow to perform the emission calculations for all global outbound transport activities. The software developed by 4flow provides a more detailed assessment of the emissions based on actual transportation modes and distances. Consequently, the baseline for scope 3, categories 4 and 9 emissions combined has increased by 57% due to this more granular calculation method. During the rebaselining project, transport emissions were updated, and all transportation paid for by Clariant is now included in category 4 as per the GHG Protocol (and not category 9).

In addition to the outbound logistics, emissions relating to the upstream transport of the raw materials purchased from our suppliers to Clariant's plants are also included. Warehousing of purchased materials and finished goods is also considered.

Scope 3, category 12 (end-of-life treatment of sold products)

The methodology used to calculate the category 12 emissions for the original 2019 baseline was based on WBCSD's »Guidance for Accounting and Reporting Corporate GHG Emissions in the Chemicals Sector Value Chain.« When conducting the rebaselining, the methodology for scope 3.12 emissions from the EcoBeauty Score Consortium was used because it is a recent and reviewed methodology that is applicable for Clariant. This carbon-content method considers emissions from the waste disposal and treatment of all products sold in the reporting year at the end of their lives. The change in methodology results in a significant increase in the scope 3, category 12 emissions, primarily driven by improved data accuracy and assumptions reflecting the fact that the vast majority of Clariant's products are not expected to remain in landfills for more than 100 years.

Additionally, increased data accuracy was achieved by converting sold materials in units such as pieces, liters, or square meters to kilograms. Considering that no data for the carbon content of finished goods sold is currently available, Clariant approximates the carbon content of the finished goods by analyzing the carbon content of the raw materials that are both purchased and mined. A thorough review of raw materials resulted in updated carbon content assumptions, with 80% carbon content applied where specific data were unavailable. Additionally, biogenic carbon content is considered in the current method. In cases where the biogenic carbon content is unknown, a default of zero is assigned to the raw material as a conservative approach. Regional shifts of volumes toward regions with lower incineration rates for end-of-life treatment of Clariant's products, and overall portfolio shifts toward higher value products have resulted in a decrease in category 12 emissions between 2019 and 2023.

These comprehensive updates reflect Clariant's commitment to accuracy and transparency in emissions reporting. Overall, the rebaselining exercise resulted in a significant shift in scope 3 emissions. Category 1 no longer contributes more than 67% of the total scope 3 emissions. Emissions from category 12 are the second highest contributor to overall scope 3 emissions. Based on these changes and the commitment to climate action, Clariant is currently in the process of validating an updated target through the SBTi from a 14% reduction in scope 3.1 emissions to a 27.5% reduction in scope 3.1 and 3.12 emissions, in line with the well-below 2 °C scenario covering 83% of total scope 3 emissions in 2019 and 86% in 2024.

SIGNIFICANT AIR EMISSIONS

Significant air emissions in tons, for each of the following:

	Total 2024	2023 ¹	2019
Total inorganic emissions	451	556	839
NO _x	321	326	613
SO _x	68	162	172
Hydrogen chloride HCl	8	28	33
Ammonia NH ₃	54	39	21
Total organic emissions (VOCs)	201	191	543
Particle emissions (fine particles) (in t)	225	311	201
Particle emissions (fine particles) (in g/t production)	63	82	47

¹ An Error in the sum of the individual NO_x, SO_x, HCl and NH₃ emissions in 2023 has been identified, and is corrected in this report.

✓ **Emissions of ozone-depleting substances (ODSs), nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant emissions**

At the Group level, air pollutants, including volatile organic compounds (VOCs), sulfur oxides (SO_x), particulates, and nitrogen oxides (NO_x) are tracked. NO_x emissions from process and combustion sources are included as a KPI for Clariant's sustainability 2030 targets. Clariant no longer uses ozone-depleting substances. If relevant, Clariant reports cooling agents under the category »fugitive emissions.«

E1-7 - GHG removals and GHG mitigation projects financed through carbon credits

GHG removals and GHG mitigation projects financed through carbon credits are not applied by Clariant.

E1-8 - Internal carbon pricing

The internal carbon-pricing system has been continuously used since 2021 as a shadow price in the evaluation of CAPEX projects. Clariant increased its internal carbon price in 2023 from CHF 50 to CHF 100 per ton of CO₂, according to the EU ETS carbon price development. This allows Clariant to assess the impact and opportunity of investments regarding the impacts on scope 1 and 2 targets. It is used for investment decisions globally and all fully consolidated entities. Investment projects can be GHG-neutral or lead to an increase or decrease in GHG emissions. In addition to financial KPIs, a sustainability KPI is used to assess and prioritize the attractiveness of an investment. The absolute impact of the investment on Clariant's GHG inventory is assessed on an empirical scale and used as a KPI. The final investment decision is influenced through the awarding of a high score for sustainability compared to financial KPIs. In case of additional CO₂ emissions, the carbon price decreases the attractiveness of investments and vice versa.

ESRS E2: Pollution of Water

Summarized by Clarita^{AI}

- + Water pollution is a material topic for Clariant, requiring control of key pollutants in wastewater from production sites.
- + The company maintains strict wastewater treatment processes that often exceed local regulations.
- + Clariant aims to reduce wastewater discharge by 2030, with interim targets set for 2025.

Introduction

Water pollution is a growing global challenge that poses significant threats to ecosystems, human health, and economic stability. Across industries, increasing water scarcity and contamination jeopardize both environmental sustainability and business continuity. With the United Nations highlighting water as a critical component of the Sustainable Development Goals (SDG 6), there is a global imperative for industries to adopt responsible practices to safeguard this precious resource.

In the chemical industry, water pollution has far-reaching impacts, from potential contamination of water bodies to the extensive energy and resources required for treatment. This places chemical manufacturers at the forefront of efforts to mitigate pollution risks and enhance sustainable practices. Compliance with stringent regulations, reducing pollutant loads, and promoting water-efficient processes are not only ethical imperatives but also key drivers of competitive advantage in today's sustainability-focused markets.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES (IROS) RELATED TO POLLUTION OF WATER: IRO-1

Description + corresponding ESRS-sub-sub topic or sub-topic + corresponding sub-chapter(s)	Type (Actual/potential, positive/negative, impact/risk / opportunity)	Value Chain Location			Time Horizon		
		Upstream	Own ops.	Downstream	Short-term	Medium-term	Long-term
Contamination or impairment of water resources	Actual negative impact			■	■		
Risk of increased operational and remediation costs	Risk		■				■
Reduced operational costs and enhanced business continuity	Opportunity		■		■		
Clariant offers products that reduce water contamination	Opportunity			■		■	

For Clariant, water stewardship is an integral part of its commitment to sustainability. As a leader in the specialty chemicals sector, the company acknowledges its role in addressing global water challenges. This chapter delves into Clariant's targeted actions to minimize water pollution, focusing on its innovative approaches, risk management strategies, and forward-looking policies to protect water resources throughout its value chain.

IRO-1 – Description of the processes to identify and assess material water-related impacts, risks, and opportunities

Pollution of water has been identified as a material topic in the double materiality assessment reviewed in 2024, based on high impact and high financial risk. Clariant has implemented a screening process for its assets and activities to identify actual and potential impacts, risks, and opportunities related to resource use and circular economy. This screening process includes both its own operations as well as its upstream and downstream value chain. The identification of material impacts is guided by the IRO (Impact-Risk-Opportunity) table, which highlights key areas of materiality. The table serves as the primary tool for defining material topics, clarifying the scope of pollution of water.

Key water pollution risks for Clariant stem from regulatory limit exceedances in the priority pollutants identified in the wastewater released, such as excessive organic compounds represented with chemical oxygen demand (COD) released mainly from Care Chemicals sites, suspended solids from Adsorbents sites, and heavy metals from Catalyst sites. Additional water pollution risks arise from potential spills and leakages from wastewater pipelines transporting contaminated industrial effluents within and outside the facilities. For more details, including the stakeholder consultation through interviews, please refer to the → »General Disclosures« chapter.

Description of the IROs

Negative impact (downstream). Contamination or impairment of water resources: Clariant acknowledges the potential risk of water contamination arising from the improper use of its products by customers, particularly in oil extraction processes within the Care Chemicals business. Such activities could result in wastewater discharge or accidental chemical leaks, posing a threat to groundwater and surface water quality.

Risk (own operations). Risk of increased operational and remediation costs: Clariant faces the risk of increased operational expenses and fine payments if regulatory thresholds for emissions or pollutant loads are exceeded in its wastewater discharge. Stricter global environmental regulations and discharge limits necessitate significant investments in advanced wastewater treatment systems. Additionally, incidents such as spills could result in water pollution, operational disruptions, legal implications, and reputational damage. The long-term environmental impacts of such incidents often necessitate extensive and costly remediation activities, adding to the financial burden.

Opportunity (own operations). Reduced operational costs and enhanced business continuity: By proactively upgrading wastewater treatment facilities and implementing stricter internal procedures, Clariant can ensure compliance with evolving regulatory standards, reducing the likelihood of complaints, lawsuits, and associated costs. These measures also enhance business continuity and foster trust as a reliable supplier. Furthermore, reducing the toxic and persistent nature of compounds in Clariant's products minimizes pollutant loads in wastewater generated by customers, strengthening Clariant's reputation for environmental responsibility and creating a competitive advantage in the market.

Water discharge opportunity (downstream). Clariant offers products that reduce water contamination: Clariant's comprehensive portfolio includes innovative solutions specifically designed to minimize water contamination, enabling our customers to achieve cleaner water discharge practices. By providing these effective solutions, Clariant not only helps improve overall water quality but also supports customers in meeting and exceeding environmental compliance standards.

E2-1 – Policies related to pollution

Clariant is committed to internationally recognized third-party standards and initiatives as part of its sustainability policies. Specifically, Clariant's environmental management systems are aligned with ISO 14001, an international standard that specifies requirements for an effective environmental management system (EMS). This framework helps Clariant systematically manage its environmental responsibilities and ensures continuous improvement in its sustainability performance.



At each site, Clariant strictly adheres to the relevant environmental regulations regarding runoff water. In addition, Clariant has internal standards and a hazard analysis framework designed to mitigate the risk of contaminated runoff water reaching and polluting receiving waters. The internal standards take precedence over local regulations whenever the latter are less stringent. This applies to the measurement and monitoring of runoff water alongside quality parameters and retention basins established for stormwater and contaminated excess runoff water retention, among other measures. Implementation of Clariant standards by sites gets verified through internal Operational Assessment audits.

The topic of water pollution is overseen by the Technology & Sustainability department, with the Chief Strategy & Technology Officer in the highest position of responsibility. The CSTO holds the highest level of accountability for implementing the sustainability policy.

Clariant has established a wastewater management process for all Clariant's sites in own operations, which ensures that contaminated wastewater is adequately treated before it is discharged. The priority pollutants are identified in the site wastewater discharge permits based on their environmental impact. The company complies with local regulations on priority pollutants in wastewater at all production sites, whether discharged directly into the environment or sent for further treatment. Clariant identifies and treats priority pollutants in the wastewater based on the type of industrial operation. Its approach is not generalized at the Group level. Uncontaminated rainwater and pass-through cooling water uncombined with industrial effluents are controlled as per local regulations and released directly into the environment.

Clariant's commitment as a signatory of the *Responsible Care* initiative plays a key role in addressing water-related pollution risks. Under the initiative's principles, Clariant adheres to stringent global standards for pollution prevention, focusing on improving water quality and minimizing discharges across operations. This includes implementing advanced water treatment technologies, reducing pollutant loads, and ensuring compliance with local and international water permits. By integrating these measures into its operations, Clariant proactively mitigates the risks of water pollution. This safeguards ecosystems, thereby contributing to regulatory compliance and addressing stakeholder concerns regarding water resource management.

Sustainability policy

Clariant's sustainability policy is the overarching framework guiding the commitment to responsible environmental and social practices across its global operations. The policy, with associated internal standards, is made accessible to all relevant stakeholders. The policy is publicly available on the Clariant website under the Sustainability Governance section, providing transparency for external stakeholders. Internal stakeholders, such as employees involved in policy implementation, have access to the sustainability policy and detailed internal standards through Clariant's

Document Management System (Intelex). This system ensures that all employees, regardless of department or location, can easily access the guidance they need to support Clariant's sustainability goals.

The site's management is responsible for implementing the relevant Clariant policies, internal standards, and SOPs on the pollution of water. Most of these relate to the downstream step of water life cycles at Clariant's production facilities, as this step has the highest leverage for the prevention of water pollution.

Policies specific to the pollution of water

Clariant's principal policies and governance frameworks addressing the pollution of water are the Quality, Environment, Safety, and Health (QESH) Policy of Environmental Safety and Health Affairs (ESHA) and the Integrated Group System Management (IGSM), the ESHA internal standard on wastewater management, and related standard operating procedures (SOPs), as well as each site's environmental permits defining regulatory requirements to prevent any pollution of receiving waters.

✓ I The QESH Policy states that all Clariant sites have a global mandate to minimize the pollution of water. This mandate stipulates that direct or indirect discharges of wastewater from Clariant sites into the environment shall not pose an unacceptable risk to human health or the environment or become a nuisance to the neighborhood. I

Clariant is dedicated to setting clear goals, monitoring progress, and systematically evaluating its activities to ensure the highest standards of occupational health and safety. The company's comprehensive health and process safety program encompasses preventive and training measures to mitigate risks effectively. Clariant fosters a culture of open and transparent communication with employees and stakeholders, considering it essential to building trust and productive relationships.

Incidents and emergencies related to pollution of water addressed by Clariant's policies

Clariant's policies and standards are designed to prevent incidents and emergencies and to mitigate their negative impact on people and the environment when they occur. From the sustainability policy, Clariant is committed to driving toward zero accidents and incidents, promoting health and safety across its operations. Transparent communication with employees and stakeholders plays a crucial role in risk management and emergency response, while stakeholder concerns are systematically included in Clariant's strategy reviews. Instances of regulatory noncompliance resulting in fines or other regulatory actions are consolidated annually by the Global ESHA/IGSM function. To ensure accuracy and completeness, this data undergoes internal verification and cross-checking with the legal department, ensuring that all fines, litigations, or water permit violations are identified and accounted for.

The QESH Policy outlines the global requirements and process to be followed for emergency management (available via the Intelix platform) in the handling of incidents or critical situations that could negatively impact people, the environment, and Clariant's property, business continuity, and reputation. This policy includes:

- incident reporting
- structured emergency management
- site security risk management;

Details, please see → [Avoiding incidents and emergency situations through policies](#)

E2-2 – Actions and resources related to pollution of water

✓**I** Whenever required, Clariant pretreats wastewater at its own sites in a multistage chemical and/or physical as well as biological treatment before discharging the effluents. In combination with constant monitoring, this approach ensures that wastewater discharged is within permitted limits. **I**

✓**I** Wastewater pipelines are regularly inspected as per ESHA internal standards to identify and address any leakages immediately. Soil and groundwater also get inspected if risks are identified at operating and nonoperating sites, as locally mandated. When pollution is found, optimal remediation solutions are selected based on pollutant types to control the contamination. **I** A wastewater treatment plant was built in 2023 at a Catalyst production site in Richards Bay, South Africa. This plant addresses the risk of high levels of Chemical Oxygen Demand (COD) and suspended solids in the site's wastewater discharge. The plant has advanced filtration and separation of the mother liquor, which ensures that the discharged wastewater from the site is safe for the environment. A reduction of water intake of the site is also underway, with water reuse projects in production.

FEATURED STORY



Helping the mining industry become more sustainable

After metal ores have been extracted from the ground, valuable minerals are purified by means of physical and chemical processes. The rejects of this procedure are called »tailings« and take the form of a liquid slurry. Tailings can accumulate in large volumes and are usually disposed of in tailings ponds of enormous sizes. But serious accidents involving the rupture of these muddy storage structures have caused a transformation in the industry.

For example, the Global Industry Standard on Tailings Management GISTM is now in place to support mining companies with best practices and guidelines to store tailings in a more sustainable and smart manner. Clariant supports this transition via its Tailings Management Program (TMP) and its global Competence Center for Tailings Treatment (CCTT) in Brazil.

Today, some of the largest mining companies in the world filter coarse tailings and dry-stack the resulting filtration cake safely. However, there have been considerable problems in achieving the same results with so-called slimes, meaning tailings with fine particles.

With Clariant's filter aid FLOTICOR™ FA 17416, it is now possible to add slimes to the filtration process of coarse tailings. The filter aid helps to achieve minimum cake moisture of this mixture. Thanks to this improvement, up to 95% of the process water can be recovered. And the more slimes that are filtered, the fewer tailing ponds that are required.

[Learn more](#)

✓**I** An example of an innovative product helping customers reduce pollutants in their wastewater is SÜDFLOCK™ K2, a precipitant in municipal and industrial wastewater treatment plants. **I** The mixture of magnesium, calcium, iron, and aluminum salts ensures efficient and effective precipitation of phosphate ions from wastewater.

FEATURED STORY



Improving water quality in crude oil processing

Oil-water separation is an important step in crude oil processing. Traditionally, the industry relies on aromatic solvent-based demulsifiers for this process.

Clariant's PHASETREAT™ NAN is a nanoemulsion-based demulsifier that has replaced aromatic solvent systems. Formulated with a proprietary blend of environmentally preferable solvents, this product allows customers to reduce dosage and reduce carbon emissions, and it leads to improved water quality.

In a field trial conducted in Colombia, PHASETREAT™ NAN 19037 yielded improvements compared to the incumbent product: The dose rate was reduced by 10 %, and water quality was improved with a 50 % reduction of oil in water in the separators and skimming tanks and a 47 % reduction in total suspended solids. Moreover, the product carbon footprint of PHASETREAT™ NAN 19037 is 58 % lower than the product it replaced, significantly reducing Scope 3 emissions.

This innovation has been recognized by the industry: At the 2024 Gulf Energy Information Excellence Awards, Clariant Oil Services was named a finalist for the development of PHASETREAT™ NAN in the category »Best Oilfield Fluids and Chemicals.«

[Learn more](#)

E2-3 – Targets related to pollution of water

✓ I Clariant's most relevant performance indicators regarding the pollution of water are the total volume of wastewater discharged from Clariant sites as well as the chemical oxygen demand (COD), heavy metal loads, and suspended solid loads of any discharged wastewater. For assessing wastewater quality, Clariant consolidates some priority pollutants at the Group level, such as loading of heavy metals, nitrogen and phosphorus compounds, soluble salts, and total suspended solids (TSSs), as well as biochemical oxygen demand (BOD) and COD, which are the indicators of organic content in wastewater. I

The targets related to the pollution of water are defined in the Sustainability Policy and include:

Continuously reducing waste and pollution: Clariant is dedicated to minimizing hazardous waste and nonhazardous waste sent to landfills. To measure success, the company sets clear, ambitious targets based on well-defined environmental objectives. By reducing the amount of waste generated and sent to landfills, the company also reduces the downstream negative impact of landfill leachate that leads to water pollution.

Decreasing wastewater volumes: Clariant aims to provide solutions that not only lower wastewater generation but also address pollution reduction, contributing to a cleaner and safer environment. By reducing wastewater discharge, Clariant is directly supporting the sustainability policy's focus on lowering pollutants and advancing environmental performance across its operations.

For Clariant's wastewater discharge target, the specific target level is outlined in the section »Sustainability Management at Clariant: Progress« in the General Disclosures chapter. The target is operational and specifically applies to all production sites of Clariant. The target aims at reducing the volume (measured in cubic meters) of wastewater discharged, which includes post-treatment water discharged from production sites per ton of product. This target is part of Clariant's strategy to lower pollutant loads in discharged effluent.

For Clariant's measurable, outcome-oriented sustainability targets, including the wastewater discharge target, the period and milestones are clearly defined. The target applies to the time frame leading up to 2030, aligned with Clariant's 2030 sustainability goals. Interim targets have been set for 2025 to achieve around 50 % of the overall 2030 targets for each metric. Each business unit has developed a roadmap toward these 2030 goals, which includes defined improvement projects, planned implementation phases, and medium-term investment plans. These plans outline specific intermediate reduction targets for water withdrawal, water discharge, and wastewater management to be achieved by 2025. For more details, please refer to the section → »Sustainability Management at Clariant: Progress« in the General Disclosures chapter.

The methodologies and significant assumptions used for the target definitions include the following:

Workshops with business units: Project ideas were collected during workshops with operations and Environmental Health & Safety (EHS) managers from different business units. These workshops facilitated the identification of potential improvement projects and estimates for wastewater reduction.

Production growth assumption: A 3 % annual growth in production volume was assumed to project future wastewater generation. This assumption was critical in setting realistic and scalable reduction targets that account for production increases.

Baseline reference: The specific wastewater generation for each unit was compared to the baseline situation in 2019. This historical reference was used to set reduction targets and to assess progress over time.

Reduction targets: Based on the workshops and growth projections, specific metric reduction targets were established. These targets account for both absolute and relative reductions in wastewater discharge in alignment with sustainability goals.

Stakeholders engaged through workshops played a central role in the target-setting process, providing operational insights and ensuring that the targets were aligned with business capabilities and environmental objectives. Additional stakeholders, such as Sustainability Affairs and ESHA experts, were also actively involved. Their input helped to ensure that the targets were both ambitious and achievable, while also aligned with Clariant's broader sustainability policies and commitments.

Clariant's wastewater reduction target is not currently based on conclusive scientific evidence. The targets were set based on internal workshops and projections of production growth, as well as the company's historical performance. While aligned with operational goals and sustainability objectives, no specific scientific studies or externally validated frameworks were used in the establishment of these targets. Clariant plans to explore the application of scientific evidence in future revisions of its wastewater reduction targets to enhance their credibility and ensure alignment with best sustainability practices. The goal of target-setting at Clariant is to monitor the effectiveness of the policies and actions related to pollution, including their impacts, risks, and opportunities.

Regulatory incidences of noncompliance

Maintaining legal compliance is the responsibility of site management. Regular internal and external audits are conducted to verify the implementation of Clariant standards and policies. Through the robust application of these standards, systematic risk evaluation, and the implementation of appropriate controls, incidences of noncompliance related to wastewater or environmental permit exceedances are minimized. When such incidents occur, they are promptly and appropriately addressed.

Clariant tracks incidences of noncompliance and regulatory actions, such as fines related to wastewater permit limit exceedances, annually from all production sites. To further monitor water-related incidents, such as floods, storms, or chemical spills at production sites, Clariant utilizes the ESHA incident reporting system. Annual site surveys are conducted to assess the impacts of water-related events over the past year, including property

damage, operational disruptions, and other consequences. Through standardized tracking and reporting mechanisms, Clariant closely monitors the effects of wastewater pollution risks across its operations.

E2-4 – Measuring pollution of water

Clariant employs systematic and standardized measurement methodologies to monitor and report on wastewater management.

Methodologies for collecting water pollution-related data

- **Volume measurement:** The total volume of wastewater discharged from each production site is recorded using calibrated flow meters. These meters provide real-time data on the quantity of wastewater released, allowing for precise tracking and reporting of discharge volumes. When measurement data is unavailable in a few cases, then estimation of the wastewater volume discharged is done using well-established methods.
- **Monitoring of priority pollutants:** The concentrations of priority pollutants permitted in the discharged wastewater are defined in accordance with local regulatory standards. Clariant complies with local regulations by conducting regular sampling and analysis of wastewater for the priority pollutants identified.
- **Monitoring methodology:** Samples of wastewater are collected pre- and post-treatment or, at a minimum, prior to discharge from the site at defined intervals and subjected to laboratory analysis to determine the concentration of priority pollutants. Some characteristics of the wastewater are monitored continuously, such as pH, temperature, and conductivity, prior to the discharge from the site when required according to site-level impact assessments aligned with local regulatory requirements. The monitoring data are tracked regularly to identify anomalies.
- **Regulatory compliance:** All measurement activities are aligned with local regulatory requirements, ensuring that the methodologies used for monitoring and reporting are consistent with legal obligations and industry best practices. Clariant continuously reviews these requirements to ensure effectiveness. If any anomalies are identified in the monitored data, the predetermined controls are applied to ensure compliance with discharge limits.
- **Data management and reporting:** Consolidated Group environmental data is systematically managed within Clariant's environmental reporting systems. This data is used for both internal assessments and external disclosures, ensuring transparency and accountability in reporting wastewater management performance.

WASTEWATER DISCHARGE

	Total 2024	2023	2019 ¹
Total volume of wastewater discharge to all areas (in m³)	6.9	6.8	11.9
Surface water	2.4	3.0	7.9
Groundwater	0	n.a.	n.a.
Seawater	0.2	0.2	0.5
Third-party water treatment	4.3	3.6	3.5

¹ Until 2021, Clariant followed a full reporting scope of production sites on a three year cycle. Before that year, the last full reporting campaign was in 2020, including estimated discontinued data for Business Unit Masterbatches for the first half-year. In interim years, the reduced reporting scope comprises the larger sites responsible for at least 95 % of production.

Processes for collecting water pollution-related data:

- **Concentration monitoring:** The concentrations of priority pollutants are determined according to local regulatory requirements and monitored according to the methodology described above.
- **Calculation of pollutant load:** The annual pollutant load discharged from each site is typically calculated by multiplying the concentration of each priority pollutant measured by the corresponding volume of wastewater discharged.
- **Consolidation of data:** The pollutant load data for selected priority pollutants from all production sites is consolidated at the Group level. This aggregation allows for comprehensive reporting and enables Clariant to assess its overall environmental performance related to wastewater management.

The primary sources of information for this data collection process include local regulatory requirements that provide guidelines dictating the monitoring frequency and permissible limits for priority pollutants; site-specific processes that establish protocols for sampling, analysis, and data recording tailored to the operational characteristics of each production site; and internal Environmental Management Systems, which are platforms for data management that facilitate tracking, reporting, and analysis of wastewater discharge and pollutant load across the organization.

MDR-M – Metrics

✓ I Sites are responsible for the management of water-related impacts, while regional, business unit, and global ESHA teams check whether the site management effectively addresses water-related impacts. I

COD discharged in the wastewater increased by 43% from 511t in 2023 to 729t in 2024, mainly driven by changes in the product portfolio.

✓ I In 2024, Clariant had five incidents of noncompliance with wastewater quality discharge limits with no significant fines paid. I

E2-6 Anticipated financial effects from material pollution-related risks and opportunities

In the reporting period, Clariant did not incur any operating or capital expenditures associated with major spill incidents or other significant environmental deposits. As a result, the expenditures related to environmental management, including incident response, cleanup, and mitigation measures, remain at standard operational levels, reflecting the company's proactive approach to environmental safety and risk management.

ESRS E2: Substances of Concern and Product Stewardship

Summarized by Clarita^{AI}

- + Clariant has identified certain substances of concern (SoCs) and substances of very high concern (SVHCs) in its product portfolio as a material negative impact on ecosystems, and is taking actions to substitute or phase out SVHCs, especially in consumer and professional products.
- + The company has implemented policies like »Chemicals Regulatory Compliance« and »Clariant Sustainability Policy« to address SoCs and SVHCs, to mitigate risks, and to leverage opportunities for safer alternatives through research and development.
- + Clariant has set voluntary targets for phasing out SVHCs and is actively tracking progress through structured monitoring processes like the Portfolio Value Program (PVP).

Introduction

At Clariant, human health and environmental safety are of paramount importance. A comprehensive safety and risk assessment for each product lies at the heart of our stewardship approach, serving as the foundation for our commitment to sustainable chemistry. Sustainable chemistry involves the design, manufacture, and application of efficient, effective, and safe chemical products and processes that are environmentally friendly. Clariant actively maintains roadmaps to drive innovation and identify opportunities for sustainability improvements across our product portfolio.

In recent years, the Global Function Product Stewardship has transitioned from a mere legal compliance requirement to a critical enabler of Clariant's business strategy. This evolution includes the systematic gathering, analysis, and assessment of emerging regulatory issues pertinent to the marketing of our product offerings.

Responsible and safe handling of chemicals is essential for Clariant's portfolio risk and opportunity management process. This commitment includes addressing Substances of Concern (SoCs) and Substances of Very High Concern (SVHCs), which Clariant has identified as material topics. The proactive impact and opportunity management process empowers Clariant to serve markets with innovative and sustainable products that not only comply with regulatory requirements but also respond to evolving market trends.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES (IROS) RELATED TO SUBSTANCES OF CONCERN AND PRODUCT STEWARDSHIP: IRO-1

IRO	Description + corresponding ESRS-sub-sub topic or sub-topic + corresponding sub-chapter(s)	Type (Actual/potential, positive/negative, impact/risk / opportunity)	Value Chain Location			Time Horizon		
			Upstream	Own ops.	Down-stream	Short-term	Medium-term	Long-term
Negative effects on ecosystems	Substances of concern and very high concern	Actual negative impact	■	■		■		
Securing market access through safer alternatives	Substances of concern and very high concern	Opportunity		■			■	

IRO-1 – Description of the processes to identify and assess material substances of concern and product stewardship-related impacts, risks, and opportunities

As part of Clariant's commitment to sustainability, a thorough double materiality analysis, which identified two key factors concerning the company's approach to substances of concern, was conducted. A negative impact and an opportunity were identified in relation to substances of concern and substances of very high concern, as shown in the table below. Please refer to the → **General Disclosures** chapter for details of the process, including disclosure of the screening and consultations performed.

Description of the IROs

- **Negative effects on ecosystems:** The assessment highlighted that certain substances in Clariant's product portfolio may have detrimental effects on ecosystems. Clariant is acutely aware of its responsibility to minimize these impacts. To address this concern, the company continuously evaluates its substances of concern and substances of very high concern and prioritizes the reduction or elimination of hazardous chemicals through innovative research and development.
- **Securing market access through safer alternatives:** In recognition of the potential for market expansion, Clariant views the rapid identification and implementation of safer alternatives as a significant opportunity. By investing in research to develop environmentally friendly alternatives, the company can meet growing market demands for sustainable products. The strategy here includes an investment in research and development, collaboration with stakeholders, and regulatory compliance. A commitment to investing in research and development to innovate safer alternatives will reduce potential negative ecological footprint while maintaining product efficacy. This will also contribute toward compliance with stricter regulations and position Clariant favorably in the marketplace.

By actively engaging with industry stakeholders, including suppliers and customers, Clariant can identify and develop safer solutions. The collaborative initiatives help the company align with best practices and enhance product stewardship efforts. By staying ahead of regulatory changes, the company's products can meet or exceed industry standards. Details are addressed in the **Policies** and **Actions** sections of this chapter.

Management approach toward substances of concern and product stewardship

✓ I A management process is in place to reduce the proportion of SVHCs within Clariant's product portfolio and to monitor the status of this transformation through the various systems and processes. Any product with at least one SVHC included in its composition is under scrutiny in the portfolio value program (PVP). The PVP is described in more detail in the General Disclosures chapter. Clariant updates and publishes lists of priority substances monthly and performs impact assessments in case of changes in regulations of chemicals. I

Definition of SoC and SVHC

SVHCs are defined under REACH (Regulation (EC) No. 1907/2006) as follows: Substances that may have serious and often irreversible effects on human health and the environment can be identified as substances of very high concern (SVHCs). If a substance is identified as an SVHC, it will be added to the Candidate List for eventual inclusion in the Authorization List.

SoCs include substances with:

- **Harmonized classification:** Harmonized classification in one of the selected hazard classes or categories as stipulated under Regulation 1272/2008 on the classification, labelling, and packaging of substances and mixtures (CLP Regulation).
- **Persistent organic pollutants:** This category includes substances regulated under the European Union's legislation concerning Persistent Organic Pollutants.
- **Material reuse and recycling impact:** SoCs also encompass substances that negatively affect the reuse and recycling of materials in the products in which they are present. These will be product-specific and defined in delegated acts adopted under the Ecodesign for Sustainable Products Regulation (ESPR).
- Potential requirements related to substances in general (performance requirements) or to substances of concern (information requirements or »tracking«) will only apply to selected product groups.

These requirements will align with the timeline for developing and introducing other ecodesign requirements for these specific product categories.

✓ I Although there are differences among regulations in various countries, regions, and markets on priority substances, the EU REACH SVHCs list, being currently the most comprehensive, is used as the reference for Clariant's PVP process.

Whenever substances are identified as new SVHCs or new relevant information is available, the PVP approach applies to identify which portion of Clariant's portfolio is affected. **I**

✓ **I E2-1 – Policies related to SoCs and SVHCs**

The implementation of Clariant's roadmap for the handling and substitution or phase-out of Substances of Very High Concern (SVHCs) is globally in scope, applying uniformly across all regions where Clariant operates. This comprehensive approach ensures that all regions are considered equally and that the same objectives are pursued worldwide. The roadmap is primarily focused on Clariant's own operations, ensuring that SVHCs are systematically substituted or phased out in consumer and professional products, with a reduction in industrial applications. By addressing SVHCs within Clariant's own operations, the roadmap inherently covers both the upstream (supplier-side) and downstream (customer-side) value chain.

Clariant has adopted the comprehensive policies titled »Chemicals Regulatory Compliance« and »Clariant Sustainability Policy« to address regulatory and sustainability matters. These policies outline specific objectives related to the management and regulation of chemicals, ensuring compliance with relevant regulatory requirements, including the identification and regulation of Substances of Very High Concern (SVHCs) and Substances of Concern (SoCs). The policy emphasizes mitigating the risks associated with these substances while leveraging opportunities for safer chemical innovations.

The policy framework includes specific risk-oriented objectives (IROs) designed to cover the regulatory landscape concerning these materials. To monitor the effectiveness and compliance of the policy, a process involving regular reviews and updates is in place. A detailed table outlining the objectives, associated risks, and monitoring procedures is provided at the beginning of → **this chapter** and in the → **»General Disclosures« chapter** for transparency and tracking purposes. **I**

✓ **I Management approach for product stewardship regarding hazardous or polluting substances**

The Global Function Product Stewardship takes care of health, safety, environmental, and all relevant regulatory aspects of the company's portfolio throughout product life cycles, following clear guidelines underpinned by the Sustainability Policy and process descriptions. In addition, local and regional teams play an integral role by supporting business and external customer communication in all regulatory issues regarding the management of chemicals, including SoCs and SVHCs. **I**

Clariant has embedded its product stewardship practices into the innovation process (→ see **»Idea to Market«**), guaranteeing that chemical safety and regulatory compliance concerning all substances are considered throughout the entire product life cycle: Product Stewardship and Sustainability Transformation are involved early in the innovation process to assure from the beginning that the product developed will be safe and sustainable by design (→ see **PVP R&D and PVP**). Product Stewardship also

ensures adequate communication in the value chain on the safe use and handling of products. Furthermore, Product Stewardship and Sustainability Transformation jointly address advocacy challenges to tackle the wave of additional legislation on chemical substances envisaged by the Green Deal in Europe and other regions likely following.

Senior Product Stewardship experts: connecting the dots

For each business unit, a senior Product Stewardship expert (BU Business Partner) with sound knowledge of the product portfolio of the respective business unit is assigned. This guarantees that business units' product stewardship issues, including issues related to microplastics, SoCs and SVHCs, will be tackled and solved in an efficient and cost-optimized way. The expert also has a profound knowledge of the company and excellent communication skills to ensure that the product stewardship strategy is communicated and implemented in the business unit, and to advocate Clariant's interests outside of the company. The senior expert plays a key role in helping to prevent reputational or legal risks, increasing customer satisfaction, and ensuring proper communication of the value chain requirements.

Internally, the BU Business Partner receives full support from all Product Stewardship functions. Any new business information (strategy, portfolio, R&D developments) is conveyed to Product Stewardship, enabling the supervision of all aspects of a product or portfolio – e.g., regulatory matters from cradle to end of life for the respective portfolio or toxicology/ecotoxicology.

Product Stewardship shapes Clariant's positioning in chemical associations in view of chemical management development – in close cooperation with Sustainability Transformation. The BU Business Partners assume proactive regulatory product advocacy in external (chemical) associations on a country level (e.g., VCI), regional level (e.g., Cefic, ACC), and global level (ICCA).

✓ **I Evaluating the management approach** includes internal controls, progress-tracking dashboards, benchmarking against peers, and participation in external networks, discussions, and report reviews. Product Stewardship also forms an important part of the indicators for the assessment of Clariant's environmental sustainability pillar by ESG rating agencies, such as Sustainalytics, MSCI, and others. **I**

✓ **I Avoiding incidents and emergency situations through policies**

Clariant's approach to managing incidents and emergency situations is embedded within its QESH (Quality, Environment, Safety, and Health) Policy, which outlines a comprehensive Emergency Management strategy. This policy ensures that the organization is well-prepared to avoid incidents and, if they do occur, effectively manage and mitigate their impact on people, the environment, property, business continuity, and Clariant's reputation. Key measures include:

- **Incident reporting and management:** Incidents or critical situations must be reported through Clariant's standard tools within a specified time frame. These tools enable rapid assessment and response. Employees are trained according to their roles, and back-up personnel are identified and trained to ensure operational continuity.
- **Site security risk assessment:** Each Clariant site conducts regular documented security risk assessments to protect against malicious or criminal acts. Security threat levels and contingency measures are established, and there are protocols for maintaining communication with local authorities and neighboring entities.
- **Structured emergency management:** Clariant sites maintain updated Local Emergency Management (LEM) documentation. This includes a communication process for alarming, warning, and informing stakeholders during emergencies. A trained emergency management team is assigned, with designated workspaces and equipment, to ensure preparedness. Regular documented exercises are conducted to test and improve response readiness.

Clariant informs via safety data sheets about the risks and safety measures associated with its products as per regulatory requirements. |

✓ I E2-2 – Actions and resources related to Substances of Very High Concern

In alignment with its policy objectives to substitute or phase out Substances of Very High Concern (SVHCs), Clariant has developed detailed roadmaps for each product containing SVHCs. These roadmaps outline the actions required to substitute or phase out SVHCs in consumer and professional use, as well as to avoid exposure in industrial use. The company has undertaken the following key actions in the reporting year, with future actions planned to ensure continued progress:

Clariant developed comprehensive roadmaps for products classified as unsustainable, detailing how the phase-out will be achieved. In addition, substitution alternatives for SVHCs in consumer and professional-use products were identified. There was also engagement with suppliers and customers to facilitate the transition to non-SVHC alternatives, ensuring transparency and collaboration across the supply chain. |

In the future, Clariant plans to complete the substitution or phase-out of SVHCs in consumer and professional use products while reducing the use of SVHCs in industrial applications by implementing alternatives identified through ongoing research and development in the short term. The company continues to monitor and report on the progress of SVHC reduction across all product categories, ensuring compliance with regulatory standards and internal targets. Collaboration with stakeholders to support innovation and the development of safer alternatives also continues.

The implementation of these actions directly supports Clariant's commitment to sustainability, reducing the risks associated with SVHCs while fostering innovation in product development and regulatory compliance.

Scope of key actions

The reduction of SVHCs in Clariant's production processes and product portfolio directly impacts the materials sourced from suppliers and the products distributed to customers, encouraging alignment with sustainability goals throughout the value chain. The roadmap impacts multiple stakeholder groups, including suppliers, customers, employees and contractors, and regulators and environmental groups.

FEATURED STORY



Igniting change in flame retardants

Flame retardants can be found in many applications, including buildings, transportation systems, electric vehicles, and electronic devices. Melamine, a common flame-retardant ingredient, was classified as a Substance of Very High Concern (SVHC) under EU REACH in 2023. In anticipation of the current and future regulatory challenges around melamine, Clariant leveraged its contract R&D and production facilities in Knapsack (Germany) to develop Exolit™ AP 422 A, a next-generation melamine-free flame retardant. Exolit™ AP 422 A offers exceptional fire protection and meets stringent fire safety standards across a wide range of applications, including intumescent coatings, firestop systems, sealant systems, and PIR insulation foams. At the same time, its non-halogenated nature helps minimize hazardous emissions, providing safer usage in critical industries while enhancing fire resistance for modern constructions without compromising on environmental or health standards. As a testament to its benefits, Exolit™ AP 422 A enabled a leading firestop manufacturer to avoid hazardous labeling and reduce environmental and health impacts compared to halogenated products.

[Learn more](#)

BU BUSINESS PARTNER – CONNECTING INTERNAL AND EXTERNAL STAKEHOLDERS

Input for BU Business Partner

- Product expertise
- BU expertise
- Company strategy
- Product stewardship strategy
- R&D news
- Portfolio strategy
- Toxicology

BU Business Partner



The many roles of a BU Business Partner

INTERNAL

- Project coordination of BU products' regulatory marketability
- Communication of portfolio marketability strategy
- Communication of value chain requirements
- Ensuring regulatory customer support
- Communication of retailer standards

EXTERNAL

- Business consulting
- Customer consulting (legal, reputational)
- Networking in associations

✓ **I** Clariant manages SVHCs by minimizing their use, implementing strict safety protocols to avoid exposure, training workers, complying with regulations, and proactively seeking alternatives that are safer for human health and the environment. Where appropriate, Clariant recommends human biomonitoring to some of its staff to verify that there has not been any exposure to critical substances. **I**

Actions related to value chain communication between Clariant and its customers

A close relationship with customers is maintained, and all REACH-relevant information is provided. Comprehensive customer support services ensure compliance with the strict communication requirements set by REACH regarding the use of products in the customer chain.

The Customer Support (CS) function ensures business support for Product Stewardship-related communication to customers. CS collects regulatory data to assess the relevant regulatory status of products and ensure legal compliance for customers. The CS function determines and communicates the regulatory status to satisfy customer demand and ensures traceable archiving of customer requests and Product Stewardship confirmations and statements. There were more than 12 000 individual customer requests in 2024.

Clariant fosters regular and continuous contact with customers and supports them in applying and using Clariant's products. Laboratories are made available to solve specific problems. The service offerings also feature comprehensive product information, particularly for optimum and safe application, health risks, waste disposal, and handling of packaging.

Commitment to chemical safety

✓ **I** Clariant provides safety data sheets to all parties involved in the handling of substances. The sheets contain the relevant substance data, information on the safe handling and storage of products, and measures in the event of product spillages, releases, or fire. **I**

Clariant goes beyond compliance with regulatory requirements: As a signatory to the Cefic Responsible Care® Declaration, the company supports the Responsible Care® Global Charter. It promotes the program in several countries and has embedded these principles in its Sustainability Policy, underlining its strong commitment and leadership in sustainable chemistry.

In a Cefic Long-Range Research Initiative (LRI) project, Clariant's Global Toxicology & Ecotoxicology Group has initiated and co-developed the AMBIT tool. This open cheminformatics data management system supports companies by facilitating chemical safety assessments. Its database includes more than 450 000 chemical structures and a REACH dataset of 14 570 substances and helps predict the properties of one chemical using the known properties of similar chemicals. The European Chemicals Agency (ECHA) supports this tool by giving access to nonconfidential registration data.

E2-3 – Targets related to Substances of Very High Concern

Clariant has set voluntary targets for the substitution or phase-out of *Substances of Very High Concern* (SVHCs). These targets are not mandated by legislation but reflect Clariant's proactive commitment to sustainability and responsible product stewardship. The company has independently developed roadmaps and timelines to achieve these objectives, underscoring its dedication to reducing environmental and human health risks associated with SVHCs, beyond regulatory requirements.

Clariant actively tracks the effectiveness of its policies and actions in relation to material sustainability impacts. This includes a structured monitoring process for incidents, noncompliance, product classification, and portfolio development using the PVP (Portfolio Value Program) methodology. Additionally, Clariant tracks the implementation of roadmaps developed to substitute or phase out Substances of Very High Concern (SVHCs), ensuring alignment with our sustainability objectives. Regular assessments allow us to gauge progress, identify risks, and optimize actions to minimize environmental and human health impacts.

MDR-M – Metrics

✓I Incidents of noncompliance

In 2024, there were no fines, penalties, or warnings resulting from incidents of noncompliance with regulations or voluntary codes concerning product and service information and labeling.

Health and safety impacts of products and services

In 2024, there were no fines, penalties, or warnings resulting from incidents of noncompliance with regulations or voluntary codes concerning the health and safety impacts of products and services.

Marketing communications

In 2024, Clariant had no incidences of noncompliance with regulations or voluntary codes concerning marketing communications. I

✓I In 2024, approximately 8.4% of Clariant products contained SVHCs in their composition, out of which 4.82% were found in Catalysts, 2.48% in Care Chemicals, and 1.12% in Additives & Adsorbents. I

ESRS E2: Microplastics

Summarized by Clarita^{AI}

- + Clariant has policies in place to manage microplastics and ensure regulatory compliance.
- + Clariant is assessing its portfolio to document microplastics usage.

Introduction

Microplastics have emerged as a critical global environmental challenge, receiving increasing attention from scientists, policy-makers, and society. Their persistence in the environment, coupled with their potential to harm ecosystems and infiltrate the food chain, has raised significant concerns about long-term ecological and human health impacts.

In Europe, the issue of microplastics has become a high priority on the regulatory agenda. The European Union is actively addressing this challenge through measures such as the European Green Deal, REACH restrictions, and the Single-Use Plastics Directive, which target the reduction of plastic pollution, including microplastics. The EU's commitment to achieving a circular economy emphasizes the need for sustainable material use and strict controls on intentionally added microplastics in products, with regulations progressively enforced to reduce their release into the environment.

IRO-1 – Description of the processes to identify and assess material microplastics-related impacts, risks, and opportunities

Clariant identified microplastics as a material topic. Clariant has performed a full portfolio evaluation to communicate in the values chain regarding potential issues of microplastics. The results of the double materiality assessment show that microplastics in prod-

ucts cause pollution due to nonbiodegradability, which is a potential risk at Clariant in the medium term. Please see the → IROs table for details of the outcome of the process. The »General Disclosures« chapter provides details of the → process and methodology for identifying the material topics.

Description of the IROs

Actual concern (downstream). Microplastics in products cause pollution due to nonbiodegradability: Microplastics in consumer or professional goods may pose a significant environmental challenge due to their nonbiodegradable nature and their potential bioavailability.

Opportunity (downstream). Innovation in biodegradable solutions to mitigate environmental impact: Clariant can position itself at the forefront of sustainable solutions by exploring innovative, biodegradable alternatives. This reduces the company's impact on ecosystems and creates opportunities to meet increasing customer and regulatory demands for environmentally friendly products. Through its dedication to innovation, Clariant can establish a competitive edge, attract sustainability-driven markets, and contribute to shaping a more sustainable future.

Strategic approach to microplastics at Clariant

Clariant recognizes the importance of aligning with global and European initiatives to minimize the environmental footprint of its products. While microplastics have been a functional component in certain formulations, their environmental implications are acknowledged. As part of its sustainability strategy, Clariant actively reviews its product portfolio to identify and phase out microplastic-containing materials where feasible.

In September 2023, under the EU chemical legislation REACH, the European Commission announced measures to restrict microplastics intentionally added to products. Clariant closely followed the discussion on microplastics, and in alignment with its value chain partners, Product Stewardship screened the overall portfolio to identify potential products releasing microplastics into the environment, based on solubility and biodegradability criteria. Key stakeholders considered are Clariant's customers, investors, employees, and NGOs. Details are discussed in the »Substances of Concern and Product Stewardship« chapter.

E2-1 – Policies related to microplastics

Clariant's *Chemicals Regulatory Compliance Policy* outlines its key objectives, material risks, opportunities, impacts, and monitoring processes, as well as the personnel responsible for ensuring compliance with regulatory requirements. In addition, the Sustainability Policy, QESH Policy, PVP Policy, and T&S Policy are also applicable to the management of microplastics. Please refer to the → »General Disclosures« chapter for a detailed discussion of the policies.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES (IROS) RELATED TO MICROPLASTICS: IRO-1

IRO	Description + corresponding ESRS-sub-sub topic or sub-topic + corresponding sub-chapter(s)	Type (Actual/potential, positive/negative, impact/risk / opportunity)	Value Chain Location			Time Horizon		
			Upstream	Own ops.	Downstream	Short-term	Medium-term	Long-term
Microplastics in products cause pollution due to non-biodegradability	Microplastics	Actual negative impact			■		■	
Innovation in biodegradable solutions to mitigate environmental impact	Microplastics	Opportunity			■		■	

Clariant has set a policy to reduce unsustainable products in its portfolio. This is detailed in the → **Sustainability Innovation & Technological Advances** chapter. Clariant informs via safety data sheets about the risks and safety measures associated with its products, including microplastics. Please read more in the → »Substances of Concern and Product Stewardship« chapter.

E2-2 – Actions and resources related to microplastics

Clariant offers solutions for mechanical recycling, dissolution and depolymerization processes, and chemical recycling. → **For more information, see the »Circular Economy,« »Substances of Concern and Product Stewardship,« and »Pollution of Water« chapters.**

The senior product stewardship expert (BU business partner) is responsible for ensuring that business units' product stewardship issues, including issues related to microplastics, are tackled and solved in an efficient and cost-optimized way.

E2-3 – Targets related to microplastics

Clariant does not currently have specific measurable targets related to microplastics. However, the company is actively evaluating its full portfolio to identify where such targets would be most relevant and impactful. As part of a medium-term project, Clariant is systematically documenting the use of microplastics within its portfolio.

E2-4 – Pollution of air, water, and soil

Clariant is committed to preventing the release of plastic waste, including microplastics, in oceans, rivers, and other natural systems. It is currently assessing its portfolio according to the definition of microplastics generated and microplastics used, as well as based on non-water solubility, polymer, and non-biodegradability.

ESRS E3: Water

Summarized by Clarita^{AI}

- + Clariant aligns its water management policies and targets with global standards like the UN's Sustainable Development Goal 6 for clean water and sanitation.
- + The company optimizes processes, recycles water, and implements advanced water management practices to reduce water intake and wastewater discharge, especially in water-stressed areas.
- + Clariant tracks and reports detailed water metrics, demonstrating progress toward its 2030 targets, including a 20% reduction in water intake per ton of produced goods compared to the 2019 baseline.

Introduction

Water management is vital for the chemical industry, which uses water in products and processes that generate wastewater. Efficient water management is crucial for the chemical industry due to its multifaceted benefits. It enables resource conservation, cost reduction, and environmental compliance while demonstrating a commitment to sustainability. By optimizing water use, companies can improve process efficiency, reduce waste, and mitigate risks associated with water scarcity. Moreover, responsible water management enhances corporate reputation, addressing the growing concerns of stakeholders and consumers. Efficient water management in the chemical industry is not merely an environmental consideration but a strategic business imperative that impacts operational efficiency, regulatory compliance, and long-term sustainability.

The importance of water management varies according to local conditions. Clariant therefore monitors regulatory developments on a regional and national level. Clariant strictly abides by the environmental regulations regarding the permitted amount of water withdrawal, ensuring that its activities have no measurable negative impact on the health of people as well as the environment.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES (IROS) RELATED TO WATER: IRO-1

Description + corresponding ESRS-sub-sub topic or sub-topic + corresponding sub-chapter(s)	Type (Actual/potential, positive/negative, impact/risk / opportunity)	Value Chain Location			Time Horizon		
		Upstream	Own ops.	Downstream	Short-term	Medium-term	Long-term
Water withdrawal: Rising river temperatures hinder cooling use	Risk		■				■
Water withdrawal: Reduced water availability and supply for production	Risk		■	■			■
Water withdrawal: Reliable water supply ensures production continuity and customer trust	Opportunity		■			■	
Water consumption: Increased water reuse cuts withdrawal costs in stressed areas	Opportunity		■			■	

IRO-1 – Description of the processes to identify and assess material water-related impacts, risks, and opportunities

Clariant has implemented a screening process for its assets and activities to identify actual and potential impacts, risks, and opportunities related to water and marine resources (please see the IROs table above). For more details on the process to identify the IROs, please refer to the → »General Disclosures« chapter.

Description of the IROs

Water withdrawal risk (own operations). Rising river temperatures hinder cooling water use: Rising river temperatures, driven by climate change, pose a significant risk to Clariant's water consumption practices, particularly in the use of river water for cooling systems. Many industries and power plants depend on river water to regulate temperatures in their operations. However, as river temperatures increase, the water may no longer meet the required thermal thresholds for cooling, limiting the efficiency of these systems. This could lead to disruptions in operations, reduced cooling capacity, and the need for alternative, potentially less sustainable, cooling methods. Addressing this risk is critical for ensuring the resilience of water-dependent cooling systems in a changing climate.

Water consumption opportunity (own operations). Increased water reuse cuts withdrawal costs in water-stressed areas: In regions facing water stress, the increased reuse of water presents a valuable opportunity for Clariant to reduce water withdrawal costs. Optimizing water recycling and reusing water within operations reduces the need for extracting freshwater from local sources. This helps alleviate pressure on stressed water resources and lowers associated withdrawal costs. Implementing water reuse strategies can contribute to operational efficiency, particularly in areas where water scarcity is a growing concern.

Water consumption risk (own operations, downstream). Reduced water availability and supply for production: Decreased water availability, driven by factors such as water scarcity, presents a significant risk to Clariant's production processes. Limited access to sufficient water resources can directly impact production capabilities, particularly those reliant on water-intensive processes upstream, such as the production of bio-based mate-

rials. In areas where water is scarce, the risk of supply disruptions becomes more pronounced, potentially leading to delays or inefficiencies in production. Ensuring a stable and reliable water supply is critical to maintaining operational continuity.

Water withdrawal opportunity (own operations). A reliable water supply ensures production continuity and customer trust. Ensuring a reliable water supply for production is crucial for Clariant's business continuity, particularly in meeting customer demands within set timelines. Securing consistent access to water resources mitigates the risks of production disruptions and enhances Clariant's reputation.

Monitoring of additional water risks

There are additional water risks identified through Clariant's ongoing risk assessments beyond those captured in the double materiality assessment.

Since 2017, Clariant has undertaken an annual Group-wide water risk/stress assessment using the WRI Aqueduct Water Risk Atlas. This tool locates sites in water stress areas and calculates a water risk score based on quantity, quality, regulatory, and reputational risks. For sites with substantial yearly water intake (above 10 000 m³), regional assessments further refine the site's risk profile. Through this two-step process, Clariant shortlists high-risk sites and updates the number of risk sites annually if assessments change. These sites then perform detailed assessments to identify risk management options. Furthermore, the ESHA/IGSM water risk assessment guide and tool provide a framework for the sites to perform and document site-level water risks and identify appropriate management solutions.

Clariant tracks water-related natural occurrence incidents like floods, storms, and chemical spills at production sites using the global Environmental Safety and Health Affairs (ESHA) incident reporting system. Additionally, annual site surveys assess water event-related business impacts and the management of impacts over the past year, including property damage, operational disruptions, and other consequences. Standardized tracking and reporting allow Clariant to closely monitor water risk effects across its operations. Sites are responsible for the management of water-related impacts, while regional, business unit and global ESHA teams check if water-related impacts are effectively addressed by the site management.

Integrated management approach to water consumption, water withdrawal, and water discharge

Clariant's policies, actions, targets, and metrics related to water are comprehensively applied across the sub-topics of water consumption, water withdrawal, and water discharges. Specifically, Clariant has set targets focused on reducing water intake, which directly relate to a reduction in water withdrawal. The distinction between water withdrawal and water intake primarily involves pass-through cooling water, which is not subject to specific actions due to its return to the environment as uncontaminated water. In terms of water discharges, Clariant has established a target for reducing wastewater discharge. These measures reflect Clariant's commitment to efficient water management across its operations.

MDR-P (Policies)

E3-1 – Policies related to water

Clariant's Sustainability Policy overarches its commitment to efficient water resource management across own operations, upstream and downstream. Clariant's Human Rights Policy recognizes access to safe drinking water and sanitation as a basic human right and is committed to responsible water stewardship. Operational environmental risk management, which includes the topic of water, is elaborated on in the QESH Policy of the global ESHA & IGSM function. Furthermore, the ESHA/IGSM water risk assessment guide and risk assessment tool provide a framework for the sites to perform and document site-level water risks and identify appropriate management solutions, consistent with the QESH Policy. The Chief Strategy & Technology Officer (CSTO) holds the highest level of accountability within the organization for the implementation of the Sustainability Policy. This position ensures that policies addressing material sustainability matters are effectively integrated and executed across the organization.

The Global Function ESHA/IGSM is developing an environmental management Standard Operating Procedure (SOP). This SOP will include requirements for efficient water management to be implemented by Clariant operational sites. These new requirements will complement the existing ESHA/IGSM internal standard on wastewater management, which is scheduled for rollout in 2025.

Aligning with global standards

In line with its commitment to sustainable water management, Clariant aligns its water-related policies and actions with internationally recognized frameworks and standards. Specifically, Clariant adheres to the United Nations Sustainable Development Goal (SDG) 6: Clean Water and Sanitation. The water policies are designed to ensure the availability and sustainable management of water resources and sanitation for all. By aligning with SDG 6, Clariant reinforces its dedication to addressing global water challenges, striving for universal access to safe water and sanitation. Through these efforts, Clariant ensures that its water management practices exceed global expectations for sustainability and corporate responsibility.

Clariant ensures that its sustainability policy and internal standards are accessible to all relevant stakeholders. For external stakeholders, the sustainability policy is publicly available on the Clariant website under the Governance and Reporting section here. Internally, Clariant disseminates these policies to employees and relevant teams through its document management system, Intalex. This ensures that all Clariant personnel, particularly those involved in the implementation of sustainability initiatives, have direct access to the latest versions of these policies, enabling consistent and effective execution.

Policy-driven water impact in sustainable product design

Clariant acknowledges that water-related issues are integral to its sustainability efforts. The company's approach to addressing water-related concerns in product and service design is aligned with its sustainability policy, particularly through the principle of increasing circularity. This includes optimizing the use of water, raw materials, and energy. Clariant employs the Product Portfolio Value (PVP) methodology to assess products for sustainability performance, including water-related criteria. The PVP methodology groups products based on market application and chemical functionality, while a cross-functional evaluation team ensures consistent application and interpretation. The assessment considers both hazard levels and the risk of exposure through future intended use.

Specifically, the following water-related criteria are incorporated into Clariant's PVP sustainability classification:

- Water footprint of raw material production
- Water consumption during production
- Water consumption during the use phase

These criteria ensure that products are assessed comprehensively across their life cycle, contributing to the company's broader objectives of sustainable water management. Please refer to the → PVP section of the General Disclosures chapter for more details.

MDR-A

E3-2 – Actions and resources related to water

Management at the site level is responsible for implementing the water-related policies and standards at Clariant.

Scope of key water-related actions

Clariant's water withdrawal reduction efforts are fully aligned with the company's water intake roadmap, ensuring a cohesive and strategic approach to managing water resources. The actions implemented address both water withdrawal and water intake reduction, leveraging the same set of key initiatives outlined in previous reports.

- **Activities and value chain coverage:** The key actions cover a wide range of activities across Clariant's operations, including upstream (raw material sourcing) and downstream (product use and disposal) aspects of the value chain. These initiatives

target all phases of the water cycle within the company's operational boundaries, from intake to discharge, focusing on efficiency improvements and minimization of water usage and withdrawal.

- **Geographic scope:** These water-related actions are global in scope, with specific emphasis on regions where water scarcity and stress are critical concerns. Clariant has prioritized areas with heightened water-related risks, ensuring tailored implementation of water management practices based on local conditions and regulatory requirements.
- **Operational scope:** To optimize Clariant operational sites' water intake, focus areas are defined. These include cooling tower optimization, demineralized water optimization using retentates or concentrates, control of leakages through monitoring by a control system with alarm for peak demand, upgrading or replacing sealings of liquid-ring pumps, the use of conductivity meters to optimize washing processes, and the use of steam condensate. The resulting measures are added to the BU roadmaps toward the achievement of the 2030 sustainability targets.
- **Stakeholder engagement:** The company actively collaborates with various stakeholders, including suppliers, customers, local communities, and regulatory bodies, to drive water withdrawal reductions. Clariant's commitment to reducing water intake not only benefits its operations but also positively impacts stakeholders across the value chain, contributing to regional water sustainability efforts.

The alignment of Clariant's water withdrawal reduction actions with the water intake roadmap demonstrates the company's consistent and transparent approach to achieving its long-term water sustainability goals, as highlighted in previous sustainability reports.

Time horizons and milestones

Clariant has established clear time frames for the implementation of key actions related to water management, specifically for water withdrawal and wastewater discharge reductions. These actions are aligned with Clariant's long-term sustainability objectives, with specific milestones to ensure progress and accountability.

- **Water withdrawal and discharge reduction:** Clariant's actions to reduce both water withdrawal and wastewater discharge follow the same timeline. The company has set a comprehensive target to achieve a significant reduction in water withdrawal and wastewater discharge volumes between 2019 and 2030. By 2030, the company aims to substantially lower both water withdrawal and pollutant loads in discharged water, with intermediate milestones tracked annually to ensure continuous improvement.
- **Water discharge clarification:** It is important to note that the term »wastewater discharge« refers to the same process as »water discharge,« except for uncontaminated pass-through cooling water, rainwater runoff, and sanitary water if discharged independently from the contaminated waste-

water. The reduction efforts target the volume of water discharge, focusing on minimizing pollutant loads and contributing to improved water quality and resource conservation.

These time horizons are part of Clariant's broader commitment to water circularity, ensuring that water withdrawal and discharge reduction actions are consistently implemented and tracked, driving toward the 2030 target.

MDR-T

E3-3 – Targets related to water

All business units have developed a roadmap toward the 2030 sustainability goals. In this context, they defined improvement projects, planned their implementation, and calculated medium-term investments and specific intermediate reduction targets for 2025.

The water-related targets are based on operational environmental risks and impact assessments as well as the knowledge of the overall water basin status based on the conclusive scientific evidence from the AQUEDUCT water risk atlas. Clariant has voluntarily established measurable, outcome-oriented, and time-bound targets to monitor progress in managing water-related sustainability matters.

The relationship between these targets and Clariant's policy objectives is rooted in the company's overarching Sustainability Policy. As part of the commitment to environmental stewardship, the following excerpt is articulated from Clariant's Sustainability Policy: »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.« These targets are developed under the Environmental Management Standard Operating Procedures (SOPs). Clariant's targets for water consumption are also relevant to its withdrawal strategies.

The scope of Clariant's sustainability targets related to water management focuses primarily on own operations at its production sites, which are critical to the company's overall water intake, withdrawal, and discharge metrics. These sites are where the majority of Clariant's water-related activities occur, thus representing the most significant material aspects of the company's operations in this area. The targets speak to activities directly linked to water management practices at these production facilities. This includes both upstream activities, such as sourcing and processing of raw materials that may impact water usage, and downstream activities related to the management of water discharge into the environment. Geographically, the scope is defined by all Clariant production sites worldwide. By concentrating on these areas, Clariant aims to achieve meaningful progress toward its water management objectives.

The defined target levels are as follows:

Water consumption/intake reduction:

Clariant has set a target to decrease water consumption/intake per ton of produced goods by 20 % by 2030 compared to the 2019 baseline. This target is also defined in absolute terms, measured in cubic meters (m³) of water consumed. The baseline was established in 2021, and the result is on track toward the 100 % target in 2030. Please refer to the section on → »Sustainability Management at Clariant: Progress« in the General Disclosures chapter for more details of the targets. The → Pollution of Water chapter also provides more information on water quality.

Clarifications on water withdrawal: Clariant does not maintain a specific water withdrawal target, as the company only withdraws permitted amounts of water. The difference between water intake and water withdrawal represents only the uncontaminated pass-through cooling water, which is returned to the environment while meeting the requirements of discharge permits.

Water stress target

The target is for 100 % of sites in areas of high water stress to implement advanced water management practices by 2030.

Wastewater discharge target

Clariant has a long-term objective to reduce water discharge volumes and pollutant loads by 2030, with significant progress reported in the interim periods. The actions to reduce water discharge are part of the same initiatives aimed at water withdrawal and water intake reductions.

Methodologies and assumptions for target-setting at Clariant

Clariant's methodologies for setting measurable, outcome-oriented, and time-bound targets for water management include stakeholder workshops, along with water risk assessment done using the World Resources Institute's AQUEDUCT global risk atlas and internal surveys. This comprehensive risk assessment provides a thorough analysis of water-related risks that inform Clariant's strategic decision-making. To define the water-related targets, Clariant engaged in workshops with business units to gather project ideas aimed at reducing water intake and wastewater generation. During these workshops, Clariant estimates the anticipated reductions in water intake (consumption) based on various project proposals.

In establishing the targets, a growth rate of 3 % per year for production volume is assumed. This assumption allows for the extrapolation of future water intake volumes, ensuring that the targets are realistic and achievable within the context of expected production growth. The planned reductions in water intake and wastewater generation were factored into this analysis, resulting in specific metrics reduction targets. The targets are aligned with Clariant's broader sustainability goals, including Swiss and EU policy frameworks, as well as international standards. They also incorporate the local contexts in which Clariant operates.

As part of its ongoing commitment to sustainability, Clariant plans to explore other scientific evidence that can further support and enhance these targets in future revisions. The exploration aims to incorporate applicable scientific insights that can strengthen the water management goals and align them more closely with industry best practices and environmental standards. By pursuing this approach, Clariant strives to enhance the credibility and effectiveness of its environmental targets, contributing to informed and sustainable water management practices.

Stakeholder involvement in target-setting

In establishing measurable, outcome-oriented, and time-bound targets for material sustainability matters, Clariant engages various stakeholders to ensure a comprehensive and inclusive target-setting process. Specifically, workshops were conducted with business unit operations managers and Environmental, Health, and Safety (EHS) managers, providing a collaborative forum for discussing and defining the targets. Additionally, corporate Sustainability Affairs experts and Environmental, Social, and Health Assessment (ESHA) specialists were actively involved in the process, contributing their expertise and insights to ensure that the targets align with best practices and the company's sustainability objectives.

The collaborative approach enhances the relevance and feasibility of the targets. It fosters a sense of ownership and commitment among stakeholders, promoting accountability and engagement in achieving Clariant's sustainability goals. This helps Clariant to establish targets that effectively address material sustainability matters while aligning with its broader environmental and corporate responsibility objectives.

Clariant continuously reviews and refines its sustainability targets and the associated measurement methodologies to enhance transparency and effectiveness. Clariant aims to provide a clearer picture of its performance and the impacts of its actions by adapting the measurement methodologies, which is vital for both internal assessments and external reporting. Any significant changes in methodologies or metrics will be disclosed, along with the implications for historical data, to ensure transparency. Moving forward, the company will continue to engage with stakeholders and experts for methodology refinement and ensure that the sustainability targets are based on sound evidence and practices.

Progress toward water-related targets

Clariant is committed to transparent reporting on its sustainability targets, particularly in relation to water management, which encompasses three key sub-topics: water consumption, water withdrawals, and water discharges. Please refer to the section → »Sustainability Management at Clariant: Progress« in the General Disclosures chapter.

Identification of water-stressed/risk sites: Clariant's water assessment using tools such as the AQUEDUCT global risk assessment by the World Resources Institute helps identify sites with high water stress/risk, allowing the company to focus its reduction efforts where they are most needed.

Advanced water management strategies: In addition to the water consumption reduction targets, Clariant is committed to implementing advanced water management practices at sites experiencing water risk. These strategies include:

- **Innovative technologies:** Adoption of water-efficient technologies and processes that minimize consumption and maximize recycling and reuse of water within Clariant's operations.
- **Water withdrawal optimization:** Careful management of water withdrawals to ensure that they align with Clariant's consumption targets. This approach involves continuously monitoring water usage and adjusting withdrawal practices to reduce the overall demand on local water resources.
- **Collaboration with local stakeholders:** Engaging with local communities, governments, and NGOs to develop shared solutions that enhance water sustainability in regions facing water risks.

This collaborative approach helps Clariant to contribute positively to the broader water management landscape. Through these efforts, Clariant aims to meet its own reduction targets and play an active role in addressing water-related challenges in the communities of operation.

MDR-M

All KPIs relevant to water are assessed for each site and tracked globally, either monthly or yearly.

E3-4 – Water consumption (including water withdrawals and water discharges)

The 2030 KPI »sites with advanced water management« tracks the high-risk sites that have initiated solutions to appropriately manage the risks, as evaluated by Clariant internal environmental experts.

The water risk assessments revealed that in 2024, a fraction of Clariant production sites (<20%) were situated in areas under water risk and that around 28% of the total water intake was from sites identified to be at water stress/risk. Also, around 30% of the total discharge was from water-risk sites.

The water intake intensity in 2024 was 2.0 liter/m CHF.

Clariant's total water consumption in own operations in areas identified as being at water risk, including areas of high water-stress, is 2.3 million m³.

Water withdrawal and intake

Clariant records the entire volume of water withdrawn and taken in. Since 2021, the company revised its definition of the Water Consumption indicator and renamed it as »water intake« to exclude pass-through cooling water (sustainability 2030 target

KPI). In 2024, Clariant withdrew 20.3 million m³ of water from various sources, out of which 13.1 million m³ was discharged back into the environment as pass-through cooling water, which is uncontaminated water that passes once through the cooling water system at a few Clariant sites.

In 2024, of the 8.2 million m³ total water quantity that the company took in, it used about 8% for cooling purposes, 62% for production processes, and 30% as a product component (sold with the product to customers) or for other purposes such as infrastructure uses, steam/ice generation, irrigation, or sanitary purposes. Water intake per ton of produced goods – one of the target metrics – slightly increased by 2%, from 1.95 m³ per ton in 2023 to 2 m³ per ton in 2024, despite a total water intake decrease of 3% compared to 2023 due to an overall production volume decrease and yearly fluctuations for various water uses. Water intake reduction projects are being carried out in many of Clariant's production sites toward the achievement of 2030 sustainability targets.

The total volume of water recycled and reused is 0.4 million m³.

Key improvements in water management

In 2024, Clariant achieved remarkable progress in water management at two of its water-stressed sites, significantly enhancing sustainability and resource efficiency.

At the Puebla, Mexico, site, substantial upgrades included advanced wastewater treatment and the installation of recirculation lines, enabling the reuse of 13,000 m³ of treated water per month. These changes resulted in a 43% reduction in the site's water intake per ton of production and a 5% decrease in wastewater discharge per ton of production in 2024, compared to 2023. The gains were consolidated by improvements to on-site water infrastructure and optimized boiler feedwater consumption. Site management remains committed to increasing the recirculated water rate, further reducing both intake and discharge while maintaining high standards of product quality and performance.

Similarly, Clariant's Cimapag, Indonesia, site made significant strides in 2024. Enhancing water recycling in its bleaching earth production increased recycled water usage from 26% of total demand in 2023 to 34% in 2024. These efforts reduced the site's water intake intensity per ton of production by over 20%, while wastewater discharge and intensity per ton produced fell by more than 67%.

Beyond on-site improvements, the Cimapag facility actively engages with local communities, working to enhance well-water access and provide safe drinking water. These initiatives align with Clariant's commitment to achieving 100% advanced water management in areas facing water stress or risk by 2030, ensuring positive impacts both within and beyond the company's operations.

WATER WITHDRAWAL AND INTAKE

	Total 2024	2023	2019 ¹
Total volume of water withdrawn (in m m³)³	21.3	21.1	43.6²
Surface water	5.4	5.3	7.5
Groundwater	3.9	4.2	5.7
Seawater	n.a.	n.a.	0.1
Third-party water ³	12.1	11.6	30.4
Total water intake consumption (in m m³)³	8.2	8.4	43.8

¹ Until 2021, Clariant followed a full reporting scope of production sites on a three-year cycle. Before that year, the last full reporting campaign was in 2020, including estimated discontinued data for Business Unit Masterbatches for the first half-year. In interim years, including 2021, the reduced reporting scope comprises the larger sites responsible for at least 95 % of production.

² The sum of water withdrawal sources does not equal the total water withdrawn due to the exclusion of an insignificant amount of rainwater as a withdrawal source.

³ In 2023, the total volume of water withdrawn and intake consumption from 2019 to 2022 was restated for 3 sites in Germany to exclude losses from 3rd party cooling towers outside the operational boundaries of Clariant.

Freshwater

For most of its operations, Clariant uses freshwater with a total dissolved solids (TDS) concentration of less than 1 000 mg/l. The exact quality of the consumed water differs with each business and purpose and with the quality needed for the specific product portfolio and production process.

Water stress target

As of 2024, 77% of sites in such areas have adopted these practices.

ESRS E4: Biodiversity and Bio-Based Economy

Summarized by Clarita^{AI}

- + Clariant has implemented policies and initiatives to promote sustainable sourcing practices, especially for palm oil and its derivatives, to mitigate biodiversity loss and build a bio-based economy.
- + The company participates in industry-wide initiatives like RSPO, ASD, and TFS to increase transparency, monitor risks, and support on-the-ground projects benefiting local communities and ecosystems.
- + Clariant is committed to responsible mining practices, including environmental conservation measures, land restoration, and collaboration with local stakeholders to protect ecosystems and communities.

IRO-1 – Description of the processes to identify and assess material biodiversity and bio-based ecosystem-related impacts, risks, dependencies, and opportunities

✓ I Biodiversity encompasses all forms of life on the planet and is key to securing the resilience of ecosystems, which provide a variety of critical resources and services such as clean water, energy, raw materials, recreational areas, and protection from

flooding. Therefore, businesses and societies must collaborate with a variety of stakeholders to operate within nature's boundaries. Building a bio-based economy is key to this collaboration. "Bio-based economy" refers to efforts that make the economy sustainable by using biological resources, for example, replacing fossil materials with biomass. Clariant's efforts to manage its material biodiversity-related IROs and halt biodiversity loss therefore go hand in hand with efforts to build a bio-based economy. I

Description of the IROs

✓ I In its double materiality analysis (DMA), Clariant identified two negative impacts and one risk in connection with biodiversity as material (see table above). The main drivers of biodiversity loss are climate change, pollution, land use, and sea-use change, as well as direct exploitation and invasive alien species. As Clariant is dependent on natural raw materials in its day-to-day business, the negative impacts relate to the use of natural resources in the extraction process of raw materials, as well as their development once extraction is complete. These effects cover the entire value chain, including own operations and upstream and downstream activities.

Rising costs of re-naturalizing raw material extraction sites were identified as a material risk. While the effects relate to the entire value chain, the risk is limited to upstream and own activities.

Clariant assesses and acts locally on biodiversity-related impacts regarding its own operations. In Clariant's own operations, land-use change from its own bentonite mining and drilling activities constitutes the primary location of negative impacts on biodiversity. I

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES (IROS) RELATED TO BIODIVERSITY AND BIO-BASED ECONOMY: IRO-1

IRO	Description + corresponding ESRS-sub-sub topic or sub-topic + corresponding sub-chapter(s)	Type (Actual/potential, positive/negative, impact/risk / opportunity)	Value Chain Location			Time Horizon		
			Upstream	Own ops.	Down-stream	Short-term	Medium-term	Long-term
Fragmentation of the ecosystem and reduction of habitat	<ul style="list-style-type: none"> - Land-use change due to raw material extraction adversely affects biodiversity (deforestation, land conversion, etc.) - Land use change from own mining activities - Clariant's customers in mining activities <p>Land-use change, fresh water-use change and sea-use change (Biodiversity)</p>	Actual negative impact	■	■	■	■	■	■
Rising costs, e.g., for prescribed renaturation measures	<ul style="list-style-type: none"> - High expenses associated with transparency of bio-based raw materials supply (including value chain investigation, satellite monitoring, etc) - Reputational risks (mining activities, and also that Clariant's value chain is connected to deforestation) - Supply chain disruptions and dependency on certain bio-based raw materials (e.g. palm oil) <p>Land-use change, fresh water-use change and sea-use change (Biodiversity)</p>	Risk	■	■		■	■	■
Soil and groundwater contamination	<ul style="list-style-type: none"> - Leaks or improper handling of POME (Palm oil mill effluents) can lead to soil and groundwater contamination within the mill premises, which can degrade soil quality and pollute groundwater - Tailings storage of Clariant's customers have the potential to pollute <p>Pollution (Biodiversity)</p>	Potential negative impact	■		■	■	■	■

Regarding Clariant's upstream value chain, the sourcing of oleochemicals derived from palm oil and palm kernel oil is a key focus, as this commodity typically comes from areas of great biodiversity value, such as Southeast Asia. Clariant is aware of the negative impacts on biodiversity posed by palm oil and its cultivation. The company has set up several initiatives and activities, both internally and externally, to ensure sustainable sourcing practices and mitigate potential deforestation in its supply chain. An analysis of forest-related risks through the sourcing of palm (kernel) oil derivatives is embedded in Clariant's annual strategic business update. This analysis covers availability and quality as well as price developments.

As part of Clariant's most recent double materiality analysis (DMA), interviews were conducted with NGOs, suppliers, customers, and sustainability experts – Clariant's key stakeholders – to understand the impacts of the company's operations. A pre-interview workshop was carried out with Clariant employees. NGOs consulted in the process of the DMA represented the views of affected communities (see the → **»General Disclosures«** chapter).

In addition, in 2023, Business Unit Care Chemicals held an iGarage Project in the area of material Sustainable Palm Oil Sourcing, aimed at developing more sustainable solutions. In this project, more than 50 customer and industry expert interviews were conducted to better understand the challenges and potential solutions in the context of sustainable palm sourcing, including interviews with NGOs with on-the-ground presence and insights

in the reality of affected communities. The learnings of this project were also reflected in the assessment of the materiality of impacts, risks, dependencies, and opportunities related to the palm value chain.

As part of Clariant's Responsible Sourcing strategy, the company has developed a Supplier Sustainability Journey and Consequence Management Framework based on Together for Sustainability (TfS) standards and EcoVadis Ratings, in order to engage with the suppliers in their improvement journey. These regular external evaluations of risk profiles and supplier assessments involve topics related to bio-based economy and cover the assessment areas of environment, human rights, ethics, and sustainable procurement. → **Read more about Clariant's supplier evaluation process in the »Workers in the Value Chain« chapter.**

Clariant operates significant bentonite mining operations through its Business Unit Adsorbents & Additives, with strategic locations across Bavaria (Germany), Sardinia (Italy), Turkey, and the United States. At these mining locations, Clariant implements comprehensive environmental conservation measures, where its geologists develop plans to minimize drilling impacts. The process includes carefully preserving topsoil and overburden for future land restoration and ensuring local wildlife can easily relocate to adjacent areas during mining activities. When mines are decommissioned, Clariant collaborates with local experts to restore the land for forestry or agriculture, with notable success stories such as the repopulation of Red List threatened species in southern Bavaria. Through these sustainable mining practices and resto-

ration efforts, Clariant maintains healthy relationships with local communities while protecting ecosystems, all while operating this mining segment as one component of its broader specialty chemicals and sustainable solutions portfolio.

✓ **I** Most Clariant sites are located in industrial parks or areas designated as industrial zones by local municipalities, which usually do not affect vulnerable ecosystems. If there are protected areas near Clariant's sites, the company ensures that all local rules and regulations are followed so that its production sites do not have any appreciable adverse effect on the surrounding flora and fauna. **I**

As biodiversity loss is a material topic, Clariant is currently conducting a more detailed assessment of impacts, risks, and opportunities concerning topics such as land-use change, water-use change, pollution, and impact on species at all levels of the value chain. This assessment will be further expanded in 2025 to include other key value chains beyond palm oil. In addition, Clariant is currently evaluating partners to help conduct a site-specific biodiversity assessment. The preparation activities for this action are ongoing and will continue in 2025. As part of this evaluation, Clariant is reviewing the TNFD (Taskforce on Nature-related Financial Disclosures) framework to assess the key elements that may guide the company in setting up key actions for Clariant's nature-related dependencies. The biodiversity assessment covers all sites and activities of Clariant's own operations, to identify any potential negative impacts on biodiversity-sensitive areas and to develop mitigation measures.

Biodiversity-related risk and opportunity screening

A resource-efficient and competitive bio-based innovation ecosystem can decrease Europe's dependency on, and accelerate the substitution of, nonrenewable fossil raw materials and mineral resources. By replacing nonrenewable fossil resources with waste and sustainably sourced biomass to produce industrial and consumer goods, bio-based industries can help to achieve climate neutrality while increasing the sustainability and circularity of production and consumption systems.

The Chief Strategy & Technology Officer (CSTO) monitors biodiversity-related topics and directly reports to the CEO. The CSTO acts as an advisory body to the Board of Directors and the CEO in matters regarding sustainability and innovation, including biodiversity management. The CSTO reviews and guides the process of identifying dependencies, impacts, risks and opportunities monitors compliance with corporate policies; and reviews and guides the innovation priorities. Permanent internal biodiversity subject matter experts within Global Function Sustainability Affairs centrally manage the strategy and engage with the water subject matter expert in Global Function Environment, Safety, and Health Affairs (ESHA), the respective responsibilities in the Sustainability Transformation teams of the different businesses, Procurement, and Process Development.

Particularly with respect to sustainable palm oil sourcing, Clariant's key biodiversity-related raw material, the bioeconomy experts are working closely with Oleochemicals Procurement and the BU Care Chemicals Sustainability Transformation Team in assessing and monitoring the impacts, risks, and opportunities of Clariant's palm oil value chain.

✓ **I** Biodiversity-related issues and future trends are also assessed regularly in cross-functional teams, comprising business unit members and Procurement and steered by the Sustainability Affairs team. For example, Clariant holds quarterly Palm Oil Coordination meetings. In these meetings, relevant activities and initiatives are discussed and agreed upon, including progress on supply chain transparency. **I**

E4-2 - Policies related to biodiversity

Currently, around 98%¹ of all industrially manufactured goods rely on fossil resources. Industry and government stakeholders broadly recognize that alternative sources to virgin fossil carbon will play a key role on the path toward a net-zero, circular economy. Governments worldwide have set targets for environmental and climate protection, e.g., in the Paris Agreement or the European Green Deal, which aims to achieve climate neutrality by 2050.

Governance of, and management approach to, biodiversity-related issues

Policymakers and the broader stakeholder spectrum increasingly support sustainable, bio-based feedstocks, as they are essential for a net-zero, circular economy. On both sides of the Atlantic, regulations are emerging with the goal of incentivizing bio-chemicals and materials, while guiding industry and relevant value chains as they make long-impacting choices. Clariant welcomes clear and consistent policy frameworks that can stimulate demand and accelerate the shift toward sustainable, bio-based chemicals in key value chains such as packaging, plastics, detergents and surfactants, and cosmetics. Clariant supports industry calls for better recognition of biogenic uptake credits under the Greenhouse Gas Protocol (GHG) or Product Environmental Footprint (PEF) methodologies, as well as concrete incentives such as minimum binding bio-based content targets in product legislations, tax incentives, and public procurement obligations.

✓ **I** Accordingly, fostering a sustainable bioeconomy is one of Clariant's 1+5 focus areas (→ **read more in »Clariant sustainability strategy«**). The Innovation and Sustainability Meeting (ISM) and the Board of Director's Innovation and Sustainability Committee (ISC) are responsible for this focus area. At least annually, topics related to bio-based economy and biodiversity are discussed, and when required, the Chief Strategy & Technology Officer (CSTO) brings up the topic more often. The CSTO, as a member of the Executive Leadership Team, reports on biodiversity-related progress as well as impacts, risks, and opportunities. Progress toward achieving the targets is assessed annually. **I**

Specific approach related to the bio-based economy

The business units manage bioeconomy-related opportunities for engagements with stakeholders, create business opportunities, and initiate new product designs. Moreover, there are quarterly meetings of the company's cross-business unit Bioeconomy Platform, steered by Sustainability Affairs. The focus of the meetings is on discussing bioeconomy-related regulatory and policy developments, their implications, key industry initiatives, and associations. In addition, the meeting fosters an exchange on market trends and customer insights to identify key potential markets or segments related to bioeconomy.

Sustainability Policy and Global Policy on Sustainable Palm Oil

The Sustainability Policy and the Global Palm Oil Policy both address the material impacts and risks within the biodiversity-related topic of land-use change and, indirectly, the sub-sub-topic of fresh water-use change.

The 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.

✓ I Clariant encourages supplier communities to work with different native species so that many species have economic value and, thus, the vegetation is conserved. In addition, there are contracts with suppliers that require respect for environmental laws and on-site monitoring as needed. Clariant also complies with the Brazilian Forest Code, which requires landowners to maintain 35% to 80% of their land under native vegetation. I

✓ I In December 2021, Clariant published its Global Policy on Sustainable Palm Oil, which sets forth commitments for the sourcing of sustainable palm oil, i.e., the commitment to source 100% sustainable palm-based materials according to certification by the Round Table on Sustainable Palm Oil (RSPO) or equivalent by 2025. I

Clariant's Global Policy on Sustainable Palm Oil encompasses commitments to No Deforestation, No Peat, and No Exploitation (NDPE). Improving palm oil traceability, committing to NDPE, joining palm oil initiatives for sustainable sourcing, increasing the share of certified material, and joining collective on-the-ground projects through organizations such as RSPO are the policy's key areas of action. The policy applies to all palm oil, palm kernel oil, and their derivatives that Clariant uses globally and covers its entire supply chain, from direct suppliers to their entire operations and supply chain.

✓ I The policy also focuses on supplier requirements such as compliance with the NDPE approach. Clariant encourages actors along the value chain to pursue increased transparency. This facilitates the achievement of the commitments of Clariant's Global Policy on Sustainable Palm Oil. I

To drive compliance with the NDPE approach, Clariant set up a professional grievance process together with the NGO Earthworm Foundation in 2023. The governance has been set up with defined roles and responsibilities at BU Care Chemicals, Sustainability Affairs, and Procurement. Grievance rapid response and exposure reviews are being assessed with support from Earthworm.

This grievance management process covers both social and environmental grievances, such as those related to land-use change.

✓ I A Grievance Committee regularly oversees compiled grievance monitoring results, reviews selected grievance cases, and makes decisions on consequence management. The committee meets three times per year. This grievance management approach focuses on supplier engagement and industry collaborations I to jointly conduct mitigation measures. In addition, Clariant has set up a broader human-rights due-diligence process in 2023, including both its operations and its supply chain. → Please refer to the »Human Rights« chapter for more details.

✓ I To maintain the awareness of the potential impact of palm oil and its cultivation on biodiversity, Clariant promoted the Global Palm Oil Policy throughout 2024 in day-to-day discussions with oleochemical suppliers, for example, when discussing RSPO and NDPE or when introducing the new grievance process. In many cases, Clariant's suppliers were aware of Clariant's NDPE requirements within the policy. Where required, the company shared the policy with the supplier. I

Commitment to responsible mining

✓ I As a leading provider of specialty products based on bentonite, Clariant defines the entire value chain: from exploration, mining, processing, and refinement to tailored industry- and customer-specific solutions. Clariant operates 26 production sites worldwide. As sustainability is a strategic dimension of Clariant's purpose-led strategy, the company is committed to responsible mining and to re-naturalizing its bentonite mines. This is done in close cooperation with all related stakeholders – authorities, local governing bodies, and individual owners of property and mining and water rights. I

Key stakeholders of biodiversity-related policies

Clariant's customers, suppliers, local communities, and NGOs are the key stakeholders the company considered when setting Clariant's biodiversity-related policies. Its policies were developed in consideration of both environmental and social aspects and with a focus on conservation outcomes (a priority for our customers and NGOs), as well as sustainable livelihoods (of particular interest to local communities and NGOs). Clariant engages in collaborative platforms with its peers, suppliers, and customers, as well as bilaterally with NGOs, to make sure their perspectives are reflected in Clariant's activities and policies.

✓ I E4-3 – Measures related to biodiversity loss

Clariant engages in multiple memberships and collaborations related to biodiversity and ecosystems in order to ensure compliance with legal requirements, protect the environment around sites and sourcing plants in the best possible way, and lead inno-

vation in the industry with respect to environmental protection. Among these activities are Clariant's participation in multistakeholder initiatives such as RSPO and Action for Sustainable Derivatives (ASD). Through involvement in such multistakeholder initiatives, Clariant engages in continuous exchange and collective action with peers and partners regarding the transformation of the industry. **I**

✓ **Action for Sustainable Derivatives (ASD)**

Since 2020, Clariant has been a member of Action for Sustainable Derivatives (ASD), a collaborative industry-led platform bringing together companies in the cosmetics, home and personal care, and oleochemicals industries to collectively tackle supply chain issues around palm oil and palm kernel oil derivatives. In particular, the ASD activities aim to transform supply chains by increasing transparency; monitoring environmental, social, and regulatory risks; engaging the sector; and generating on-the-ground impacts. Through supply chain mapping, ASD promotes greater visibility for oleochemical manufacturers and corporate end users of derivatives. ASD has mapped volumes for all its members, representing a total of 11% of the global palm-based oleochemicals market. ASD aims to increase the transparency of the global derivatives supply chain and to collectively monitor risks and activities with the members' direct and indirect suppliers. Clariant participates in an annual analysis of its Tier 1-5 suppliers and risk categorization of the sourcing areas (at the country and province level). **I**

The yearly transparency investigation and the Sustainable Palm Index, carried out biyearly for Clariant, are relevant instruments to assess the compliance of Clariant's suppliers and to design action plans to mitigate potential risks in its supply chain. Based on assessment results, Clariant is constantly engaging with them to put improvements in place and, in some cases, reviewing Clariant's sourcing decisions.

Roundtable on Sustainable Palm Oil (RSPO)

As a member of RSPO, Clariant aims to prevent ecological degradation caused by the clearing of land for palm oil plantations, following the mitigation hierarchy of avoidance and minimization of impact. ✓ **I** Clariant's activities in the area of sustainable palm sourcing contribute to the achievement of the objectives of its purpose-led strategy in its focus areas of fostering a sustainable bioeconomy, creating social value, and fighting deforestation and biodiversity loss, as well as supporting local livelihoods. Forest-related issues are thus integrated into Clariant's long-term business objectives, including fighting deforestation and biodiversity loss, as well as supporting local livelihoods. **I**

Together for Sustainability (TfS)

✓ **I** Managing the biodiversity-related impacts and corresponding risks in Clariant's supply chain also takes place through Together for Sustainability (TfS), a joint initiative and global network of more than 30 chemical companies, which delivers the global standard for environmental, social, and governance performance of chemical supply chains. Since 2014, Clariant has been a member of TfS. The mission of the initiative is to drive sustainability (environ-

mental, social, governance) performance evaluations and improvements across Clariant's entire supply base. Participation in TfS enables Clariant to strengthen its supplier sustainability activities, including the ones related to forest-related risks. **I**

The TfS framework, built on two programs, TfS Assessments via EcoVadis and TfS Audits, allows TfS member companies to assess the management, governance, environmental, labor and human rights, ethical and sustainable procurement performance of their suppliers and deliver tangible, measurable improvements of their suppliers' as well as their own sustainability performance. Unique to the TfS concept is that the results of its assessments and audits are shared with all member companies, according to a transparency principle and in compliance with competition laws.

Carbon Disclosures Project (CDP)

In the field of forest and ecosystems protection, Clariant participates in the Carbon Disclosures Project (CDP) Forest assessment, which is aligned with the → **Accountability Framework**. This helps companies meet the expectations of their buyers, investors, and other stakeholders in terms of managing risks and seizing opportunities related to biodiversity. The CDP is a transparent way for companies to show their progress in sustainable practices with seven forest-risk commodities: palm oil, timber products, soy, cattle products, rubber, cocoa, and coffee. The first three are sourced by Clariant. The company purchases small amounts of timber products (paper and carton for bulk packaging only) and soy-based raw materials. Palm-based raw materials, however, are material to Clariant, accounting for the largest category of sourced renewable raw materials therefore, Clariant reports on this commodity in CDP Forest.

Other memberships

The issue of biodiversity degradation, also beyond the palm oil industry, is increasingly in focus for all value chain players. To find solutions, Clariant actively collaborates in several other industry initiatives at the European or country level, such as Biochem Europe, the Cefic Bioeconomy Issue Team, the VCI Nachhaltigkeits Rohstoffe working group, the US Alternative Fuels & Chemicals Coalition (AFCC), and the Advanced Biofuels Coalition. Within these initiatives, Clariant discusses topics related to the challenges, opportunities, and potential incentives to foster market development of a bio-based economy.

External engagement, advocacy and partnerships

Clariant actively supports the vision of a Net Zero, Circular and Bio-Based Economy. The company believes in the pivotal role renewable carbon plays in the transition towards a more sustainable future and is developing a wide range of product and technology solutions to support the transition. The full potential of renewable feedstock needs to be unleashed: having access to alternative sources of carbon, notably sustainable bio-based resources but also from waste/recycled – and in the future – to CO₂/CO captured from industrial processes, is therefore an absolute necessity.

Defossilising chemicals and products is a long-term challenge requiring scientific, economic and policy coordination. Clariant therefore advocates for policy provisions and effective carbon management. Policy targets and market pull measures, such as minimum mandatory mandates, fiscal incentives, and public funding are useful instruments to accelerate the replacement of fossil raw materials, while fostering innovation. Policy makers should consider proportionate targets, as well as the cost-competitiveness, accessibility and sustainability of feedstock. Finally, transparent carbon accounting, including a better recognition of biogenic uptake in cradle-to-gate assessments, and the acceptance of accurate mass balance chain of custody methods, is key in view of securing credibility, while incentivizing the right purchasing decisions.

To successfully achieve these changes, collaboration and stakeholder engagement remains essential. Clariant continuously engages in trade associations, industry coalitions and sustainability organizations and is active in several policy areas, through direct advocacy and collective action via multistakeholder groups such as the Renewable Carbon Initiative (RCI) and BioChem Europe.

Since 2013, Clariant has been a partner in the Bio-based Industries Consortium (BIC). BIC represents the private sector in a EUR 2 billion public-private partnership with the European Commission: Circular Bio-based Europe Joint Undertaking (CBE JU). The partnership supports research and innovation activities, including first-of-its-kind industrial plants for new and sustainable bio-based solutions under the umbrella of Horizon Europe, the EU's research and innovation program for the 2021-2027 period. In 2024, a focus of BIC was the joint development of the Annual Work Program, with dedicated calls for proposals for 2025 in a structured co-creation process between BIC, the European Commission, and the CBE JU Programming Office. Clariant, as a founding member of BIC, actively engages in the BIC Programming Working Group.

Action on the ground

In total, Clariant supports over 3 000 smallholders located mainly in Indonesia and Malaysia, in regions where a significant amount of palm-based raw materials is sourced. These collective action projects focus on protecting and restoring landscapes, enhancing workers' and communities' lives, and addressing smallholders' needs for responsible practices. These on-the-ground activities aim to support models for sustainable land management as a strategy to improve livelihood, biodiversity, and community resilience.

SPIRAL project (2020-2025)

Projects supported directly by Clariant together with its customers include the project SPIRAL (Small Producer Inclusivity and Resilience Alliance led by Wild Asia, 2020-2025) and its predecessor SPOTS (Sustainable Palm Oil and Traceability with Sabah Small Producers, 2015-2020, with the same consortium partners). SPIRAL aims to connect global key players in the palm oil industry to support the inclusion of small farmers in the global supply chain and promote sustainable farming methods. Palm oil produced under SPIRAL is 100% traceable from farm to mill, certified sustainable, and compliant with global policies such as NDPE.

The key objectives of the project are:

- Sustainable livelihoods: Ensure a sustainable source for small producers to reduce poverty
- Biodiversity: Improve local biodiversity and transition away from monoculture
- Environmental conservation: Reduce GHG emissions via reduced fertilizer use and improved natural carbon sequestration

Currently, 113 new smallholders have been onboarded, of which 100 have been in the RSPO disclosure, and 28 760 hectares of land are certified as Sustainable Land Management (SLM) by the Wild Asia Group Scheme (WAGS). The percentage of SLM (Sustainable Land Management) area that is RSPO-certified has increased to 52% by May 2024.

SPIRAL helps farmers become WAGS BIO farmers. These farmers farm palm oil without agrochemicals and nonorganic fertilizers and learn and apply a range of farming methods – organic, biodynamic, and regenerative – as a transition to next-level sustainable farming. Through SPIRAL, the WAGS BIO project has welcomed nine new farmers in 2024, making a total of 85 farmers spanning over 351 hectares. Additionally, 194 hectares of land have been used for crop diversification on their farms. The percentage of SLM area under WAGS BIO has increased to 1.2% in May 2024. Also, SPIRAL has managed to secure a first major mill partner, Kim Loong Sabah, to integrate WAGS BIO.

Clariant also participates in selected action projects to address social and environmental issues on the ground as part of its engagement with ASD. Clariant participates in such projects either directly with its customers or via the Clariant Foundation's contribution to the ASD Impact Fund in collaboration with BSR (Business for Social Responsibility). In this initiative, members collectively invest in on-the-ground projects that drive sustainable palm production in priority sourcing areas, while fostering improvements in social justice for farmers and communities. This is in line with Clariant's Palm Oil Policy, which entails a commitment to support on-the-ground projects. Examples of funding projects are the Mosaik Initiative described below and HERRespect – a project that tackles violence against women by addressing the root causes of violence in the workplace along the upstream palm oil value chain (plantations, mills).

Kaleka Mosaik Initiative (2022-2026)

The aim of the Mosaik Initiative by the Indonesian NGO Kaleka is to improve the welfare of farmers and indigenous people by simultaneously protecting and restoring the landscape while driving sustainable economic growth in two of the largest palm-producing districts in Central Kalimantan, Indonesia: Seruyan and Kotawaringin Barat. This is where, on average, ASD members source 5% of their palm derivatives. The initiative supports sustainable economic growth through the certification of more than 1 400 smallholder farmers, covering up to 4 000 hectares of land. It also supports the replanting of 490 hectares and encourages local communities to protect around 6 500 hectares of natural forests in their villages by incentivizing the implementation of restorative

agriculture on 65 hectares of land. The Mosaik Initiative focuses not only on certifying palm oil, but also on making the production of other agricultural commodities more sustainable and inclusive. Generally, the initiative works on improving agricultural and rural production management, prioritizing smallholders, improving market and jurisdictional approaches, and improving research and development. Clariant has joined the ASD-driven Kaleka Mosaik project as of 2022, contributing to the ASD impact fund via the Clariant Foundation.

In 2024 the project achieved the following:

- 610 farmers have received RSPO certification, and another 204 are in the process
- 2 732 hectares of forest have been protected
- 100 hectares of degraded land have been replanted and will be allocated to 3 villages

In addition, in 2024, Clariant invested in three landscape consortium projects in Indonesia and Malaysia led by the Earthworm Foundation. Earthworm has identified several biodiverse regions at risk from agricultural expansion, which coincide with current or potential sourcing areas for some of its member companies. The Landscape Program unites key stakeholders who live and work in these regions, as sustainable land-use planning solutions must come from them. The objective of the landscape projects is to provide the necessary tools and guidance to help stakeholders develop collaborative, participatory local land-use planning processes. This involves both upstream and downstream company players, local governments, civil society, and communities in or near these areas. The goal is to find balanced solutions that support economic development, habitat preservation, and long-lasting ecosystem services. The three selected landscapes are relevant for Clariant's supply chain: Nearly 12% of Clariant's sourced palm volumes could be traced to mills located in these landscapes.

Landscape in Sabah, Malaysia

The project aims to revolutionize the palm oil supply chain by ensuring 100% traceability to plantations while actively fulfilling social and environmental commitments. It focuses on fostering meaningful engagement with local communities and stakeholders, implementing human-elephant coexistence activities to protect biodiversity, and empowering smallholders through comprehensive training in sustainable agricultural practices, income diversification, and conservation techniques. Additionally, the project will establish a child-sensitive grievance mechanism to safeguard the rights and well-being of children in the communities where Clariant operates. This holistic approach seeks to create a more sustainable, ethical, and socially responsible palm oil industry that benefits all stakeholders while preserving the environment.

Current progress:

- a. 33 mills are 100% traceable to plantations, 49 mills are partially traceable, and 10 mills are unknown and not traceable to plantations

- b. 9 500 hectares of community land were covered through engagement activities to investigate forest loss and develop interventions
- c. 15 939 hectares of elephant range remains protected under mitigation activities in Beluran
- d. 80 smallholders participated in the HEC training, and 50 smallholders in total have started transformation activities through MSPO/GAP and income diversification activities like hydroponic farming
- e. 3 200 workers have benefited from the Training on Decent Work Practices conducted with the KSN management team. In November 2023, an additional 2 700 workers have been indirectly reached through training
- f. 270 children have been indirectly reached through the child-sensitive grievance program

Landscape in Southern Central Forest Spine (SCFS), Malaysia

The project aims to transform the palm oil industry by achieving 100% traceability to plantations and implementing comprehensive No Deforestation, No Peat, No Exploitation (NDPE) action plans. It focuses on engaging stakeholders to protect forest areas and expand Human-Elephant Conflict (HEC) programs to safeguard biodiversity. The initiative prioritizes smallholder farmer engagement, supporting their transition to sustainable practices, while also mapping indigenous customary lands to respect traditional rights. Furthermore, the project emphasizes worker engagement, promoting fair labor practices through awareness programs and capacity building initiatives. This multifaceted approach seeks to create a more sustainable, ethical, and socially responsible palm oil supply chain that balances environmental conservation with the well-being of local communities and workers.

Current progress:

- 38 mills have 100% traceability to plantations, 58 mills are partially traceable to plantations, and 12 mills are not traceable
- 27 mills have established NDPE action plans
- An area of 577 hectares of forest loss was observed, marking a significant decrease of 54% compared to the second quarter
- 55 smallholders were engaged through HEC training and various other activities.
- 372 workers were directly impacted by the Training on Decent Work Practices

Landscape in Aceh, Indonesia

The project's aim is to foster sustainable palm oil production while prioritizing forest protection through the identification of High Carbon Stock (HCS) and High Conservation Value (HCV) areas. It focuses on empowering smallholder farmers by promoting the adoption of Good Agricultural Practices (GAPs) and supporting them with alternative livelihood options to reduce dependency on monoculture. The initiative also works toward improving land tenurial status for local communities, ensuring their rights are recognized and protected. To maintain peace and to manage disputes effectively, the project implements a robust conflict reso-

lution process. Additionally, it considers the indirect impact on workers and their families, striving to create a positive ripple effect throughout the entire palm oil supply chain ecosystem. This comprehensive approach seeks to balance environmental conservation, community empowerment, and economic sustainability in the palm oil industry.

Current progress:

- Land use planning extended to six new villages, and 15 776 seedlings were planted across several villages as part of the rehabilitation activities
- Out of 41 857 hectares, 24 762 hectares of land area have been conserved by ten villages. HCS/ HCV has been identified in all eight companies
- 1 052 farmers are trained in good agricultural practices, and two out of four farmers' business units are supported by alternative livelihoods. For example, 250 plants of pumpkin and guava are cultivated in addition to oil palm, chili, and melon
- Eight communities out of the total of 22 have improved their land tenurial status, and five village conflicts are managed through conflict resolution process
- A collaboration between Earthworm Foundation and the Department of Employment was carried out to improve the working conditions in the palm oil sector, thus indirectly impacting 2 928 workers.

Research for sustainable materials

Clariant expects that regulations will increasingly stipulate the use of bio-based products. Moreover, there is also high customer demand for sustainable bio-based products in Clariant's key markets, such as the personal and home care markets. Consumers are increasingly aware of climate change and related issues and are willing to pay a premium for sustainable products that provide a sustainability benefit along with a performance benefit. Clariant is ready to meet this increasing demand by protecting nature and maintaining high social standards.

FEATURED STORY



Braking free from borate esters

In modern vehicles, brake fluid stands as one of the most critical safety components. During every braking action, this vital fluid transfers force from the brake pedal to the braking system, enabling the moving vehicle to come to a safe stop. With sophisticated safety features in today's vehicles, high-performance brake fluids play an essential role in protecting lives – proving themselves indispensable in both conventional and electric vehicles.

Until now, high-performance brake fluids relied on borate esters to maintain necessary high boiling points. However, these components are classified as hazardous, requiring special handling during maintenance.

As a breakthrough in brake fluid technology, Clariant has developed the first high-performance DOT 4 brake fluid without hazardous components. Safebrake™ Life delivers optimal performance for modern brake systems like ABS and ESP, while ensuring high boiling point stability, excellent corrosion protection, and enhanced material compatibility.

In 2024, Clariant introduced Safebrake Life LV, featuring lower viscosity for improved response time. This new formulation fully complies with international specifications and is available in certified mass-balanced versions. The innovation represents a significant advancement in automotive safety technology, combining high performance with safer handling characteristics – essential for both conventional and electric vehicles.

[Learn more](#)

To this end, Clariant considers the complete value chain – from the raw material feedstock to basic chemical manufacturers and the company's direct customers. For example, using waste streams from bio-based product processing is a promising way to connect industries and to avoid trade-offs.

FEATURED STORY



A green solvent for agricultural formulations

Palm oil is used as a raw material in a number of different sectors, ranging from food production to industrial applications. It also plays a role in farming: Solvents based on palm oil derivatives are widely used in agrochemical formulations, as they provide high solubilization power for many agrochemical actives.

However, palm oil is also associated with a number of environmental and social issues, including deforestation. Anticipating market needs and regulatory changes, Clariant Crop Solutions has developed an alternative for more sustainable plant protection products: Genagen™ PA is a palm-free solvent based on widely available pelargonic acid derived from renewable sources.

Just like the palm-based alternatives in Clariant's portfolio, Genagen™ PA is readily biodegradable and shows excellent solvent power for a broad range of active ingredients. It is easy to formulate, supports emulsion stabilization, and prevents crystallization of actives in the formulation as well as in the spray tank, avoiding clogging of spray nozzles. In addition, Genagen™ PA acts as an adjuvant, improving spray retention and coverage on leaves while also enhancing the uptake of active ingredients for improved biological efficacy.

[Learn more](#)

Clariant believes in the pivotal role renewable raw materials, in particular waste and residue streams, play in the transition toward a more sustainable future. Clariant has developed broad product and technology offerings to accelerate the shift toward bio-based raw materials. These include both

- Bio-based and bio-derived products
- Products creating a circular economy to enable downstream partners' shift toward a sustainable economy

→ Read more in »Sustainable Innovation and Technological Advances«

Furthermore, Clariant participates in the Horizon Europe-funded project FOREST. The three-year research project aims to develop innovative bio-based polymers and additives as well as recycled carbon fibers that will facilitate the decarbonization of the transport sector. The 13 partners from industry and academia intend to provide new and innovative green composites for sustainable and safe transport applications. Furthermore, the project aims to develop effective circularity solutions applied to multifunctional bio-composite constituents with more than 50% sustainable materials contained in lightweight products. Clariant is leading, together with Aimplas, the sub-work package for bio-based flame-retardant synthesis and is contributing to other workstreams for the definition of performance criteria for sustainable composites and the characterization and scale-up of sustainable materials development.

Site- and product-specific actions

✓I Since 2016, Clariant's most relevant production sites have been certified by the RSPO, following the Mass Balance certification rules. This enables the company to sell sustainable products that have been produced with certified palm-based oleochemicals. Clariant has a portfolio of over 140 palm-derived products that are offered as RSPO Mass Balance-certified, which continue to be promoted in partnership with customers and other stakeholders. I

✓I Clariant's plants in Gendorf, Knapsack, and Frankfurt (all in Germany) received the International Sustainability and Carbon Certification (ISCC) Plus certification. The production sites offer a range of products as certified upon customer request. These certifications are recognized schemes for validating the chain of custody and the traceability of sustainable biomass, biofuels, and bioliquids in production processes. I

Also, Clariant has for many years partnered with a local land conservancy, the Catawba Lands Conservancy, to preserve land on and around Clariant's current and former production sites near Mt. Holly, North Carolina, using conservation easements. These easements prohibit or significantly limit any kind of development or significant land disturbance to preserve the natural state of the areas.

✓ Responsible mining

Clariant also takes measures in its own operations, such as bentonite mining, by consulting geologists to develop plans to minimize the environmental impacts associated with drilling. This includes carefully removing the topsoil and overburden to preserve it for land restoration. During mining, Clariant ensures that the local fauna can move to adjacent areas easily and surrounding ecosystems are conserved. It sun-dries the bentonite before transportation to reduce its weight. When there is a closure of the mines, Clariant joins hands with the local experts to restore the land for forestry or agriculture. In certain areas (such as southern Bavaria), animals from the Red List of Threatened Species have been repopulated after reclaiming.

Clariant's mines are always operated under the prerequisite that the land will ultimately be returned to at least the same state as before bentonite extraction began, following the mitigation hierarchy of restoration and rehabilitation. Through these efforts, Clariant ensures healthy relationships with local communities and protects ecosystems. This is always in accordance with local regulations and legal requirements. For example, LIFE TECMINE, an EU-funded mining recultivation initiative, selected Clariant's recultivation project located within the Cabo De Gata-Níjar National Park in Almería, Spain, as a reference for best practices in their 2023 reforestation guide. **I**

Both Clariant's palm-related key actions and its bentonite mining-related key actions are continuously ongoing; The mining restoration timelines are site-specific.

Portfolio Value Program

Through its Portfolio Value Program (PVP), Clariant assesses the sustainability profile of its product and project portfolio. With the PVP, the company continuously screens its portfolio based on 39 criteria, including bioeconomy, to ensure that it aligns with sustainability principles, i.e., whether products or projects are bio-based, enabled bio-based processes, or supported the transformation of bio-based raw materials. In 2022, the company conducted a methodology update, which raised the ambition on bioeconomy-relevant topics. From the early stage of an innovation project until commercialization, the use of renewable raw materials is assessed, while also considering whether they are food-competing, genetically modified, or have an impact on biodiversity.

Other actions in operating business

Since 2022, the Brazilian Personal Care Specialties company Beraca has been fully integrated into Clariant's portfolio, offering a full range of active and natural origin ingredients. Beraca is a leading provider of natural ingredients ethically sourced from the Amazon rainforest and other Brazilian biomes. Through Beraca's Sociobiodiversity Enhancement Program, Beraca promotes the conservation and sustainable use of biodiversity in the Amazon region. The program supports traditional communities, such as indigenous groups and extractivists, in their efforts to generate income through the sustainable management and commercialization of non-timber forest products. Some key aspects include:

- Promoting the integration of traditional knowledge and practices with modern techniques for sustainable resource management
- Providing technical assistance and training to local communities on sustainable harvesting, processing, and marketing of products like nuts, oils, resins, and fibers
- Supporting the development of community-based enterprises
- Encouraging the establishment of extractive reserves and other protected areas to safeguard biodiversity and the livelihoods of traditional communities
- Facilitating access to markets and fair-trade certification for the products derived from the program

Under the program, around 10 000+ families have benefited since 2000, and 233 hectares were protected from deforestation. In the last five years, around 1.2 million kilograms of waste were diverted from landfill or incineration, and 66 trainings have been given since 2020. The biodiversity team closely monitors the communities and assesses associations and cooperatives from a quality, sustainability, and compliance point of view. Contracts with supplier communities contain labor and environmental clauses, and meetings are held with all members to present the Supplier Code of Ethics, which mainly deals with good labor and social practices.

FEATURED STORY



The beauty of sustainable sourcing

The Amazon rainforest is home to the açai tree, whose berries are very popular in Brazil. As this fruit contains abundant antioxidants, it is central to oils, actives, and scrubs developed by Clariant (Beraca). The factory in Ananindeua buys the açai berries from local producers in the Pará province of Brazil and transforms them into açai oil and other ingredients. The production process is designed to use as much of the açai raw material as possible: After the vegetable oil is extracted, the pulp is processed to create natural scrubs.

Clariant (Beraca) is dedicated to a sustainable supply chain and collaborates closely with local farmers and communities. It provides trainings for producers to optimize structures, management practices, organic diversity, and the processes in the açai market. Also, the local biodiversity team works with nearby communities to support the health of the forest and the well-being of the people living in the region. The cooperation with AMPRUNAM, a local rural producers' organization, has been in place since 2009. This partnership demonstrates how commercial success can align with environmental protection and social responsibility, keeping the forest intact while producing high-quality cosmetics ingredients.

[Learn more](#)

In 2023, Clariant agreed to acquire Lucas Meyer Cosmetics, a leading provider of high-value ingredients based on renewable raw materials for the cosmetics and personal care industry. → [Read more in »Business Unit Care Chemicals.«](#)

In the Business Area Care Chemicals, Clariant unveiled new Vita bio-based surfactants and polyethylene glycols (PEGs), which can be applied in personal and home care products, in crop protection, and in industrial applications. (→ [Read more on VITA sustainable surfactants.](#)) Clariant's Indian joint venture Clariant IGL Specialty Chemicals (CISC) Private Limited presented its new Vita portfolio of renewable-based ethylene oxide derivatives at ChemExpo India 2023 for the first time. Products in the Vita range are 100% bio-based, carbon-reducing, and fully segregated and have an RCI (Renewable Carbon Index) of >95%. This will help customers reduce their carbon footprint and Scope 3 emissions. The CISC facility will cater to the Indian market but will also serve as a major export hub for the Vita range.

In the Business Units Adsorbents & Additives and Catalysts, Clariant continued to provide key ingredients and catalysts to produce sustainable aviation fuels (SAFs). For more sustainable products, see → [»Business Unit Catalysts.«](#)

Furthermore, the Business Unit Adsorbents & Additives collaborates with the English biomaterials company Floreon, which develops and markets polylactic acid-based (PLA-based) compounds. PLA-based compounds are also suitable for durable and demanding applications, such as flame-retardant home appliances, potentially replacing traditional fossil-based materials and significantly reducing the carbon footprint. These compounds are mechanically harder than traditional PLAs, deliver significant energy savings in processing, and are industrially compostable. Additives from Clariant are critical to improving the processability and performance of Floreon's biopolymer compounds.

In 2024, the Business Units Adsorbents & Additives and Catalysts also continued their search for sustainable raw materials with an improved carbon footprint or toxicity profile. The Exolit® OP, Licowax®, and Licocene® Terra ranges, for example, are based on certified renewable ethylene and propylene from biomass feedstock, such as non-food-competing residue oils, helping to reduce the consumption of fossil resources.

→ [Read more on the sustainability designer »TERRA.«](#)

Another focus was the scale-up of the rice bran wax-based coatings platform, which experienced rapid growth throughout the year, prompting a capacity expansion. This platform replaces fossil-based waxes with wax derivatives based on a wax side stream from the production of rice bran oil. The resulting products have a lower carbon footprint, show excellent performance, and benefit from the inherent properties of the natural source being biodegradable or compostable and thus preventing the formation of microplastics.

Satellite monitoring project (with ASD)

In 2024, Clariant continued to participate in the satellite monitoring project managed by Action for Sustainable Derivatives (ASD) to monitor deforestation in Malaysia and Indonesia using the Nusantara Atlas tool. The goal is to achieve a palm derivative supply chain that upholds NDPE principles, respects human rights, and supports local livelihoods. The methodology, based on of the Carbon Disclosures Project (CDP) and the Consumer Goods Forum Forest Positive Coalition (CGF-FPC) approaches to calculate deforestation and conversion-free (DCF) volumes, proposes a common framework to ensure deforestation and conversion-free volumes by:

- Tracing back the volumes to their production area
- Confirming the production area was not deforested or converted after the chosen cut-off date
- Monitoring the production area

The verification method applied by Clariant is satellite monitoring. To be evaluated remotely, the mills must be physically connected to the supply chain. Clariant follows ASD's definition of deforestation and conversion and specifies the cut-off date in line with RSPO (15/11/2018). Within a 10 km buffer around the mills, the project identifies deforestation and conversion of natural ecosystems due to palm oil cultivation from satellite images. In doing so, it differentiates between deforestation and conversion by industrial players and smallholders. Mills are considered non-DCF as soon as deforestation or conversion is detected. According to the abovementioned methodology, Clariant has reached a level of 58% DCF volumes in 2024.

E4-4 Targets related to biodiversity and ecosystems change

✓I As part of its ASD membership and its assessment of material biodiversity-related impacts, risks, and opportunities, Clariant conducts a yearly supply chain transparency exercise regarding the risk exposure of its portfolio. I

✓I Biyearly, the company participates in ASD's Sustainable Palm Index (SPI) campaign, covering the most important suppliers based on volumes. The SPI is an evaluation scorecard for suppliers of palm-based derivatives and aims to assess the level of commitments, processes, and achievements in terms of sustainable sourcing practices. It is a self-disclosure questionnaire with independent verification based on desk information. Through this assessment, Clariant achieved an understanding of the level of compliance of its main suppliers. The 2023 results covered 92% of Clariant's sourced palm-based volumes and the 19 key suppliers. Of these suppliers, 13 reached scores of A+ to B, corresponding to 77% of Clariant's sourced volumes. Moreover, on a yearly basis, Clariant undergoes the SPI assessment as a supplier itself and was evaluated in 2024 as compliant, with an A score of 77.2/100 in 2023. I

✓I With respect to RSPO certification, Clariant has increased its share of RSPO MB-certified raw materials. It reported an uptake of 42.40% RSPO MB-certified palm-based raw materials for all Clariant businesses in its last progress report for RSPO. As set forth in the Global Policy on Sustainable Palm Oil, Clariant aims to source 100% sustainable palm-based materials according to RSPO certification or equivalent by 2025. The base year is 2021, the year the sustainable palm oil policy was launched. I An RSPO-certified material uptake of 12.65% in 2021 constitutes the baseline value from which progress is measured. The figures comprise Clariant individual results, excluding the joint venture Global Amines. The scope of the targets is global, and the target setting was an internal strategic decision, informed by engagement with suppliers, customers, and peer benchmarking to align with our ambition.

With regard to our bentonite mining activities, Clariant has bentonite sites in 60 locations complying with international, national, regional, and local regulations. The aim of Clariant is to return the land to the owner in the same or an even better state after the mining process compared to its prior state. To achieve this, 231 trees have been planted in former mining sites. About 24 000 square meters of mixed woodland show that Clariant supports sustainable practices.

Additionally, Clariant included biodiversity offsets as part of its action plans to address biodiversity impact. The → »Kaleka Mosaik Initiative« by the Indonesian NGO Kaleka is a consortium project in Kalimantan, Indonesia, with the objective of improving smallholder livelihoods and protecting and restoring the landscape. Since 2022, Clariant has contributed via the → »Clariant Foundation« to the ASD Impact fund, which is an instrument for ASD members to collectively invest in on-the-ground projects. Clariant invested CHF 30 000 in the Kaleka project in 2024. Along with the focus on smallholder welfare and fostering RSPO certification, the initiative has a strong element of forest preservation and restoration, which fits with the objective of offsetting biodiversity impacts. The project has identified 1.2 million hectares for forest preservation and restored 261 hectares through active community participation. This comprehensive approach effectively balances environmental conservation with sustainable production methods, creating a positive impact that simultaneously supports local communities while safeguarding vital ecosystems.

✓I E4-5 – Impact metrics related to biodiversity and ecosystems change

Across all business units, Clariant sourced 4 200 different raw materials. In 2024, 32.6% of purchased raw materials stemmed directly or indirectly from fossil-based raw materials, such as olefins and carbon. About 63.5% consist of inorganics and minerals, such as bentonite and clay, inorganic salts and acids, precious and base metals and metal compounds, and gases. Renewable bio-based raw materials, such as vegetable oil fatty acids, fatty alcohols and derivatives, and natural plant-based extracts and oils, account for 3.0%. A drop in the bio-based raw material share versus 2023 is mainly driven by Clariant's exit from the advanced biofuels business. I

Sustainable Innovation and Technological Advances

Summarized by Clarita^{AI}

- + Clariant focuses on three Innovation Arenas in 2024: Health- and Sustainability-conscious Consumers and Brands, Energy Transition, and Circularity.
- + The company operates through five Innovation Platforms: Catalysts for the Energy Transition, Sustainable Actives, Adsorbents, Polymer Solutions, Surfactants and Functional Polymers.
- + In 2024, Clariant invested CHF 126 million in R&D, maintained over 290 active innovation projects, and targets 20 % innovation sales rate by 2027.

Introduction

»Sustainable Innovation and Technological Advances« is a material topic for Clariant. Innovative chemistry is anchored as one of the four dimensions in Clariant's purpose: »Greater chemistry – between people and planet.« Clariant tackles established megatrends to stay ahead in dynamic markets and drives profitable growth in all its businesses.

In addition, innovation is key to realizing the »leading in sustainability« element in Clariant's purpose. The company's cutting-edge innovations meet the increasing demand for sustainability, as well as performance, and create long-term value for Clariant's stakeholders. Innovation provides the capabilities to position Clariant and its customers at the forefront to realize an economically viable sustainability transformation.

Innovation activities at Clariant focus on products, processes, and services along the company's entire value chain, from suppliers to internal operations, customers, and end users. A culture of innovation is also an important factor in creating a compelling work environment, boosting employee motivation, and helping Clariant attract and retain talent.

✓ I IRO-1 – Description of the processes to identify and assess material sustainable innovation and technological advances-related impacts, risks, and opportunities

The impacts, risks, and opportunities (IROs) related to sustainable innovation and technological advances were identified through a materiality assessment process updated in 2024. For further details on the methodology and approach used in this assessment, please refer to the → »General Disclosures« chapter. I

Description of the IROs

Positive impact (own operation, downstream). Innovations improve operational efficiency, reducing resource usage, waste generation, and carbon emissions: Clariant's commitment to sustainable innovation delivers significant positive impacts across its value chain. By implementing the Clariant Portfolio Value Program (PVP) with comprehensive insight into the sustainability of products reflected in 39 criteria, the company develops products that address critical aspects such as climate impact, water use, bioeconomy, circular economy, chemical safety, sustainable sourcing, product performance, and waste reduction. PVP is discussed in more depth in the General Disclosures chapter.

Sourcing materials with a lower environmental footprint fosters supply chain innovation while positively influencing surrounding communities and improving the safety of workers across the value chain. Clariant's advancements in operational efficiency further enhance sustainability performance, while its unique combination of sustainability expertise and innovation capabilities empowers customers to achieve their own sustainability goals.

✓ I Risk (upstream, own operation, downstream). Project delays and rising costs from changing customer demands and regulations: Clariant faces risks related to sustainable innovation that could impact the outcomes of some innovation projects in meeting customer needs and maintaining competitive advantage. Rapidly changing customer demands may require frequent adjustments to R&D projects, leading to scope changes and rework. Changes in regulations that are based on politics rather than on scientific consensus create uncertainty and affect the value of newly developed solutions. This may slow market adoption of products with greater sustainability. I

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES (IROS) RELATED TO SUSTAINABLE INNOVATION AND TECHNOLOGICAL ADVANCES: IRO-1

IRO	Description + corresponding ESRS-sub-sub topic or sub-topic + corresponding sub-chapter(s)	Type (Actual/potential, positive/negative, impact/risk / opportunity)	Value Chain Location			Time Horizon		
			Upstream	Own ops.	Downstream	Short-term	Medium-term	Long-term
Innovations improve operational efficiency, reducing resource use and emissions.	Innovation	Actual positive impact		■	■		■	
Project delays and rising costs from changing customer demands and regulations	Innovation	Risk	■	■	■	■		
Sustainable solutions growth	Innovation	Opportunity		■	■	■		

A prolonged economic weakness may slow the adoption of innovative products due to customers' decreased focus on sustainability in favor of cost. While Clariant strives to develop solutions that both perform better and, at the same time, are more sustainable than the industry standard, there is a likelihood, in innovation projects spanning multiple years, that Customer expectations may shift. Technological disruptions may reduce the benefit of Clariant's innovations and, thus, their profitability to Clariant.

To mitigate this risk, Clariant ensures that the company captures the most recent market trends and gains early access to new technologies by working closely with start-ups, universities, research institutes, customers, and value chain partners, fostering early access to emerging technologies and insights into evolving market trends. Regular monitoring of sustainability policies and active participation in policy platforms developing new standards and regulations help Clariant anticipate and respond to changes, supporting the resilience and continued appeal of its innovations. New products developed only through conventional R&D practices may not fully address key sustainability requirements. To proactively reduce the likelihood of this and ensure all innovation initiatives align with its commitment to environmental stewardship and social responsibility, Clariant has established a screening protocol, the »Portfolio Value Program« (PVP), to systematically vet potential developments at the earliest conceptual stage against a holistic set of sustainability criteria. Clariant aims to guarantee this risk is avoided from the outset by firmly establishing sustainability as a core driver of each new product's value proposition.

This also enables Clariant to holistically articulate sustainability value propositions for players upstream and downstream from its direct customers. This creates an opportunity for Clariant to gain a competitive advantage by developing and marketing products that meet the growing market demand for sustainable solutions.

Opportunity (own operations, downstream). Sustainable solutions growth: Clariant has several opportunities to strengthen its position in sustainable innovation. The EU's Chemical Strategy for Sustainability (CSS), which promotes the »Safe and Sustainable by Design« concept, is driving the chemical industry toward more sustainable solutions, opening opportunities for Clariant to deliver innovative and environmentally responsible products.

Clariant can gain advantage in new product development speed by applying digital technologies throughout innovation processes. Digital tools enable faster discovery, prototyping, testing, and refinement of chemistries, helping to design sustainable products.

The advancement of Generative AI (GenAI) technologies accelerates development processes, and Clariant's internal Clarita Research Assistant, an LLM that has been optimized with Clariant R&D and commercial product data, enhances R&D efficiency and effectiveness.

Public funding for sustainability-driven innovation presents an opportunity for Clariant to secure greater financial resources, support its R&D initiatives and contribute to positive climate outcomes while gaining competitive advantages in the market.

Successfully executed innovation projects deliver material financial benefits for Clariant's own business and market share, as well as potential medium-term material financial benefits for Clariant's downstream value chain. These benefits are created by innovative products addressing customers' sustainability challenges, such as energy efficiency, GHG emissions, environmental toxicity, etc. Such products reduce regulatory risk for Clariant and downstream customers. Some examples of such benefits are reduced GHG emissions from carbon-intensive industries through the use of innovative Clariant catalysts and reduced energy consumption in domestic processes, such as dishwashing and laundry, through the use of Clariant surfactants.

In terms of opportunity, Clariant is well-positioned to capitalize on the market's increasing demand for sustainable solutions. By embedding digital technologies within its »Idea to Market« (I2M) innovation process, Clariant accelerates discovery, prototyping, and testing, enabling faster development of sustainable products

that address unmet customer needs. Additionally, Clariant's Portfolio Value Program (PVP) assesses all innovations against rigorous sustainability criteria at the concept stage, reinforcing the value proposition of each product and differentiating Clariant from competitors by consistently fulfilling sustainability expectations.

Developing and implementing an innovation strategy

✓ **I** Clariant's innovation and sustainability strategy is driven by Clariant's purpose »Greater chemistry – between people and planet.« It is reviewed by the Board of Directors' Innovation and Sustainability Committee every year through the Strategic Management Process (SMP) of the business units (BUs). Every three to five years, the company strategy undergoes a thorough review and update. As part of that effort, each business unit develops its BU innovation strategy, which consists of growth focus areas, growth aspirations, and roadmaps. It allocates resources and funds to the focus areas after assessing their attractiveness along with their fit with the sustainability strategy. Then the BU sets annual innovation targets in accordance with the approved innovation strategies. **I**

Innovation Arenas

In 2024, Clariant identified three key Innovation Arenas, underscoring its commitment to advancing sustainable solutions. Each business unit has identified Strategic Growth Initiatives (SGIs) that accelerate Clariant's contributions to the Innovation Arenas. The Executive Leadership Team (ELT) closely monitors the execution milestones and financial progress in each of these arenas.

Health- and Sustainability-conscious Consumers and Brands

Gen Z and millennial consumers, along with brand owners, show increased awareness of societal, environmental, and health issues in their purchasing decisions. They demand transparency, authenticity, and increased sustainability, resulting in consumer goods products with strong credible sustainability claims to outgrow market segments with no sustainability value proposition. Baby boomers and soon-to-be retirees (by 2030) are driving health-conscious products to preserve their youthfulness, e.g., with actives-containing cosmetics as well as pharmaceutical products requiring excipients. This cohort will have the greatest purchasing power and shows a willingness to pay premiums for effective solutions. Clariant addresses these trends through its Innovation Platforms: Sustainable Actives, Surfactants and Functional Polymers, and Polymer Solutions Enabling Sustainability. Key projects include developing sustainable ingredients for cosmetics, expanding the »VitiPure™« product range for excipients, and creating PFAS-free solutions. These initiatives align with evolving consumer demands while advancing sustainability goals.

Energy Transition

The decarbonization of the energy sector requires innovative solutions to realize an economically viable transition by 2050. Key opportunities include decarbonizing hard-to-abate industries, electrifying with renewable energy, and developing the hydrogen economy. Clariant addresses these challenges through its Innovation Platforms: Surfactants and Functional Polymers, Adsorbents,

Polymer Solutions Enabling Sustainability, and Catalysts. Key projects in this area include developing renewable fuels, such as biodiesel and sustainable aviation fuels; focusing on flame retardants for e-mobility and electrical and electronics applications; and advancing technologies for the green/blue hydrogen economy, including hydrogen, ammonia, and methanol production. These initiatives demonstrate Clariant's commitment to driving the energy transition and supporting sustainable industrial processes.

Circularity

Consumer and industrial markets are shifting toward renewable or post-consumer recycled raw materials, driven by brand commitments, increasing mandates, customer preferences, and the need to reduce Scope 3 emissions. Clariant supports this trend through its Innovation Platforms: Surfactants and Functional Polymers, and Polymer Solutions Enabling Sustainability. Key projects in this area include Licocene™ for Recycling Applications, which provides additives to enable carpet recycling, and the development of novel natural antioxidants under the »Hostanox™« and »AddWork™s« product groups. These initiatives demonstrate Clariant's commitment to circular economy principles and its efforts to meet the growing demand for sustainable materials in various industries.

Innovation Platforms

Clariant's competitive advantage comes from its various Innovation Platforms and the many years of R&D invested in developing the company's capabilities.

✓ **I** Clariant has structured its R&D activities along five Innovation Platforms: Catalysts for Energy Transition, Sustainable Actives, Adsorbents, Polymer Solutions, and Surfactants and Functional Polymers. **I** All Innovation Platforms collaborate closely across business units to ensure that technology push and market pull go hand in hand.

Catalysts for the Energy Transition

This platform combines the R&D, application development and scale-up capabilities, infrastructure, skill, and IP required to develop and produce market-leading heterogenous catalysts and specialized carrier materials used in various industrial applications. This includes a particular focus on developing catalysts for the hydrogen economy, low-carbon steel production (DRI), sustainable aviation fuels (SAFs), and other low-carbon breakthrough technologies. This platform is crucial for supporting the global transition to cleaner energy sources and industrial processes.

Sustainable Actives

This platform combines the R&D, application development and scale-up capabilities, infrastructure, skill, and IP required to identify biologically active molecules, as well as the capabilities for in vitro and in vivo claim substantiation. The focus is on creating biologically active natural extracts, peptides, and high-value cosmetic ingredients. This platform caters to the growing demand for natural and sustainable products in the personal care and cosmetics industries.

Adsorbents

This platform combines the R&D, application development and scale-up capabilities, infrastructure, skill, and IP required to identify and sustainably mine deposits of suitable clays and, through chemical activation, tailor the performance of the adsorbents for enhanced selectivity and throughput. The focus is on oil purification, coatings, and new applications such as controlled-release fertilizers. These products contribute to more efficient and sustainable processes in various industries, including the production of biodiesel and sustainable aviation fuel, chemical recycling, and agriculture.

Polymer Solutions Enabling Sustainability

This platform combines the R&D, application development and scale-up capabilities, infrastructure, skill, and IP required to develop and scale up polymers and small-molecule plastic polymers, including for coating applications on various surfaces. This platform increases sustainability by creating polymer additives and coatings that provide flame retardancy, enhance recyclability and/or biodegradability, provide PFAS substitutes for various coating applications, and help eliminate microplastics.

Surfactants and Functional Polymers

This platform combines the R&D, application development and scale-up capabilities, infrastructure, skill, and IP required to develop and scale up surfactants and functional (soluble) polymers, with a particular focus on substituting fossil-based carbon with renewable carbon. This platform represents a core technology for Clariant, providing the basis for products across various business segments, including Mining, Personal & Home Care, and Healthcare. This platform demonstrates Clariant's versatility in developing solutions for diverse industries.

FEATURED STORY



A Solid Choice for Green Beauty

Performance, product safety, environmental profile: Conscious beauty consumers take many aspects of a product into consideration before they make a purchase. This drives the development of sustainable, solid, and waterless personal care formulations. Compared to their liquid counterparts, solid formats typically use less water in development, can require less packaging, and can deliver longer-lasting, easy-to-dose products compared to their liquid counterparts.

Clariant's GlucoTain™ GEM supports the formulation of such solid and concentrated formulas. This sugar-based glucamide surfactant is mild to skin proteins and skin lipids and can improve combability in hair products like conditioners and shampoos, reducing the need for additional refatting agents.

GlucoTain GEM also has a favorable sustainability profile: It is sulfate-free, 100 % biodegradable, and non-tropically sourced and has very low water content.

The GlucoTain™ range of sugar-based surfactants with low product carbon footprint offers sensory benefits through individual foam structures and conditioning levels. Available in six products, the portfolio is suitable for a wide range of products, including shampoos, shower gels, soaps, facial cleansers, and shaving foams.

[Learn more](#)

Enabling Platforms

Digital Technology

Clariant leverages digital innovation to enhance customer offerings and improve internal efficiency in innovation and production processes. In 2024, Clariant further developed its GenAI platform, introducing the Clarita Research Assistant, which has processed thirty years' worth of research reports and technical data documents to support research, hypothesis construction, and experimental design.

The company implemented a cloud-based Electric Lab Notebook System, featuring chemical inventory management, study templates, and data analysis tools. High-throughput experimentation (HTE) techniques have been integrated into R&D, enabling more sustainable and economical processes with reduced time-to-market.

Clariant's CLARITY™ platform, powered by Navigance, provides customers with real-time catalyst performance data and advanced analytics. The company also launched ClariCoat, a digital assistant for paints and coatings formulators, which recommends suitable additives based on performance and sustainability criteria. Please refer to the → »Digitalization« and → »Business Unit Catalysts« discussion for more details on CLARITY™.

These digital innovations demonstrate Clariant's commitment to enhancing efficiency, sustainability, and customer support across its operations and product development processes.

Process Technology

Clariant's Process Technology platform is crucial for its sustainability transformation and continuous improvement in process safety and reliability. The global »Process Innovation and Sustainability« program supports business units in optimizing production processes for current and future technologies, helping Clariant maintain competitiveness and achieve climate targets.

The company conducts regular assessments of technological risks and opportunities across its production landscape, involving experts from Technology & Sustainability (T&S), Operational Excellence, and regional hubs. This approach is leveraged for the implementation of Clariant's sustainability roadmap.

Management of sustainable innovation at Clariant

Management responsibility for material sustainability matters, including for the company-specific topic of sustainable innovation and technological advances at Clariant, is discussed in depth in the General Disclosures chapter.

MDR- P – Policies

✓I Global Function Policy: T&S

Consistent with Clariant's Management Bylaws, T&S defines its Global Function Policy, including its scope, management structure, authorities, delegation of responsibilities, and risk management. The Global Function Policy applies to the T&S organization.

The process for monitoring the implementation of the policy involves reviews through internal audits and the use of performance metrics aligned with sustainability objectives. Metrics and risk management reports are generated to track progress. Periodic assessments by the sustainability governance team are part of the monitoring framework.

Hierarchically, the Global Function Policy ranks below, with Clariant's Management Bylaws, but above other mandatory document categories issued by the Global Function, such as Subject Matter Policies, Process Instructions, Standard Operating Procedures, and Instructions.

The policy was released in 2023. It defines the roles and responsibilities of the Global Function Technology & Sustainability, responsible for corporate innovation sales and margin tracking, I2M innovation training, innovation targets, and metrics proposals. The Global Function is accountable for corporate innovation processes, including I2M and tools. It provides hands-on project support for strategic sustainability-driven innovation projects by using agile customer-focused innovation approaches and is responsible for leading corporate sustainability process implementation projects. I

✓I Innovation Handbook

The globally applicable Innovation Handbook, updated in 2024, provides innovation practitioners within Clariant (Project Leader, Innovation Champion, Project Champion, and team members) and stakeholders with an overview of the company's innovation policy and defines its innovation processes and tools. It covers topics such as innovation definition, the Idea-to-Market process, innovation culture, governance, innovation portfolio management, and project management tools. The innovation setup is described in the section on the Idea-to-Market process (Stage Gate), project portfolio management, innovation governance, and the metrics used to measure innovation success. I

The Innovation Handbook defines Clariant's »Idea to Market« (I2M) process as the core framework for managing innovation from ideation to commercialization. Its key objectives are to translate business strategy into innovative products and services, identify unmet customer needs, develop competitive solutions to address those needs and enable successful market entry.

Sustainability Policy

Clariant's Sustainability Policy prioritizes investment in research, development, and technology, with sustainability as a core innovation driver. For details on the policy, including stakeholder interests and its availability, please refer to the → **General Disclosures chapter**.

✓I MDR-A – Actions and resources in relation to sustainable innovation and technological advances

In line with Clariant's commitment to sustainability and innovation, several key actions were implemented in the reporting year to achieve its policy objectives. These actions are aligned with the company's strategic goals of reducing environmental impacts, driving sustainable innovation, and improving its overall sustainability performance.

The scope of the key actions taken to implement Clariant's sustainability policies and achieve its objectives covers various aspects of the company's operations and value chain, as shown below. I



✓**I** The actions reflect Clariant’s comprehensive approach to sustainability, taking into account all aspects of the value chain and making sure that relevant stakeholders are involved in the process. **I**

Key actions to remediate material impacts

In 2024, Clariant did not encounter significant incidents causing material harm that required direct remedy for stakeholders or the environment. However, Clariant remains proactive in managing and mitigating sustainability risks related to product safety and environmental impact. Key actions taken to provide for or support remedies in case of potential harm are as follows:

Stakeholder engagement and support

Clariant continues to provide stakeholder communication channels so that communities and other affected stakeholders can raise concerns or report grievances. This mechanism enables Clariant to engage with stakeholders effectively and provide

remedies if necessary. Through proactive management and the phasing out of non-sustainable products, Clariant continues to mitigate risks and ensure that the potential for material negative impacts is minimized. Should any harm occur in the future, procedures are in place to support affected stakeholders.

Filling the innovation pipeline

The company uses multiple formats to discover innovation opportunities. Innovation workshops with customers help Clariant discover opportunities in various markets. They take place on an ongoing basis with a wide team of participants from customers in both technology and marketing functions. Participants are set to discover opportunities to innovate through a structured discussion covering the innovation and sustainability needs of the entire value chain that customers play in.

Action	Value Chain Coverage	Geographical Coverage	Affected stakeholder groups
Innovation Areas	Primarily own R&D and downstream. Upstream raw material supply in some cases	Global	Primarily downstream customers
Innovation Target	Upstream (R&D, supplier collaboration) and downstream (customer partnerships, product application)	Global with regional variations based on market needs and regulatory frameworks	Internal R&D teams, external partners, and customers who benefit from sustainable product innovations
Sustainability Portfolio Target	Entire value chain, from material sourcing to product development, manufacturing, and end-customer use	Global with focus on regions where sustainability is a critical market driver	Internal business units, suppliers providing sustainable materials, and customers seeking greener product options

FEATURED STORY



Boosting preservation innovation for faster growth

Preservation systems play a vital role in cosmetic formulations by safeguarding products against deterioration and maintaining their longevity. With the clean beauty trend and mounting regulatory pressure on cosmetic preservation, the search for alternatives combining efficacy, sustainability, and highest product protection gained momentum.

When developing new preservation systems or testing the efficacy of existing ones, the so-called MIC test determines the lowest concentration at which a preservative inhibits the growth of germs like bacteria and fungi. Traditionally, these tests involve a lot of manual handling, which is time-consuming and error-prone. This is why Clariant brought together expertise from application development microbiology and high-throughput experimentation to develop the Automated Minimum Inhibitory Concentration Assay, or AMICA.

AMICA is a testing robot that delivers results three times faster than what was previously possible. Using a sliding robotic arm, the system mounts pipette tips, dispenses all of the solutions, mixes, and transfers assay plates to built-in incubators and read-out instruments. AMICA can simultaneously test serial dilutions of up to 32 antimicrobials against a panel of eight different bacterium types.

AMICA has been particularly useful in the development of optimized combinations with the existing booster portfolio, including Velsan™ SC and Velsan™ Flex. These largely bio-based boosters have been tested extensively and enable the reduction of traditional synthetic preservatives by as much as one half. In line with Clariant's commitment to sustainability, AMICA can test and explore a broad range of innovative natural and responsibly sourced ingredients to find the best solutions for the industry's future requirements.

[Learn more](#)

✓I Fostering innovation culture

Clariant builds a culture of innovation that reflects its purpose: "Greater chemistry – between people and planet." To support this, employees receive regular updates on sustainability initiatives and market trends, along with specialized innovation training to build their skills. The company encourages teams to work together and

share knowledge across different departments. Through its quarterly Innovation Star Award program, Clariant celebrates exceptional innovation achievements, with more than 30 projects earning recognition in 2024.

Clariant creates a safe environment for employees to experiment, supporting early-stage projects and celebrating failures as learning opportunities. In 2024, 10 projects received Seed Funding sponsorship.

Other key initiatives in 2024 included global weekly sustainability policy updates, as well as regional initiatives such as the TechConnect Conference China, connecting over 100 colleagues for collaboration. These efforts demonstrate Clariant's commitment to nurturing innovation and sustainability across its operations, encouraging employee engagement in driving the company's innovative and sustainable future. |

Innovation Process

✓I Clariant's innovation projects in the pipeline are developed through the Idea-to-Market (I2M) innovation process. It is an iterative approach that translates global trends and customer needs into value propositions for profitability and growth. The innovation process comprises four stages: Scout, Scope, Execute, and Commercialize.

Innovation projects are categorized into three classes: Class 1 projects, managed by Innovation Black Belts, have high strategic importance, complexity, investment, or double-digit million sales potential. Class 2 and 3 projects are typically led by Innovation Green Belts, who balance these projects with other R&D tasks.

The I2M process training guides teams through different stages, incorporating innovative problem-solving techniques, project management skills, and tools for implementing the projects.

In 2024, two innovation Green Belt (iGB) training sessions covering 34 trainees and four Design of Experiments (DOE) trainings covering 49 trainees were conducted globally, demonstrating Clariant's commitment to developing innovation capabilities across the organization. The total number of trained Innovation Belts in Clariant stands at over 330. |

PVP R&D

✓I Clariant integrates its Portfolio Value Program (PVP) into the innovation process through the PVP R&D initiative, mandatory for Class 1 and 2 projects at the end of the scope phase. This initiative follows the full PVP screening methodology but focuses on criteria most relevant to innovation, capturing sustainability drivers and concerns in upcoming portfolios.

In 2024, Clariant formalized that ongoing innovation projects that are classified as non-sustainable via PVP can no longer advance to the next innovation stage until the sustainability concerns that led to the classification are addressed (LINK TO PVP in the General Disclosures chapter). |

Clariant collaborated with the World Business Council for Sustainable Development (WBCSD) and other chemical companies to update the Portfolio Sustainability Assessment (PSA) framework. The company contributed to the development of guidelines for applying PSA in innovation, adjusting its scope from early-phase guiding principles to full assessment at market launch. This effort aims to raise safety and sustainability standards across the chemical sector, improving the design of safe and sustainable solutions.

These ongoing initiatives further embed sustainability throughout the innovation process and contribute to industry-wide improvements in sustainable product development.

Phasing out non-sustainable products

As part of Clariant's sustainability assessment program (Portfolio Value Program – PVP), Clariant phased out certain non-sustainable products that no longer meet the company's sustainability criteria in 2023 (MDR-A 69b). For example, Clariant fully phased out PFASs and PTFE-containing products by the end of 2023. This methodology accelerates a portfolio transition to more sustainable products.

Stringent IP management for innovation

✓ I Clariant's Global Intellectual Property (IP) Management plays a crucial role in securing value creation through the protection and enforcement of intellectual property, working closely with business units and the innovation process. The company recently updated its IP strategy approach in collaboration with business units to maximize value capture in focus areas. This update aims to enhance business alignment and improve steering of all IP activities, encompassing the full spectrum from building and maintaining IP portfolios to licensing, defending, and enforcing Clariant's IP rights. I

Strengthening innovation collaborations

✓ I Clariant continuously seeks collaboration with external partners to promote innovation. Its vast network comprises experts in various important fields. I

Collaboration with industry and associations

Clariant actively contributes to industrial clusters, consortia, and organizations to drive collaboration along the value chain. It always seeks holistic approaches to solving complex and challenging situations.

ODH-E catalyst with TUM and Linde

A collaboration between Clariant, the Technical University of Munich, and the industrial gas company Linde produced new catalysts for the oxidative dehydrogenation of ethane (ODH-E). This is an innovative catalytic technology with low emissions to produce ethylene (EDHOX™). The novel catalyst is a step change in selectivity and productivity, which reduces CO₂ emissions by up to 100% compared to conventional steam cracking. (update after release coming latest news)

Power-to-X

Power-to-X initiatives convert green electricity into chemical energy sources to store electricity and use those sources as electricity-based fuels for mobility or as raw materials for the chemical industry. The »Power« in »Power-to-X« stands for electricity from renewable sources, while »X« represents the many purposes it is used for and the many forms it is transformed into. Carbon2Chem is a large national initiative in Germany, funded by the Federal Ministry of Education and Research (BMBF). Together with partners from industry, institutes, and academia, Clariant develops technologies to reduce CO₂ emissions from steel manufacturing and other hard-to-abate CO₂ sources following the Carbon Capture and Utilization (CCU) approach. The project has successfully finished the tasks in 2024 and is going to start the phase 3 tasks in 2025.

TransHyDE

Clariant is also a partner in TransHyDE, a project funded with EUR 135 million from the German Federal Ministry of Education and Research (BMBF) to develop solutions for the hydrogen infrastructure, such as a technology for green ammonia (ammonia produced using energy from renewable sources). This substance is a potential substitute for conventionally produced ammonia and has a significantly lower carbon footprint. Due to the higher density of ammonia, converting hydrogen into ammonia is an economically viable method for hydrogen transportation and release at the point of use. TransHyDE is one of three flagship hydrogen projects aiming to prepare Germany's entry into the hydrogen economy.

Clariant is engaged in the sub-project AmmoRef and currently actively contributes to the development of new and improved catalysts for the cracking of ammonia – for hydrogen release. In 2023, it delivered its first semi-commercial quantities of catalysts for use in demonstration units for mobile and stationary applications.

Malodor counteractants with Aqdot

Clariant is represented on the board of Aqdot, a Cambridge-based (UK) supramolecular chemistry company. Clariant has invested in a collaboration to develop malodor counteractants that work for textiles in low-temperature washes.

Design4Circularity

»Design4Circularity« is the first cross-industry collaboration for the personal care industry. Clariant, ink and coating company Siegwerk, producer of polyethylene and polypropylene Borealis, and skin care producer Beiersdorf combine their expertise to create circular consumer packaging for cosmetics applications that is 100% based on retrieved plastic packaging waste.

Action for Sustainable Derivatives

Clariant joined the Action for Sustainable Derivatives (ASD) in 2021. ASD is a collaborative initiative comprising companies in the cosmetics, home, personal care, and oleochemicals industries to collectively tackle supply chain issues around palm oil and palm kernel oil derivatives. Please read more in the Biodiversity and Bio-Based Economy chapter.

Global Impact Coalition

Clariant is a founding member of the Global Impact Coalition (GIC), and Clariant's Chief Strategy & Technology Officer (CSTO) is chairing the Executive Committee of the GIC. The GIC brings together leading chemical companies to co-create and scale up new technologies and business models to accelerate the transformation to a low-carbon and circular future. Clariant is active in different working groups, for example, contributing with its industry expertise in chemical recycling of plastics (purification and upgrading of pyrolysis oils) to implement actions to debottle-neck the availability of this cracker-compatible circular feedstock.

Collaborations with academics

Clariant and the Technical University of Munich (TUM) are collaborating on the H2FLEX project, which aims to convert residual CO₂ and O₂ streams into energy sources and platform chemicals using green hydrogen through biotechnological and chemical processes. The project involves multiple stages, including oxyhydrogen fermentation, yeast oil production, and thermocatalytic conversion, to develop a sustainable and economically viable process for producing hydrocarbons in the kerosene/diesel range. Besides TUM, Clariant BU Catalysts also built up collaborations with ETH Zurich and Tianjin University, China.

Clariant sponsored the Jochen Block Prize, presented at the Annual Meeting of German Catalysts in Weimar from 13-15 March 2024. This prestigious recognition honors young scientists under 40 for their exceptional contributions to catalysis research, demonstrating Clariant's commitment to nurturing emerging talent.

SAFari

Clariant participates in a consortium for sustainable aviation fuels based on methanol led by the Fraunhofer Institute for Solar Energy System ISE. The goal is to replace fossil kerosene entirely while improving the efficiency of the production process. The project, »Sustainable Aviation Fuels based on Advanced Reaction and Process Intensification« (SAFari), involves collaboration with research institutes and industrial partners throughout the entire value chain.

SynergyFuels

Together with academic and industry leaders, we participate in the SynergyFuels project, which aims to produce renewable fuels for aviation and road transport utilizing synergies of biomass-based and Power-to-X technologies. Clariant contributes catalysts and adsorbents to enable the process along the value chain for sustainable fuels.

A new collaboration funded by the German government (BMBF) has been started by BU CC Industrial Lubricants, University of Aalen, and industry partners (Z&G, Voith) in e-mobility (ElAnOil, »sustainable gear oils for electrical gears«).

Vinnova Project Funding, for »Technical and social innovations for sustainable mineral and metal supply« Collaboration between Clariant BU CC, Boliden AB, and Luleå University of Technology. The project is titled »Designed Collectors for Selective Flotation for Sulfide Minerals.«

MDR-T – Tracking effectiveness of policies and actions through targets

Clariant has established measurable, outcome-oriented, and time-bound targets that are intricately linked to its overarching sustainability policy objectives aimed at driving significant progress in managing its environmental impact.

Clariant actively engages stakeholders in the target-setting process for its material sustainability matters related to innovation to ensure that the targets are relevant, achievable, and aligned with stakeholder expectations. The involvement of stakeholders enhances the credibility of the targets and fosters a collaborative approach to sustainability.

The growth target from Innovation Arenas is to contribute around 70 % of the Group's growth, delivering approximately 1.5 % market outgrowth per year. The target is global, and it is not relevant to upstream and downstream value chains.

The Innovation Arenas growth target was newly introduced in 2024.

Clariant will continue to track innovation sales, which are sales of products launched in the last 5 years as a result of I2M projects. Innovation sales are monitored quarterly in dedicated review meetings.

MDR-M – Metrics in relation to sustainable innovation and technological advances

✓I After achieving its growth target for innovation sales in 2023, Clariant met expectations again in 2024 despite the challenging and dynamic macroeconomic environment. I

Clariant targets to achieve an innovation rate (refers to % Group sales from sales of new products in the first five years of commercialization date) of 20 % by 2027.

✓I R&D spend in 2024 was CHF 126 million for the continuing businesses. As a share of sales, R&D spending was 3.0 % compared to 3.7 % in 2023. The reduction in the share of R&D spend is mainly due to the discontinuation of the R&D associated with the biofuels business (sunliquid™). The number of R&D employees (in full-time equivalents) increased from >660 to >690 due to the acquisition of Lucas Meyer Cosmetics.

Clariant's state-of-the-art equipment and infrastructure in three Clariant Contract Innovation Centers, ten Contract Research & Development Centers, dedicated Technology Centers, and more than 35 regional Technical Centers form the basis for successful innovation while ensuring proximity to customers. In 2024, Clariant had more than 290 active projects in the innovation pipeline. With 40 active scientific collaborations, their number decreased compared to 2024, as several projects were completed.

By 2024, Clariant had over 330 employees trained in innovation management as Innovation Belts. These employees are key to a well-filled innovation pipeline and efficient innovation management with a special focus on ensuring a strong link between market and customer needs and sustainability performance with the product design. More than 45 innovation projects are classified as Class 1 projects, which will positively impact Clariant's innovation performance.

At the end of 2024, Clariant's patent portfolio counted more than 2 600 patents. The trademark portfolio included more than 5 070 trademarks. Since 2020, Clariant has adopted a focused IP strategy to strengthen its IP activities in key value-generating segments that are future growth drivers or have high existing sales. These portfolio management activities are designed to maintain and gradually increase Clariant's coverage of total sales protected by IP. Besides patents, Clariant employs various IP protection approaches to protect its technology leadership (e.g., the protection of software and natural products). I

✓ I Innovation and sustainability awards

In 2024, Clariant won several awards for outstandingly innovative and sustainable products: I

Product Award

- Innovation Zone Best Ingredient Award at In-cosmetics Latin America – Silver
- Pure Global Beauty Awards 2024, Best New Ingredient for Rootness™ Mood+
- Ringier Technology Innovation Award 2024 for Aristoflex™ Eco T
- BSB Innovation Awards first place in the active ingredients category for Corneopeptyl™
- BSB Innovation Awards second place in the skin and scalp soothing category for Tazman Pepper™
- in-cosmetics global – Kenvue Trusted Science Award, third place for Immunight™
- Gulf Energy Information Excellence Award for CLARITY™

Innovation and Sustainability Award

- Petrobras Suppliers Award for Health and Wellness
- Energy Industry Council (EIC) Environmental Sustainability Award
- 2024 Asian Coatings Industry Environmental Pioneer Award and Technology Pioneer Award
- 32nd German Human Resources Management Award (Deutscher Personalwirtschaftspreis)

- 2024 Cefic European Responsible Care Award for innovative Digital Innovation Graphical User Interface (GUI) project

Supplier Award

- 2024 Syngenta Supplier Sustainability Award in the »Reduction in Water Impact« category
- Sleemon's Best Supplier award for excellent quality

ESRS E5: Circular Economy

Summarized by Clarita^{AI}

- + Clariant recognizes the importance of transitioning toward a circular economy and has implemented various policies, initiatives, and collaborations to reduce resource use, increase circularity, and manage waste more effectively across its operations and value chain.
- + The company has set voluntary targets for resource efficiency, waste reduction, and sustainable operations, and has taken actions, for example, by engaging in sustainable sourcing, optimizing production processes, recycling and reusing materials, and exploring partnerships with waste management companies.
- + Clariant actively participates in industry collaborations and initiatives, such as the Alliance to End Plastic Waste (AEPW), the Renewable Carbon Initiative (RCI), and the EU's Circular Plastics Alliance (CPA), to drive innovation, develop sustainable solutions, and advance circular economy principles across the value chain.

Introduction

A circular economy results in the reduction of resources used. It is a necessary alternative to the current linear economic model and stems from increasing awareness of planetary resource limits. It is driven by sustainability ambitions and policy objectives linked to climate change, environmental protection, and the sustainable use of finite resources.

Organic chemistry will always depend on carbon since it is integral for creating chemicals and materials that are essential in almost all industries. The most promising solution is to reuse carbon already found in materials or the atmosphere. For a range of its products, Clariant therefore uses viable alternative carbon sources, such as biomass and recycling streams.

Regulators increasingly focus on accelerating circularity and reducing waste. At the EU level, for example, the European Green Deal and the Circular Economy Action Plan have led to a new wave of legislation aiming to accelerate circularity while addressing waste generation and its impact on humans and the environment. Several policy measures have been adopted across all steps of the waste hierarchy, including restrictions and market bans, more ambitious recycling and reuse targets, increased recycled-content ambitions in products, new ecodesign requirements to limit substances negatively impacting recyclability, landfill restrictions, and increased transparency and reporting obligations for market operators.

A similar policy push is also occurring in the United States, at both the state and federal level. This includes the National Plastics Strategy and several recent legislative proposals to incentivize renewable chemicals, recycled content, and new recycling technologies. On a global level, the United Nations Environment Programme (UNEP) is leading negotiations with the world's governments to reach a legally binding Global Treaty to End Plastic Pollution, planned to be agreed upon in early 2025.

In addition to the concerns about the environmental and social impact of plastic waste leakage, the focus has also been set on the urgent need to accelerate the transition to a circular economy. The policy incentives include targets for mandatory recycled content and bans on substances hampering circularity. This provides opportunities for Clariant's circular offerings. The company also closely monitors the evolution of waste management and recycling policies in major economies like the US and China, including such important aspects as recycling strategies, the role of chemical recycling, and product-specific regulations.

IRO-1 – Description of the processes to identify and assess material circular economy-related impacts, risks, and opportunities

With its materiality assessment, Clariant has implemented a screening process for its assets and activities to identify actual and potential impacts, risks, and opportunities related to resource use and circular economy. Please refer to the IROs table below and the → »General Disclosures« chapter for details on the → process for identifying the IROs. Clariant's main risk when dealing with waste is spills. They can occur during waste handling at the sites or during transportation. But there are also risks of future liabilities related to hazardous waste disposed of in landfills. The objective

when dealing with waste is the complete elimination of landfilled hazardous waste through the recycling or reuse of the waste. This requires an end-of-life analysis of each manufactured product and changes to its composition as early as the innovation stage.

Reducing fossil dependency

The bulk chemical industry is heavily dependent on fossil fuels, as petrochemicals are used as both raw materials and energy sources for production. While fossil-based chemicals are widely used as feedstock, alternative, renewable feedstock still accounts for a small share of resources used. Therefore, purchasing predominantly fossil-based resources has significant impacts on the release of greenhouse gas emissions and climate change, as well as on wastewater and water pollution. To address the risks, Clariant collaborates with various stakeholders (suppliers and customers) to identify alternatives. The aim is to avoid fossil feedstock or substitute it with renewable carbon sources: biomass, CO₂, and recycling. The objective is to make chemicals and plastics sustainable, to defossilize value chains, and to foster the transition to a circular economy.

Clariant is not a plastics producer but offers products that are applied in all steps of the value chain within polymer production, conversion, and mechanical and chemical recycling. The company is focusing on solutions that support the recycling, reuse, or reduction of plastics to contribute to the move toward a circular economy. In 2019, the EcoCircle initiative was created to support the transition from a one-way plastics value chain to a circular plastics economy. This ongoing initiative goes beyond a product focus, looking at the entire value chain and identifying the most sustainable and viable solutions for a circular plastics economy, with the vision of providing specialty chemicals and connecting industry partners to close the loop.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES (IROS) REGARDING RESOURCE USE AND CIRCULAR ECONOMY: IRO-1

IRO	Description + corresponding ESRS-sub-sub topic or sub-topic + corresponding sub-chapter(s)	Type (Actual/potential, positive/negative, impact/risk / opportunity)	Value Chain Location			Time Horizon		
			Upstream	Own ops.	Downstream	Short-term	Medium-term	Long-term
Resource inflows, including resource use: Fossil fuel use in production contributes to high GHG emissions.	Resource inflows including resource-use	Actual negative impact	■			■		
Resource outflows related to products and services: Improper waste management by consumers leads to environmental plastic pollution.	Resource outflows related to products and services	Actual negative impact			■	■		
Waste: Persistent hazardous waste pollutes land and water, affects biodiversity and, endangers worker health in low-income countries.	Waste	Actual negative impact			■	■		

As part of the EcoCircle initiative, the impacts of Clariant products on the value chain have been analyzed. The assessment was mainly on environmental and human health impacts, especially during the use phase. Clariant products are used within the different value chain steps and generally not directly placed on the market. The impacts, therefore, focus on the ability to support circular economy in achieving high recycling targets in the industry.

Description of the IROs

Resource inflows, including resource use (upstream). Fossil fuel use in production contributes to high greenhouse gas (GHG) emissions: Clariant's use of fossil fuels as feedstock and energy sources in production processes results in significant GHG emissions. These emissions contribute to global warming, representing a negative impact on the environment.

Resource outflows related to products and services (downstream). Improper waste management by consumers leads to environmental plastic pollution: When end consumers lack awareness about proper waste management, packaging and plastics can end up in the environment if they are not properly recycled. This represents a negative impact on ecosystems and waste management systems.

Waste (downstream). Persistent hazardous waste pollutes land and water, affects biodiversity, and endangers worker health in low-income countries: The persistence of hazardous materials in waste leads to severe pollution of land and water bodies. Additionally, polymer waste sent to low-income countries for recycling poses a negative impact on local ecosystems and puts workers' health and safety at risk due to improper handling of hazardous waste.

Strategic stakeholder engagement

The business units manage engagements with stakeholders, create business opportunities, and initiate new product designs. Risks and opportunities associated with the circular economy are reviewed as part of Clariant's corporate strategy management process (SMP). This structured approach further advances the topic within Clariant's business units. Additionally, Clariant has a

quarterly cross-business unit Circular Solutions Platform meeting, steered by Sustainability Affairs. The focus is on regulatory and policy developments and their implications, key industry initiatives and associations, market trends, and customer insights to identify opportunities around circularity.

Key raw materials

Energy, water, and raw materials are key material resources in Clariant's operations. Energy is a critical input for all business units, used across production, processing, and distribution activities. The company also relies heavily on the following key raw materials:

- Fossil-based raw materials: e.g., olefins and oxiranes, alcohols, carbon, and solvents.
- Bio-based raw materials: e.g., fatty acids, fatty alcohols, and derivatives (plant origins, such as palm and coconut), bioethanol, natural plant-based extracts, and oils.
- Inorganic materials: inorganic salts and minerals, such as bentonites, clays, diatomaceous earth, aluminum oxide; precious metals, base metals, and metal compounds.
- Basic chemicals, such as inorganic acids, inorganic bases, and gases.

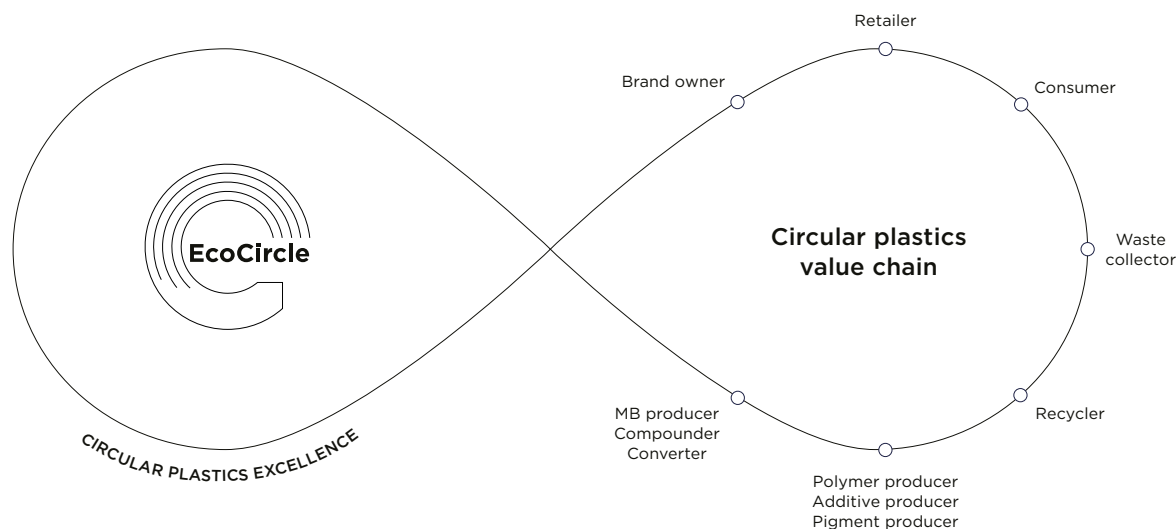
Staying in a "business as usual" scenario without adopting sustainable practices related to resource use and circular economy poses material impacts and risks. Please refer to the IROs table at the beginning of the chapter for details.

Clariant's strategic approach to resource use and circular economy

Circularity is one of Clariant's 1+5 sustainability priorities. → **Read more in »Clariant sustainability strategy.«** Resource use and waste management are both fundamentally important for circularity. Resource use is critical for Clariant: It relates to the company's sustainability commitment. As part of Clariant's focus on a circular economy, the company strives to increase the efficiency of resource use, both in its own operations and in packaging use.

→ **Read more in »General Disclosures.«**

ECOCIRCLE - BEYOND A PRODUCT FOCUS, COLLABORATING ALONG THE VALUE CHAIN



Memberships

Circular economy is increasingly prioritized across the value chain, with brand owners, original equipment manufacturers (OEMs), customers, and end users all working toward circularity goals. As a proactive leader in this area, Clariant is a signatory of the EU Commission's Circular Plastics Alliance (CPA) and is an active participant in key industry collaborations, including the Alliance to End Plastic Waste (AEPW), the Polyolefin Circular Economy Platform (PCEP), and the World Business Council for Sustainable Development (WBCSD) working groups on circular chemicals and climate initiatives. Clariant also contributed to the development of the "Towards Planet Positive Chemicals: A Chemical Transformation Roadmap," guided and published by the WBCSD and underscoring Clariant's commitment to advancing sustainable chemical solutions. The company also takes an active role in several European Chemical Industry Council (Cefic) working groups, chairing the Sustainable Product Issue Team and participating in the Chemical Recycling and Sustainable Carbon Issue Teams.

Renewable Carbon Initiative (RCI)

In 2022, Clariant joined the Renewable Carbon Initiative (RCI), a multistakeholder initiative initiated by the nova-Institute, alongside other forward-looking industry players committed to speeding up the transition from fossil carbon to renewable carbon in chemicals and materials. Switching to renewable carbon sources prevents additional fossil carbon from entering the atmosphere and thus addresses a core problem of climate change.

While complete decarbonization may be a feasible option for some sectors, organic chemistry will always depend on carbon since it is integral for the creation of chemicals and materials that are essential in almost all industries.

The most promising solution is to reuse carbon already found in materials, the biosphere, or the atmosphere. That is why Clariant supports the RCI efforts in promoting viable alternative carbon sources, such as biomass, CO₂, and recycling streams. Only an

accelerated shift to low-carbon raw materials will help to prevent a further increase in atmospheric CO₂, which, since it is a driving force in climate change, also presents one of the largest inherent threats to biodiversity on earth. In addition, by shifting to nonfossil alternative feedstocks to produce renewable chemicals, the chemical industry contributes to the defossilization of industry sectors further down the value chain. The RCI initiative wants to drive this message, initiating further actions by bringing stakeholders together, providing information, and shaping policy to strive for a climate-neutral circular economy.

Alliance to End Plastic Waste (AEPW)

Clariant is a founding member of the Alliance to End Plastic Waste (AEPW), together with some 70 other members along the plastics value chain. Its mission is to clear plastic waste from the environment by cleaning up bodies of water; building infrastructure to collect, manage, and recycle waste; promoting new technologies; and engaging with NGOs, businesses, and communities. Clariant supports the AEPW's goals with innovation projects that enable design for recycling or the commercialization of chemical recycling, and by actively participating in its working structure.

A key industry challenge is securing fit-for-purpose mechanically recycled feedstock, both post-industrial and post-commercial. It must meet key plastic application requirements, promoting broader use of recyclates in critical applications, such as cosmetic or detergent bottles from high-density polyethylene (HDPE). In fact, industry tends to use customized quality of recyclates for an individual application – which is not conducive to developing high efficiency and economies of scale and both cost and quality optimization. Furthermore, the variability of feedstock and the lower level of expertise in polymer design and control of quality mean that the quality of recyclates produced from mechanical recycling falls short of the high-quality standards required for large-scale converter operations and stringent performance targets.

In the AEPW, Clariant has been actively participating in shaping a program that starts from the value chain and aims to understand critical performance requirements for key applications while defining the benefits to the industry. The company addresses how the AEPW can best help establish clarity around the required recycle quality suitable for use in high-volume applications. On this basis, the forum can drive a step change. As a follow-up, it can achieve continuously improved availability of recyclates and recycling rates.

E5-1 – Policies related to circular economy

Clariant's Technology & Sustainability department provides the framework and supports the business units in their circular economy efforts.

Waste management is critical for Clariant: it relates to the company's sustainability commitment and directly impacts disposal costs. Clariant is committed to operating sustainably and decreasing pollution that results from its business activities. It is the company's responsibility to protect the environment while maintaining compliance and its right to operate.

The Innovation and Sustainability Meeting (ISM) and the Board of Directors' Innovation and Sustainability Committee (ISC) are responsible for this focus area. The Chief Strategy & Technology Officer (CSTO) is a member of the Executive Leadership Team. The topic of circular economy is overseen by the Technology & Sustainability department, with the Chief Strategy & Technology Officer in the highest position of responsibility.

Clariant's company-wide Sustainability Policy provides a strategic framework for advancing circularity across resource use and waste management. Guided by this policy, Clariant aims to reduce reliance on primary raw materials in its products and optimize the efficient use of resources such as water, raw materials, and energy. The policy includes specific commitments to "continuously reduce waste and pollution" and "increase circularity" by enhancing both inflows and outflows. For more detailed operational practices, Clariant has established mandatory internal standards and guidelines, ensuring that circularity principles are consistently applied.

The policy outlines Clariant's commitments to key sustainability sub-topics, such as waste reduction and increasing circularity. For specific sub-subtopics, relevant policies are made available internally, ensuring that stakeholders involved in policy implementation have access to the necessary guidelines and documentation.

Clariant ensures that the Sustainability Policy is accessible to all relevant stakeholders, particularly those who may be affected by or are responsible for implementing the policy. The policy is publicly available on the Clariant website at the following link: → [»Clariant Sustainability Policy.«](#)

Resource management

The management of waste and resource use is conducted at the site level, and the KPIs are reported by the sites. The performance against the target KPIs and the effectiveness of measures are tracked by the business units on-site and at the regional level. The results are consolidated globally by the Program Manager Sustainable Operations within the Sustainability Affairs Organization. Sustainability Affairs also drives the → **EcoCircle**, the cross-functional circular plastics platform. It defines the boundaries and positions of Clariant within the value chain of a circular plastics economy.

The contribution of Clariant's products to a circular economy is assessed on the product level using a cradle-to-grave approach with Clariant's Portfolio Value Program (PVP), a strategic tool aimed at steering the portfolio toward more sustainability. → **Please read more about the PVP in the General Disclosures chapter.**

Clariant's commitment to the circular economy extends beyond its internal operations, influencing its entire value chain. In preparation for the upcoming Ecodesign for Sustainable Products Regulation (ESPR), Clariant's Portfolio Value Program (PVP) integrates a circular approach that includes a comprehensive life cycle analysis of products and business models. Product solutions are assessed for their impact on circularity throughout their full life cycle, as well as their effects on the final application.

Aligned with its circular economy initiatives and in compliance with its ESHA internal waste management standard, Clariant emphasizes waste avoidance, recycling, and reuse over disposal. It continuously evaluates recovery options for repurposing materials as raw inputs.

Clariant is committed to the efficient use of resources and the promotion of circular economy practices across the value chain. The following third-party standards and initiatives guide the policy implementation:

ISO 14001: Environmental Management Systems: Clariant aligns its resource use and waste management practices with ISO 14001, ensuring that the company's environmental management systems are robust and continuously improving.

The European Union's Waste Framework Directive: Clariant complies with the EU's Waste Framework Directive in managing waste generated across all operational levels, promoting recycling, reuse, and reduction of waste materials.

By adhering to these third-party standards, Clariant aims to ensure that its policy implementation is consistent with international sustainability and circular economy frameworks, driving progress toward the resource efficiency goals and reducing environmental impacts.

E5-2 – Actions related to resource use and circular economy

Resource inflows, outflows, and waste

The company is committed to continuously reducing waste and pollution while increasing resource circularity. In line with these commitments, several key actions have been taken in the reporting year, and additional initiatives are planned for the future. These actions support the achievement of Clariant's sustainability objectives and targets. The following actions were taken in the reporting year (as most of them are ongoing programs, time horizons have not been explicitly defined):

Sustainable sourcing (inflows): Clariant ensures that raw materials are sourced sustainably, reducing the environmental impact of resource extraction and promoting responsible use of resources throughout its supply chain.

Resource efficiency and waste management (outflows and waste): Clariant has implemented measures to optimize production processes, enhancing resource efficiency and reducing waste generation and energy consumption. To minimize waste, the company recycles and reuses materials within production cycles, while repurposing and selling nonreusable materials, thus supporting circular economy efforts. At production sites, waste is classified and sorted according to local regulations and available recycling options. Only waste that cannot be recycled, incinerated, or treated is sent to certified landfills regulated by local authorities. Clariant also maintains records of waste sent to landfills in waste cadasters and prohibits landfilling of liquid waste.

Future planned actions: Looking ahead, Clariant is committed to expanding its efforts in resource management and waste reduction. These future actions are designed to further strengthen the company's circularity goals. They include:

- **Enhancing resource outflows management:** Clariant plans to broaden its initiatives in resource outflows by exploring new opportunities to partner with local waste management companies and developing improved resource recovery processes.
- **Collaboration with local waste management:** Certain sites will continue working with local waste management partners to enhance recycling and waste repurposing practices.
- **Spent catalyst management:** In Business Unit Catalysts (BU CA), Clariant is committed to supporting customers in the responsible handling and disposal of spent catalysts at the end of their lifecycle. To facilitate this, the company developed a database of reclaiming companies that was recommended to customers through the sales teams.

Clariant is continuously committed to sustainability. The company continues to enhance its efforts in resource inflows and waste management. Key actions and initiatives implemented in prior periods have resulted in measurable progress, and Clariant is focused on further advancing its circular economy objectives. Information on the results of actions to reduce waste in Clariant's

operations is outlined in the »Progress toward Clariant's sustainability targets« section of the General Disclosures chapter. These actions help Clariant stay on track to enhance its positive impact, reduce waste, and contribute to circular economy while simultaneously generating new business value from byproducts and resource-efficient operations.

Investments

To support the effective implementation of its sustainability action plans, Clariant allocates significant financial resources, including both operational expenditures (Opex) and capital expenditures (Capex). These investments are crucial for advancing the company's waste reduction, circular economy initiatives, and overall environmental performance. Clariant has utilized green bond financing to support projects that align with its environmental objectives, particularly in reducing waste and promoting a circular economy.

The projects funded through green bonds include infrastructure enhancements to process renewable, bio-based raw materials, the upgrade of wastewater treatment facilities to ensure environmentally responsible operations and reduce the environmental impact of waste discharge, and investment in the improvement of filtration processes and other waste reduction measures, enhancing the efficiency and sustainability of Clariant's production operations. These Capex projects account for a total of CHF 12.7 million.

Clariant is currently developing a Capex tracking tool to monitor and report on capital expenditures related to its sustainability initiatives, providing greater transparency and accuracy in its reporting of financial resource allocation toward environmental objectives. In addition to the green bond projects mentioned above, Clariant may also leverage other sustainable finance instruments, such as social bonds or green loans, to finance additional projects that support its sustainability goals. These financial resources will continue to be directed toward projects that contribute to waste reduction, resource efficiency, and circularity, in alignment with Clariant's broader environmental strategy.

The ability to fully implement certain action plans depends on external factors, including the availability of public financial support and market developments. In the case of the green bond projects, no preconditions are currently hindering their implementation, and the necessary financial resources have been secured. However, future projects may rely on favorable regulatory developments or additional external funding to ensure full execution. By allocating both financial and operational resources toward these initiatives, Clariant demonstrates its commitment to advancing its environmental sustainability goals while ensuring responsible and transparent use of its financial instruments.

Other actions in the operating business

Clariant offers different solutions supporting a circular economy and is exploring promising options, partnerships, and areas for growth and innovation within its Circular Solution and EcoCircle platforms.

Innovations for circular economy

Areas that can support the circular plastics economy include solutions for in-home care and personal care to reduce plastic waste and plastic packaging.

The company also develops additive solutions, which enable the reduction and reuse of fossil-based polymers without a loss of quality and improve the mechanical recycling of plastic.

Clariant's wide range of innovative stabilizers and compatibilizers supports obtaining higher-value plastics from recycling streams, while other products make materials more durable or improve existing and novel recycling processes. Clariant's processing aids support chemical recycling by, for example, enhancing the quality of pyrolysis oil through purification or stabilization through its HDMax™ catalysts and Clarit™ adsorbents.

Collaborations for advancing circular economy

Clariant also participates in industry collaborations to support circularity along the value chain, such as the Sustainable Plastics and Transition Pathways → »STEPS« project.

In addition, the company supports its customers' sustainability ambitions by collaborating with several industry partners across the value chain to solve specific impurity challenges and make closing the loop even for mixed plastics waste an achievable goal. Working with over 30 partners in the value chain, Clariant is part of InReP – an Integrated Approach Toward the Recycling of Plastics. This is a joint project of science and industry that focuses on the field of pyrolysis oil purification and upgrading.

Specifically, Clariant is responsible for removing contaminants from different feedstocks in chemical and dissolution recycling, for example, from pyrolysis oils. The aim is for these technologies to complement mechanical recycling, allowing for the use of a wider range of waste streams that otherwise would be landfilled or incinerated. A cross-functional and cross-BU team works on this project. The team uses Clariant's decades of experience in dealing with different kinds of contaminants and collaborating with technology providers, as well as with oil and gas and chemical and engineering companies.

Another example of collaboration is the EU project REVOLUTION. The project focuses on overcoming challenges in the automotive industry currently hindering the use of recycled materials or restricting the adoption of circular economy principles. In that context, the Business Unit Adsorbents & Additives helps demonstrate the production of automotive components using polymer solutions that feature optimized recycled materials to increase lightweighting opportunities that extend the range and efficiency

of electric vehicles. The overall goal of the project focuses on improving the end-of-life separation of components to facilitate proper dismantling and the material's reuse, recovery, and recycling.

Besides Clariant's efforts in the area of innovation, the company aims to improve operational excellence along the dimension of increasing the eco-efficiency of production processes by:

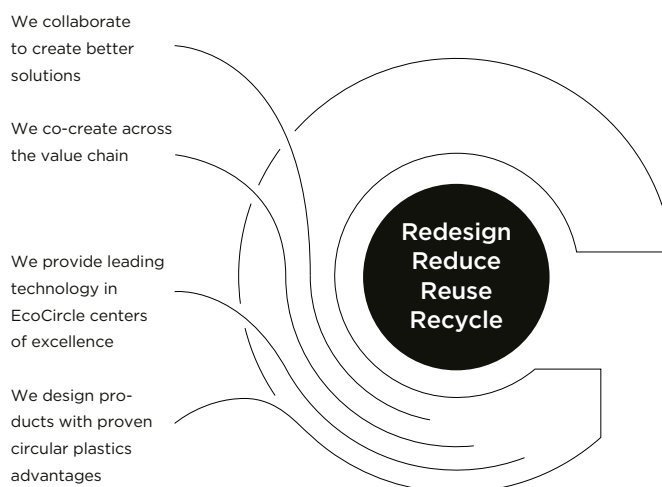
- choosing waste and renewable resources instead of virgin or fossil resources, where suitable
- redesigning processes, reducing water and energy use
- practicing closed-loop recycling at its sites

E5-3 – Targets related to resource use and circular economy

Clariant has established resource efficiency and sustainable operational targets for 2030. These intensity reduction targets include water intake, wastewater, and hazardous waste, which are globally tracked at a monthly frequency for the most relevant sites, as well as landfilled nonhazardous waste, which is tracked annually. → Read more in »General Disclosures.«

The targets set by Clariant related to resource use and circular economy are voluntary and not mandated by legislation. These targets have been established as part of Clariant's commitment to environmental stewardship and sustainability, reflecting the company's proactive approach to reducing its environmental impact. While not required by law, these targets are aligned with industry best practices and are aimed at driving continuous improvement in resource efficiency, waste reduction, and the circular economy.

ECOCIRCLE – THE APPROACH TO CIRCULAR SOLUTIONS



E5-4 – Resource inflows

Clariant's resource inflows primarily include raw materials, packaging materials, water, property, plant, and equipment. These resource inflows are integral to Clariant's operations and its upstream value chain:

Raw materials: Clariant actively seeks to use recycled materials in production wherever feasible. For example, solvents are redistilled for reuse, although the percentage of recycled materials remains low due to stringent purity and safety standards required in the production process. Clariant supports the advancement of chemical recycling technologies to enhance the availability of recycled raw materials for its business units. Additionally, the use of bio-based raw materials contributes to Clariant's efforts toward responsible resource use. For more details, refer to the chapter on → »Biodiversity and Bio-based Economy.«

Resource inflows – Packaging

Globally, 70 % of Clariant's spend on packaging is for reusable or refurbishable packaging. For plastic packaging (e.g., bags, drums, IBCs, plastic films), 30 % is reusable and 50 % is technically recyclable at scale after use. The remaining materials need to be disposed of, either because the filling material consists of dangerous goods or because the packaging itself is made of materials that do not allow for refurbishing or recycling.

Where applicable, Clariant works together with return systems, which enable our customers to dispose of and/or recycle most of the packaging they receive from Clariant free of charge, and which support packaging suppliers with their reconditioning return systems.

Other products are shipped as bulk goods in tank trucks, rail tank cars, or silo trucks. To the extent possible, nonreusable packaging is recycled for material purposes or, especially in the case of hazardous materials, used to generate energy.

To deliver smaller quantities of chemicals, Clariant uses intermediate bulk containers (IBCs) and other containers mostly made from recyclable high-density polyethylene (HDPE). It selects the packaging in use due to regulations for product safety as well as a safe and efficient transportation mode. The packaging has no marketing messages as for consumer products, but solely fulfills the aspect of transportation and storage and displays product information for transparency.

There is a special collection and recycling system for IBCs in the chemical industry offered by different industry players, which is available globally. In many European countries, extended producer responsibility (EPR) systems support recycling.

There are strict UN requirements for transporting chemicals. Currently, they exclude packaging with recycled content in direct contact with the transported chemicals because the quality and quantity of available post-consumer recycled (PCR) materials are limited. Additionally, the quality of PCR materials can have an influence on technical specifications, thus necessitating additional tests and reducing market attractiveness.

FEATURED STORY



Thinking outside the box

Even small changes in the way that a product is packed, stored, and transported can lead to measurable benefits. Take the example of AddWorks™ IBC 760, a light and heat stabilizer for silyl modified polymer sealants. Until recently, the packaging process at the Clariant site in Gersthofen, Germany, included three steps: First, the micronized powder was filled into 10kg paper bags. Each bag was then put in a cardboard box, and the cardboard boxes were stacked on a pallet for shipment.

In an effort to speed up the process and to reduce the amount of packaging for this product, Clariant recently changed this approach: Since May 2024, the product has been filled into 15kg paper bags, and 30 of these bags are then stacked directly on a pallet. By eliminating the cardboard boxes, Clariant now saves over 80 % of paper. The packaging process also requires less electricity than before. In addition, each truckload can now transport twice the weight of the product. This optimizes logistics, reduces carbon emissions, and enables faster deliveries. In other words: When it comes to packaging, less is more.

[Learn more](#)

Property, plant, and equipment: Clariant's operational infrastructure consists of various production sites and facilities. Further details can be found in the Non-Financial Report, specifically on → pages 22 (overview of production sites and facilities), → 245 (depreciation periods), → 255 (general overview), and → 279 (disposals and acquisitions). Rare earth materials are not applicable to Clariant's operations.

Methodology (resource inflows)

Clariant uses a robust methodology to calculate and report the percentage of raw materials used across its operations. Raw material input data are primarily sourced through direct measurements at the site level. In cases where direct measurement is not feasible, estimates are made based on material flow records and procurement data. The percentage of bio-based materials is calculated by aggregating the weight of purchased bio-based raw materials across all business units. The materials include renewable inputs such as vegetable oil derivatives, wood pulp extracts, starch, and bioethanol downstream products. This aggregated weight is then compared to the total weight of all sourced raw materials to determine the overall percentage of bio-based content.

The raw material content is assumed to remain consistent across different production batches unless significant deviations in supply chain composition occur. The calculations assume that the purchased raw materials listed under bio-based categories fully comply with sustainability standards and are derived from renewable sources, as verified through certification schemes or supplier data. This methodology ensures transparency and consistency in how Clariant measures and reports the use of raw materials, contributing to its broader sustainability goals.

E5-5 – Resource outflows

For resource outflows, the total production output, weighed at the site level, is aggregated across all production sites. The net production volume reflects the output that leaves the site boundary, ensuring consistency in data reporting across Clariant's global operations.

Clariant's approach to embedding circular economy principles in product and material design is structured through its Portfolio Value Program (PVP) methodology. It provides a comprehensive framework for assessing the sustainability performance of products, including their alignment with circular economy principles, such as the use of recycled material and the recyclability of the final product, enabling the company to design products and materials along circular economy principles. → Read more in the PVP section of the General Disclosures chapter.

Clariant prioritizes the longevity of its products to minimize the need for replacements and increase reusability, particularly in packaging. The use of recycled materials is a key criterion in PVP, with efforts to incorporate recycled inputs wherever possible, despite challenges related to purity and safety. End-of-life evaluations ensure products are designed for easy disassembly and recycling, further supporting circular goals.

In line with the PVP methodology, Clariant actively supports customers transitioning to circular business models, offering solutions that optimize product lifecycles and enhance recyclability. For more detailed criteria on circularity within the PVP, please refer to the dedicated → PVP discussion in the »General Disclosures« chapter.

FEATURED STORY



From waste stream to revenue stream

Sodium hydrosulfide (NaSH) poses significant operational challenges in chemical manufacturing. It is a by-product in various industrial processes such as paper and pulp production, refinery operations, natural gas processing, and mining operations. The compound requires specialized storage conditions and careful handling protocols, often resulting in considerable waste management costs and occupied warehouse space.

At the same time, NaSH is manufactured deliberately for use in various industries, such as leather tanning, mineral flotation in mining, or chemical synthesis. In other words, while NaSH is treated as waste in some places, it becomes a valuable product elsewhere.

In 2024, Clariant staff at the Maipú plant in Chile managed to connect these dots: Through process optimization and fine-tuning of operational parameters, they were able to enhance the concentration of NaSH to meet market specifications.

This resource-efficient innovation is a significant breakthrough in circular economy practices: In addition to producing a marketable raw material, Clariant now saves waste disposal costs and frees up critical storage space. Combining environmental responsibility with business value, the project is one of many ways in which Clariant contributes to circularity.

[Learn more](#)

Waste

Clariant is committed to minimizing waste generation and enhancing waste management practices across its operations. Clariant's waste management performance has improved continuously over recent years thanks to global programs and ongoing efforts at individual sites. During the development and manufacturing of products, the company makes every effort to generate as little waste as possible.

At the site level, the company minimizes waste generation through comprehensive planning: Through the Yield, Energy, Environment (YEE) initiative, Clariant improves its yield and reduces its waste. It maintains waste cadasters at each production site and monitors the waste-related data in detail to enable proper classification and handling. Clariant sends most of its waste to third-party contractors approved by local regulators for treatment, including incineration, recycling, or final disposal via landfilling. Clariant sites must comply with the requirements of transport and local waste legislation as required by Clariant internal standards. Clariant arranges transportation according to the amounts accrued during the period, the properties of the waste components, and the requirements of the waste handling contractor.

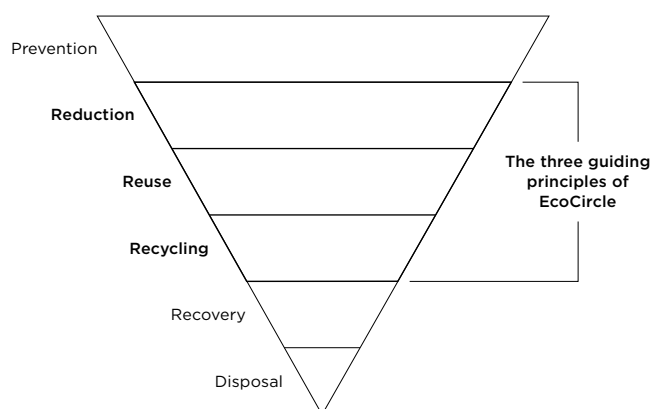
Most of the nonhazardous waste from Clariant, gypsum, is from the neutralization of acidic wastewater in the Business Unit Adsorbents & Additives. Clariant initiated two successful projects to repurpose gypsum, a byproduct generated at certain sites from the Business Unit Adsorbents & Additives. The first project explored the use of gypsum as a soil conditioner for agricultural applications in 2023. This opened new opportunities in the agricultural sector, providing an innovative solution for resource reuse. The second project identified potential uses of gypsum in gypsum board and other building products, creating new circular economy revenue streams in the construction industry. These projects represent tangible outcomes in Clariant's ongoing efforts to reduce waste and find innovative uses for its byproducts, transforming waste materials into valuable resources for other sectors.

Clariant's waste management approach includes collaboration with external partners to ensure proper treatment and disposal, as well as exploring opportunities to repurpose waste where possible.

In 2024, Clariant further strengthened its position, securing an outlet for 100% of the gypsum produced at its Indonesian sites Cileungsi and Cimapag by 2030. In 2024, the Cimapag site in Indonesia substantially reduced the amount of hazardous coal ash produced, which is the main hazardous waste from the Business

Unit Adsorbents & Additives. This was due to the site's transition from coal to natural gas for thermal drying. In the coming years, efforts will continue in the elimination of the remaining hazardous waste mainly related to coal ash generated by both sites from steam generation.

WASTE HIERARCHY PRINCIPLES



Methodology (resource outflows and waste)

Production output is measured at the site level. Operators at each production site weigh and record the output of production as it leaves the site boundaries. In cases where direct measurement is not feasible, estimates are made based on material flow records. The net production volume – output leaving the site boundary – is aggregated across all production sites for global reporting. Waste generated at each site is quantified using direct measurements by weight and verified with invoices for waste management contractors where applicable.

MDR-M – Metrics

Inflows:

In 2024, Clariant used a total of 3.99 m tons of materials by weight or volume to produce primary products and services, which is 7.7% higher compared to 2023. The decrease is in line with a slight decrease in total production volume as well as minor changes in portfolio composition. In 2024, 3.0% of the total raw materials sourced by weight were bio-based.

Outflows:

In 2024, the total production output, weighed at the site level and aggregated across all production sites was 3.59 m tons. The net production volume reflects the output that leaves the site boundary, ensuring consistency in data reporting across Clariant's global operations.

MATERIALS USED BY WEIGHT OR VOLUME

in m t	Total 2024	2023	2022	2021 ²	2020 ¹
Total weight or volume of materials that are used to produce the organization's primary products and services during the reporting period	3.99 ³	4.25	4.08	4.90	4.10
Total production	3.59	3.79	3.80	4.43	4.10

¹ Figure restated

² Until 2021, Clariant validated environmental data from all production sites every three years. Before that year, the last full reporting campaign was in 2020, including estimated discontinued data for Business Unit Masterbatches for the first half-year. In interim years, including 2021, the reduced reporting scope comprises the larger sites responsible for at least 95 % of production.

³ In 2024, 3.0% of materials used were renewable biobased raw materials.

Waste

Indicators for waste management include the weight of hazardous and nonhazardous waste generated and handled by waste handling methods (recycling, treatment, landfill) and the number and volume of significant spills. Internal records document proper disposal according to local regulations. The total amount of waste generated at production sites does not always depend directly on the production volume, as changes to the product portfolio significantly influence the waste generated. Clariant produces both hazardous and nonhazardous waste.

The hazardous waste is generated by all three business units with varying contributions to the total waste generated. Business Unit Care Chemicals (BU CC) contributed 56% of the total hazardous waste generated in 2024, while Business Unit Adsorbents & Additives (BU AA) contributed 19% and Business Unit Catalysts (BU CA) contributed 24%. The key types of hazardous waste in BU CC, BU AA, and BU CA are chemical waste with varying composition of materials. The chemical waste in BU CA is mainly composed of metal salts found in washing water and sludge containing heavy metals. In BU AA, it is mainly composed of distillation residues. And in BU CC, the chemical waste mainly contains organic and inorganic residues and solvents.

In 2024, Clariant's total waste generation increased by 15% year on year, mainly driven by changes in product portfolio. While the total hazardous waste generated year on year decreased by 4%, the nonhazardous waste had a 24% increase compared to 2023.

The landfilled nonhazardous waste generated per ton of production has decreased by 84% from our 2019 baseline. The key driver for this significant improvement was measures implemented to reduce nonhazardous waste, such as selling more by-products and thus avoiding disposal into landfills. This is the case for gypsum from BU AA, which, due to a variety of measures and projects, could be qualified to be sold for agricultural or building product applications. Clariant continues with further improvement efforts with ongoing projects and new initiatives to further contribute to waste reduction and resource circularity.

Moving forward, the company will continue to refine its actions and metrics, providing transparent and measurable insights into its progress.

WASTE BY TYPE AND DISPOSAL METHOD

in thousand t

	Total 2024	2023 ⁶	2019 ⁴
Total weight of hazardous waste, with a breakdown by the following disposal methods where applicable:^{1,3}	28	29	61
Recycling ²	5	5	16
Landfill ²	6	4	14
Treatment ²	18	20	31
Total weight of nonhazardous waste, with a breakdown by the following disposal methods where applicable:^{1,3}	71	57	277
Recycling ²	10	10	21
Landfill ²	35	27	248
Treatment ²	26	20	8
Total waste (hazardous and nonhazardous)^{1,3}	99	86	337⁵
Total waste (hazardous and nonhazardous) (kg/t production)¹	28	23	79⁵

¹ Waste generated from Clariant activities

² The listed waste-handling channels also contain waste from other producers on-site but managed by Clariant. This additional third-party waste is not reflected in the total waste figures

³ The sum may not add up, as the numbers are rounded

⁴ Until 2021, Clariant followed a full reporting scope of production sites on a three year cycle. Before that year, the last full reporting campaign was in 2020, including estimated discontinued data for Business Unit Masterbatches for the first half-year. In interim years, including 2021, the reduced reporting scope comprises the larger sites responsible for at least 95% of production

⁵ All figures are rounded, resulting in discrepancies between the total waste generated and the breakdown figures

⁶ Due to wrong over reporting of gypsum waste from one site as non-hazardous waste in 2023, the total non-hazardous waste generated, total waste generated and non-hazardous waste landfilled have been corrected

ESRS S1: Own Workforce

Summarized by Clarita^{AI}

- + Clariant employs 10 465 people across 38 countries and focuses on four core areas in this chapter: Valuing Employees, Health and Safety, Human Rights, and Diversity, Equity, and Inclusion.
- + The company achieved significant safety improvements in 2024, with the lost-time accident rate dropping to 0.14.
- + Clariant aims to increase female leadership to 30 % and ensure 40 % of senior management positions are held by non-European leaders by 2030.

Introduction

Clariant is committed to promoting a safe, fair, and inclusive work environment. Our workforce forms the backbone of our organization and is crucial to achieving our corporate objectives. Recognizing the importance of employee satisfaction, workplace safety, human rights, and diversity, we focus on approaches that not only meet legal standards but also create lasting value.

This chapter covers four central areas that reflect Clariant's commitment to its workforce: (1) Valuing Employees, (2) Health and Safety, (3) Human Rights, and (4) Diversity, Equity, and Inclusion (DE&I). Each of these areas plays a vital role in fostering an environment that supports and protects the full potential of our employees.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES (IROS) RELATED TO OWN WORKFORCE: IRO-1

Description + corresponding ESRS-sub-sub topic or sub-topic + corresponding sub-chapter(s)	Type (Actual/potential, positive/negative, impact/risk / opportunity)	Value Chain Location			Time Horizon		
		Upstream	Own ops.	Downstream	Short-term	Medium-term	Long-term
Working Conditions / Health & Safety: »Injuries to employees« [High risk of accidents, especially connected to the work in plants (exposure to heavy machinery, harmful substances, high temperatures and pressures, electrical hazards, etc) and work-related illnesses. Critical possible negative impacts on health and safety of all Clariant employees.]	Actual negative impact		■		■	■	■
Equal treatment and opportunities for all / Gender equality and equal pay for work of equal value: »Persistence of the gender pay gap and negative contribution to gender equality« [A lack of equality, equal pay, equal opportunities and of the needed infrastructures can potentially impact the professional opportunities for women at Clariant - Potential negative impacts of the gender pay gap arise when many women miss out on income that they and their families cannot spend; as a result, they also rely more and more often on social benefits.]	Actual negative impact		■		■	■	■
Equal treatment and opportunities for all / Training and skills development: »Employee dissatisfaction and higher risk of mental health issues« [Employees cannot benefit from learning and development opportunities - Training can create a gap between trained and untrained employees, which can affect their morale and teamwork.]	Actual negative impact		■		■	■	■
Equal treatment and opportunities for all / Diversity: »Exclusion or denial of participation in society or the ability to finance oneself« [A lack of diversity awareness in the company (especially in some low-income/developing countries) can have diverse impacts such as reduced social cohesion, poor communication, increased conflict, and underrepresented/vulnerable groups feel less integrated.]	Actual negative impact		■			■	
Equal treatment and opportunities for all / Gender equality and equal pay for work of equal value: »Attractive employer for high potentials who contribute to the economic success of the company« [A family-friendly company increases Clariant's reputation and enhance productivity of female workers, making it easier for the company to attract and retain motivated and competent workers by for example increasing child-care support services. - Prioritizing gender equality and fostering inclusion in the workplace can lead to a decrease in fluctuation of women, people of all nations, people from the LGBTQ+ communities and people with disabilities.]	Opportunity		■		■		
Equal treatment and opportunities for all / Training and skills development: »Motivated employees ensure higher revenues« [Increased employees productivity and efficiency, talent retention, innovation, customer centricity.]	Opportunity		■		■		
Equal treatment and opportunities for all / Diversity: »Increased sales through good reputation« [Increased brand image - Increased talent attraction and retention - More innovation, more problem-solving, enhanced team-work, increased customer centricity - Leverage specific knowledge, skills and experiences to cover and increase market shares globally.]	Opportunity		■		■		

Material Risks, Impacts, and Opportunities (IROs) related to S1 Own Workforce

ESRS 2 SBM-3 – Material impacts, risks, and opportunities and their interaction with strategy and business model

✓I The double materiality assessment in IRO-1 identified significant own workforce-related impacts and opportunities affecting Clariant's strategy and business model, with no risks being worked out as material to Clariant. The following section provides a comprehensive overview of the key impacts and opportunities associated with the four areas Valuing Employees, Health and Safety, Human Rights, and Diversity, Equity, and Inclusion, delving into each area's unique challenges and potential, while offering a deeper understanding of their significance within the broader context of Clariant's sustainability strategy organizational goals.

All own workforce-related material impacts and opportunities that have been identified by our double materiality analysis occur within our own operations. Furthermore, all people in our workforce could be materially impacted and are therefore included in the scope of our disclosure. We consider the following types of employees: own employees (who have a contract with Clariant), supervised workers (who do not have a contract but are under supervision), and contractors (who are hired for special tasks but under the supervision of the respective third-party company). The »Building the Workforce Policy« and the »Study Assistance Policy« ensure that all Clariant employees are provided with standards and opportunities for growth. Workplace-related hazards at Clariant are continuously reassessed through a structured Evaluation of Health Hazards in the Working Area (EHWA). Clariant developed an understanding of employees working in specific contexts or undertaking particular activities and who are at greater risk of harm. Clariant thus distinguishes between office employees and those working operatively in production facilities, laboratories, or warehouses. The latter were determined to be at greater risk based on our safety statistics. I

All employees globally have access to the relevant policies.

Description of the IROs

Own workforce / Working conditions / Health and Safety

Injuries to employees in own operations

Employee injuries and health risks present significant concerns in our plant environments, where work often involves exposure to heavy machinery, hazardous substances, and high temperatures and pressures. This exposes our workforce to potential accidents and occupational illnesses, impacting both individual well-being and productivity. We recognize the critical need to address these risks to ensure the safety of all Clariant employees, particularly in high-risk operational contexts.

Own workforce / Equal treatment and opportunities for all / Gender equality and equal pay for work of equal value

✓I Persistence of the gender pay gap and negative contribution to gender equality

The gender pay gap remains a challenge, contributing to an imbalance in professional opportunities for women at Clariant. The persistent inequality in pay and opportunities limits women's potential financial independence and may increase reliance on social benefits. Addressing gender equality is essential to ensuring equal opportunities and supporting the socioeconomic stability of our female employees and their families. I

Own workforce / Equal treatment and opportunities for all / Training and skills development

Employee dissatisfaction and higher risk of mental health issues

Employee dissatisfaction and mental health risks can arise when access to development and training is unequal. A disparity between trained and untrained employees can hinder morale, teamwork, and overall productivity, creating a barrier to a cohesive work environment. Providing equitable learning opportunities across the workforce is vital to maintaining employee engagement and operational effectiveness.

Own workforce / Equal treatment and opportunities for all / Diversity

✓I Exclusion or denial of participation in society or the ability to finance oneself

A lack of diversity awareness, particularly in certain regions, can lead to exclusion, decreased social cohesion, and increased conflicts within the workforce. Underrepresented and vulnerable groups may feel isolated, impacting morale and engagement. By fostering an inclusive culture that values diversity, Clariant seeks to mitigate these impacts and create a more supportive and integrated work environment. I

Own workforce / Equal treatment and opportunities for all / Gender equality and equal pay for work of equal value

Attractive employer for high potentials who contribute to the economic success of the company

By advancing gender equality and providing equal pay for equal work, Clariant can strengthen its reputation as an attractive employer, particularly for high-potential candidates. Family-friendly policies, such as enhanced childcare support, can improve productivity and reduce turnover among women, employees from diverse backgrounds, and individuals from underrepresented groups. Prioritizing inclusion benefits both workforce stability and company performance.

Own workforce / Equal treatment and opportunities for all / Training and skills development

Motivated employees ensure higher revenues

Investing in training and skills development offers a path to increased employee motivation, talent retention, and enhanced productivity. By equipping employees with essential skills and knowledge, Clariant fosters an innovative, customer-focused workforce, improving operational efficiency and driving higher revenues.

Own workforce / Equal treatment and opportunities for all / Diversity

Increased sales through good reputation

A diverse workforce boosts Clariant's brand image and enhances global market reach. Diversity within teams fosters creativity, problem-solving, and innovation, directly benefiting customer centricity and global competitiveness. Embracing diversity in recruitment and retention strengthens Clariant's ability to leverage unique skills and experiences, opening new market opportunities and expanding global market share.

Mitigation of risks and governance and management approach to own workforce-related issues

Clariant is committed to reducing risks across all workforce-related areas, with a focus on maintaining high standards. We recognize that our workforce is fundamental to achieving our strategic goals, and we are committed to fostering a safe, fair, and inclusive workplace. Our governance framework and management strategies address key areas impacting Employee Engagement, Health and Safety, Human Rights, and Diversity, Equity, and Inclusion, guided by Clariant's core values and the ESRS standards. This approach is supported by specific policies, actions, and targeted programs across four core areas: Valuing Employees, Health and Safety, Human Rights, and Diversity, Equity, and Inclusion.

Valuing Employees: To address challenges in talent attraction and retention, Clariant emphasizes employee engagement, skill development, and personal growth. Risks related to low motivation, skills deficits, and health are mitigated through targeted engagement and development programs. Additionally, Clariant's annual employee engagement survey informs our understanding of workforce needs and drives responsive actions.

Health and Safety is managed by Clariant's Global Function ESHA (Environmental Safety and Health Affairs) and IGSM (Integrated Group System Management). This structure enforces rigorous health and safety protocols in high-risk environments, such as plants, laboratories, and warehouses, where employees are exposed to machinery, hazardous substances, and challenging conditions. These protocols include regular safety training, compliance audits, and corrective measures to mitigate risks and maintain a safe work environment.

Human Rights considerations are embedded in our policies to ensure that all employees are treated equitably, with a particular focus on preventing discrimination, promoting fair pay, and respecting the rights of all. Clariant is committed to transparency and regular review processes to continuously improve workplace conditions and uphold human rights standards.

✓ **Diversity, Equity, and Inclusion** is championed by the DE&I Steering Team, led by Clariant's CEO and senior leaders. Established in 2022, this team guides the DE&I strategy, sets actionable goals, and monitors outcomes across the organization. Our approach to DE&I is informed by the understanding that the chemical industry has historically been male-dominated. Specific efforts are aimed at gender equality, equal pay, and increased representation of women, people from diverse national backgrounds, and individuals with disabilities. This includes infrastructural improvements, policy adjustments, and targeted programs such as sponsorships and leadership development for underrepresented groups. Clariant's expanded talent acquisition approach, launched in 2024, also enhances outreach to underrepresented demographics, helping to build a diverse talent pipeline.

Accountability for workforce-related issues lies with the Chief Executive Officer, with oversight from the DE&I Steering Team. Senior leaders across business units develop and implement DE&I action plans, which are reviewed biannually to ensure alignment with Clariant's business objectives. Additionally, Clariant's Executive Leadership Team is committed to advancing DE&I annually, ensuring alignment with strategic goals and fostering a workplace where all employees can thrive.

S1 Chapter I: Valuing Employees

Clariant's people are an invaluable competitive factor in developing, improving, protecting, and delivering innovative and sustainable products and services. Long-term success is only possible with motivated and highly skilled employees who create value for the company, its stakeholders, and society. Clariant's success is intricately tied to the engagement and well-being of every individual who contributes to our shared goals. Hence, engagement is one of the four pillars of Clariant's purpose-led strategy.

S1-Sub-subtopic training and skills development

S1-1 – Policies related to training and skills development

The »Building the Workforce Policy,« which entails people development, applies to all employees globally. The Chief HR Officer is responsible and accountable for the implementation of the policy. Interests of the workforce are considered through the employee engagement survey when setting the policy. The Building the Workforce Policy is available to all employees through the company's global management system, and enablement sessions with stakeholders are held regularly to help implement the policy.

S1-2 – Processes for engaging with own workers and workers’ representatives about impacts

Employees are invited to review the effectiveness of the action planning process annually. Clariant conducts an annual engagement survey for all employees (read more below). The results and corresponding action plans are discussed periodically, also with social partners. The function and most senior role that has operational responsibility for ensuring that engagement happens is the CEO.

S1-3 – Processes to remediate negative impacts, and channels for own workers to raise concerns

An important reporting channel for any indication of violation of Clariant’s Code of Ethics or its policies is Clariant’s Integrity Line. Reports are handled by the Group Compliance team under the Head of Group Compliance’s supervision. Through this independent, third party-operated platform, employees and business partners can confidentially report malpractices, violations of the Code of Ethics, and workplace-related compliance issues. Reports can be made anonymously, if preferred.

The Integrity Line is available in multiple languages 24/7 via an easy-to-use online portal. It was adapted to the legal requirements of the EU Whistleblower Directive. Reporters located in one of the countries in scope can choose if they want a local case manager to investigate their report or if they want the global team to handle their case. Furthermore, a retaliation check has been activated, which allows reporters to inform about potential retaliation.

Clariant has set a target of completion of mandatory compliance trainings as part of employee performance management. The company offers regular e-learning courses on the Code of Ethics, anti-bribery and anti-corruption, trade compliance, data privacy, and information security, as well as microlearning on gifts and entertainment, speaking up, nonretaliation, the Integrity Line, third-party risks, bribery and corruption, conflict of interest, and theft and misuse of sensitive information.

S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

In the »Building the Workforce« Policy, Clariant defines its learning offering to employees. The core offering is defined yearly to match Clariant’s strategy. It included the programs Top Team Effectiveness, Clariant People Manager Lab, First-Time People Manager Program, and a Female Leadership Program – Rise Together in

2024. The main purpose of the programs has been to strengthen leadership for driving cultural change at Clariant and to drive high performance. All programs have been perceived well, and the outcomes will be measured through the yearly Our Voice survey.

Clariant’s »Building the Workforce« Policy applies to all employees globally. The policy includes all learning offerings, which are structured by functional training, mandatory training, core offering, accelerated offering, and individual offering in order to tackle all developmental needs of employees.

Performance management is run in a yearly cycle. Learning programs are being rolled out once a year and are usually structured in journeys taking 6-12 months. Talent Management activities recur on a yearly basis.

During performance management, which is not relevant for all Clariant employees, people managers are encouraged to conduct Career Conversations and have regular Check-In’s with all employees in order to ensure that all Clariant employees get the same development opportunities.

All employees have access to training and skills development in alignment with their position and aspirations. The availability of learning opportunities for all employees is organized in Managing the Workforce Policy.

Clariant measures the effectiveness of trainings through different KPIs. For example, for online learning, employees are asked to provide feedback about the application of the training. Further, we relate mandatory compliance trainings to reduced compliance cases as well as safety-related trainings to reduced safety incidents at Clariant.

The People Development Model has existed since 2023 and is instrumental in shaping and embedding Clariant’s desired culture. Developed through extensive research and employee insights, the model defines behaviors that reflect Clariant’s aspirational culture and values. It establishes a new way of working centered on customer focus, agility, sustainability, innovation, empowerment, and inclusion.

Clariant ensures equal training and skills development opportunities for all employees through its Building the Workforce Policy, which details the availabilities to all employees.

Training and skills development available to all employees through the Building the Workforce Policy ensures equal treatment and opportunities for all employees.

»At Clariant, we firmly believe that individual growth through continuous learning boosts our company's innovation and success – when our people develop, our business thrives.«

Tatiana Berardinelli
Chief Human Resources Officer
Member of the ELT

Clariant People Development Model

Clariant's culture is the foundation for building capabilities, fostering innovation, and enabling every individual to thrive as they navigate a changing business landscape. The People Development Model establishes the spirit of our work practices at Clariant, which is rooted in customer focus, agility, sustainability, innovation, empowerment, and inclusion.

The model is embedded across Clariant's people management practices, including performance, learning, talent management, recognition, and recruitment. After an extensive rollout to people leaders and HR members in 2023, an e-learning course was introduced, focusing on bringing the People Development Model, including subsequent behaviors, closer to employees. The course has been rolled out in five different languages to ensure accessibility for as many employees as possible. Over 3 300 employees have completed the course.

Clariant offers a wide range of formal and informal programs so that employees can achieve their full potential. People Development links these programs closely to business needs and implements them effectively and efficiently. It ensures that all employees can contribute to Clariant's success and that Clariant's full potential is harnessed. It encompasses the global performance management process, individual development, enablement, and skill building and ensures the identification and accelerated development of high potentials.

To drive the people development transformation, Clariant is using a cutting-edge e-learning platform designed to empower employees with a diverse range of professional development opportunities. The platform offers an extensive library of more than 20 000 online courses, books, book summaries, audiobooks, webinars, and resources, spanning topics from technical skills to leadership development. With its user-friendly interface and adaptive learning features, the platform provides employees the flexibility to enhance their skills at their own pace, fostering a culture of continuous learning and growth within Clariant. Employees are guided to create individualized Learning Paths within the platform, and Learning Paths are created on Clariant-wide focus topics. In addition to establishing the global e-learning platform, the core offering entails global trainings targeted at business and leadership skills. The core offering closely

follows Clariant's purpose-led growth strategy. Hence, in 2024, the development focus lay on driving Clariant's transformation, DE&I, driving high performance in leadership teams, and enabling leaders to bring the updated purpose-led growth strategy alive.

People Development Portfolio

The People Development Portfolio encompasses learning and development offerings designed to support Clariant's strategy and promote common knowledge, language, and values across the organization. In response to the dynamic and evolving landscape of industry trends and technologies, Clariant's People Development Portfolio ensures that employees receive more personalized and adaptive training, fostering continuous skill development and staying ahead in the competitive market.

People Development aims to ensure that all employees can contribute to business success. To this end, Clariant uses its structured performance management process as well as individual development plans. Both are embedded in the People Development Portfolio.

Clariant strives to create a learning and development culture that is personalized and reflective. This empowers individuals to embrace continuous improvement and introspection while taking ownership of their development journey. Proactive and self-driven measures integrate learning seamlessly into daily operations, taking everyone's role into account, and fostering adaptability to changing needs. At the same time, each employee is supported by resources, tools, and leadership, and celebrated through recognition.

Clariant's development and training philosophy is based on the »70:20:10 model« by Michael Lombardo and Robert Eichinger, corresponding to a proportional breakdown of effective learning. The Individual Development Plans for employees generally include 10% coursework and formal training, 20% interaction and peer exchange, and 70% challenging assignments to promote learning on the job. Overall, training is grouped into five areas to simplify the learning offering for employees:

- **Functional training:** Functional skills refer to the competencies necessary to complete the daily tasks of one's role and can vary between roles and organizations. Functional skills training aims to ensure that learners complete job tasks correctly, that is, safely, efficiently, timely, etc.

- **Mandatory training:** Mandatory training refers to essential learning programs or courses that employees must complete to comply with legal, regulatory, or other Clariant-wide requirements for all employees. Trainings may be assigned directly via MyLearning as mandatory training or as strongly recommended, as they support employees in acquiring essential knowledge and skills necessary for their roles and responsibilities, promoting safety, efficiency, and adherence to standards within Clariant.
- **Core offering: The core offering** includes cross-functional training and provides a global baseline along the People Development Model, Clariant culture, and strategy. Leadership training belongs to the core offering.
- **Accelerated development offering: The accelerated development offering includes** predefined journeys for specific career levels and identified pools of high potentials.
- **Individual offering:** Individual offerings include learning and development offerings to support individual development needs.

Skills for all learning offerings are grouped into technical and functional skills, safety and sustainability, personal development, leadership, law/compliance, IT skills, and general management skills.

In 2024, Clariant launched the new »Making Connections« learning campaign, featuring a different topic each month explored through the newly introduced »Clariant Learning Wednesday« sessions. Led by leaders and experts, these weekly virtual sessions aimed to strengthen Clariant's learning culture by providing employees with easy access to learning resources and opportunities to connect with internal and external subject matter experts. The goal was to empower employees to take charge of their development while building connections to Clariant, its people, learning initiatives, and their own growth areas. Key pillars included Clariant in the world, Clariant people, the company's learning culture, and personal development.

Leadership programs

In 2024, the focus in leadership programs continued to be on three general topics closely tied to Clariant's transformation, enabling people managers to individually develop and contribute to Clariant's success.

The »Top Team Effectiveness Program,« which was designed to help leaders build high-performing teams, is closely linked to Clariant's purpose as well as the new values. The goal is to create a high-performing culture, with leadership teams bringing out the best in people and in the company. The program enables the ELT, as well as the business unit and functional leadership teams, to strive toward common goals. The program was designed and facilitated with the support of an external consultant. The rollout started in the first quarter of 2023 with an initial session with the ELT. It was then cascaded down to all business units and functional leadership teams and continued in 2024.

The DE&I training equipped leaders with the knowledge and skills to champion diversity, foster an inclusive environment, and drive equitable practices throughout Clariant. This aligns with our commitment to creating a workplace that thrives on diverse perspectives and values for every individual.

Talent Management

Talent Management enables Clariant to strengthen the leadership pipeline by implementing strategic initiatives that identify, develop, and engage top talent. By aligning individual potential with Clariant objectives, the company strives to build a strong talent pipeline that drives and delivers on Clariant's purpose-led strategy.

The process is conducted in four phases, starting with (i) the identification of key positions across Clariant, followed by (ii) the identification of high potentials who can grow into these key positions, (iii) the identification of successors for key positions, and finally (iv) the performance of activating actions, including development for identified successors and high potentials.

The high-potential employees at Clariant are managed in three pools: (i) executive potentials, (ii) senior management potentials, and (iii) management potentials.

In 2024, the new Talent Management process focused on identifying key and leadership positions and high potentials across all three talent pools. Overall, 8% of positions at the N-2 and N-3 levels are identified as key positions. Our talent pool metrics demonstrate strong alignment with industry standards, with our executive potential pool at 7% and senior management talent pool at 6%, both falling within recommended benchmark ranges.

We enhanced our leadership pipeline through a comprehensive Executive Potential Assessment Process. Following a nomination process, selected candidates underwent multiple evaluation layers, including structured in-depth interviews, global benchmarking, advanced psychometric assessments, and 360-degree feedback. This robust process enables us to identify and develop high-caliber talent aligned with our strategic objectives and future leadership requirements.

A leadership development center enables development for identified senior management and management potentials, with its insights building the foundation for individual development plans.

One short-term challenge is to make talent development individualized for each employee while driving Clariant's strategy.

In the medium to long term, Clariant talent development aims to focus on delivering differentiated input to high-potential employees, creating individualized learning experiences for most employee groups. This will enable every employee to learn according to their needs. Clariant plans to rely on the newest technologies, including AI, in creating development plans and delivering tailored learning experiences. They will be paired with further social and on-the-job learning measures.

Talent attraction

Clariant's talent attraction is guided by a set of global talent acquisition policies and strategies. These policies clearly define the roles and responsibilities of hiring managers, recruiters, and Human Resources personnel, ensuring a smooth and professional recruitment process. Skilled talent acquisition teams collaborate with business units and global functions to identify and recruit the most qualified candidates, while employer branding initiatives promote Clariant's reputation in the job market and attract potential candidates.

Management approach

Clariant's transformation has set the stage for a more agile, empowered, and leaner organization – a development that continued in 2024. Clariant's leadership is convinced that this transformation will enable Clariant employees to grow and fully develop their potential, including skills that will be needed to compete in the future. In line with the commitment to fostering a highly engaged workplace, Clariant has defined key pillars that help the company progress on the engagement roadmap.

Each leader at Clariant drives employee engagement by influencing the key engagement drivers. Each leader owns and drives engagement for their respective team by sharing the strategic roadmap, co-creating goals, clarifying responsibilities, providing necessary enablers, and implementing impactful processes. Leadership efforts are supported by enhanced people processes across the employee experience cycle, which includes talent acquisition, performance enablement, and professional growth, as well as the recognition and rewarding of behaviors and results.

The leaders continued to work in close partnership with Human Resources to strengthen key engagement drivers in 2024.

The following chart illustrates the key pillars enabling engagement at Clariant.

Impactful communication

Clariant fosters open and transparent communication channels throughout the organization. These channels are designed to foster a sense of community, enable dialogue between leaders and employees, and strengthen alignment within teams. In 2024, the leadership team continued to drive impactful communication as a focus area and strengthened connections across the organization.

- **Fostering a sense of community:** Important information was shared promptly across the organization, and channels such as ClariNet, team meetings, newsletters, and other digital communication were leveraged.
- **Enabling dialogue between leaders and employees:** Quarterly town halls at the corporate, BU, and function level enable two-way exchange between employees and respective leaders on Clariant's strategic topics. In 2024, Clariant continued to focus on enabling dialogues across the organization with the Coffee Connects forums and Learning Wednesday Initiative.
- **Promoting continuous learning and communication:** In 2024, Clariant introduced »Learning Wednesday« as part of an action plan to foster more communication and encourage ongoing professional development.

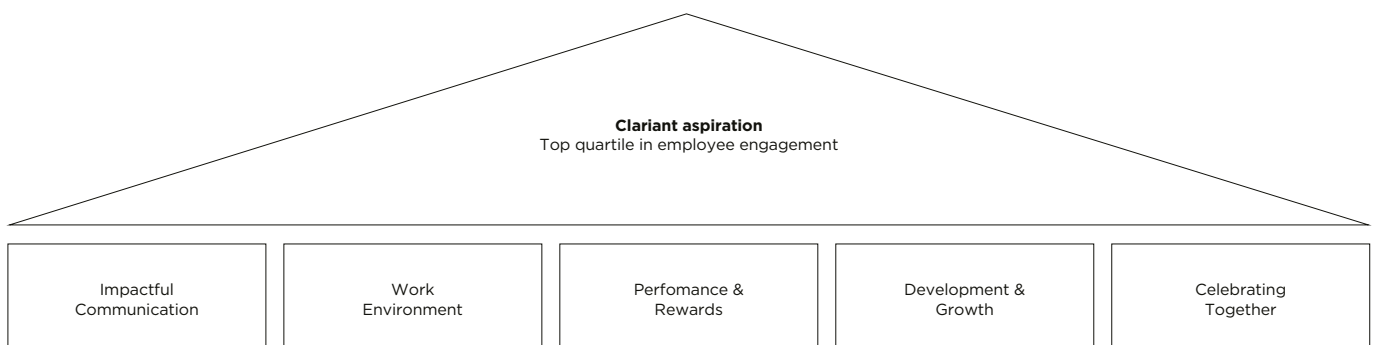
To strengthen the alignment between managers and team members, employees continued to leverage regular one-on-one check-ins.

Work environment

Clariant's culture aims to foster innovation, customer orientation, agility, sustainability, empowerment, and inclusion. This culture creates an environment where everyone is enabled to thrive as Clariant pursues its strategic goals and pursues a changing business landscape.

- The new operating model at Clariant empowers quick decision-making across the organization. Employees share inputs in projects, policies, and changes, especially those that affect their work.

CLARIANT ASPIRATION



- DE&I is enabled through a long-term strategic roadmap and interventions that strengthen inclusion. For initiatives in 2024, please refer to the chapter → »Diversity, Equity, and Inclusion.«
- A healthy work-life integration is enabled through flexible work arrangements. Clariant's Global Flexible Remote Working Policy provides guidance on achieving healthy work-life integration. As part of this policy, employees are permitted to work from home for up to two full working days per week, or a maximum of 40 % of their working hours, subject to local legal requirements and the agreement of their line managers. Additionally, line managers may set specific weekdays when all team members are required to be present in the office.
- Clariant offers wellness initiatives to support the physical and mental well-being of its employees. Tailored programs are offered in the different regions. Clariant is a member of the »Future of Work« and »Healthy People, Healthy Business« initiatives of the World Business Council for Sustainable Development. The company offers free psychological counseling and stress management training in many countries. Employee assistance programs analyze and evaluate mental strain, educate employees on mental health risks, and ensure the development of relief strategies for affected employees. In 2022, Clariant reviewed health and well-being offerings to identify and adapt related offerings for employees.
- Parental leave: Clariant recognizes the importance of supporting employees with family responsibilities and provides family-friendly job opportunities. Clariant guarantees all mothers a comparable position for up to one year following the birth or adoption of a child. Additionally, for two years following the birth or adoption, all parents are granted a minimum of ten days of paid leave for family purposes in addition to their standard annual vacation.
- Clariant's Global Employment Policy includes key principles and minimum standards for working conditions and labor practices. These standards ensure a fair, transparent, and discrimination-free work environment. The policy commits to equal development and promotion of all people across every organizational level, age group, and personal background. Employment agencies and contractors doing business with Clariant are also obliged to adhere to this policy.

Performance management programs

Clariant's performance management process ensures that strategic business objectives are translated into day-to-day activities. The performance management process aims to create a high performing culture and ensure a focus on individual development.

Employees have one-on-one meetings, referred to as »performance check-ins,« with their supervisors to identify objectives, areas for improvement, development actions, and opportunities to leverage strengths and celebrate successes. To guarantee consistency of performance ratings, calibration sessions are part of the performance management process.

The performance review includes goal setting, continuous check-ins, feedforward, and a year-end performance review. The goal-setting process starts with the ELT goal setting and alignment and gets cascaded down throughout the company. All employees must commit to various goals: business goals connected to Clariant's strategic pillars, holistic behavioral goals along the Clariant People Development Model, and development goals for the upcoming year.

Continuous check-ins and feedforward take place every six to eight weeks, focusing on goal achievement status, areas for improvement, development actions, and opportunities to leverage strengths and celebrate successes. An employee can take action to ask for feedforward at any point in time from their manager, their peers, and other stakeholders through the »MyFeedforward« tool. The year-end performance review is retrospective, includes a forward-looking development component, and may also cover discussions about potential progression over several years. Managers are enabled to calibrate their results.

The »MyPerformance« tool documents the goals and keeps track of the individual performance progress. The outcome of the individual performance review is the basis for employee development, the yearly short-term incentive, and compensation development.

Awards and benefits programs

Clariant has a comprehensive recognition framework with various award programs to show appreciation and recognize employees for their outstanding achievements, performance, and role model behaviors aligned with the company's values and strategy. These recognition programs offer a range of possibilities to demonstrate appreciation across Clariant locations and hierarchical levels. In general, every employee is eligible to receive awards under the different programs.

The awards include monetary awards for exceptional results that positively impact Clariant's business objectives, as well as nonmonetary awards such as vouchers and virtual appreciation badges. The nonmonetary awards serve as tokens of appreciation for colleagues, recognizing a job well done or behaviors that exemplify Clariant's values. Monetary awards can be granted by respective people managers to employees up to two times per calendar year.

Nonmonetary awards like vouchers can be proposed by any employee for any other employee, with approval required from the receiving employee's people manager. There is no limit on the number of vouchers an employee can receive throughout the year, unless restricted by country-specific regulations. Virtual badges can be given multiple times during the year by any employee to any other employee.

Driven by process simplifications and the promotion of different recognition programs, the number of recognition badges and awards provided to employees increased compared to last year, supporting Clariant's culture of appreciation and fostering engagement and inclusion.

FEATURED STORY



Many hands make light work

Many Clariant employees support their local communities with volunteer work. And when Clariant and the Clariant Foundation also step in to help, the positive impact becomes even bigger.

The engagement of a group of Clariant employees at the US site in Charlotte, NC, is a case in point. They provide voluntary work for »Habitat for Humanity of the Charlotte Region,« a nonprofit organization that provides affordable housing and mortgages for those who cannot afford to buy real estate at market prices.

»Habitat for Humanity Charlotte Region« relies on volunteer work. So, whenever the organization constructs a new home in Charlotte, the Clariant employees help with tasks such as framing, interior painting, or the installation of interior walls.

Clariant supports this kind of engagement in two ways: Thanks to the Volunteering Policy, employees can take a day off from work for volunteer activities of their choice each year. Also, the company made several annual donations to »Habitat for Humanity Charlotte Region« in the 25 last years, totaling over USD 20 000.

Looking for additional support, the group of employees submitted a grant application to the Clariant Foundation. Established in 2014 by Clariant as a Swiss philanthropic nonprofit organization, the Clariant Foundation supports organizations and projects worldwide. The application was a good fit: Social commitment is one of the foundation's four focus areas, and it regularly complements volunteer activities of Clariant employees to honor their efforts. After careful consideration, the Clariant Foundation decided to donate CHF 50 000 to »Habitat for Humanity Charlotte Region« to support new home construction in the Charlotte area.

So, with employees, company, and foundation each supporting in their own way, their combined efforts prove that »many hands make light work.«

[Learn more](#)

In addition to these ongoing recognition opportunities, Clariant has two annual global award programs: the Value Recognition Award and the Sales Award. The Value Recognition Award allows employees to nominate colleagues who actively promote Clariant's five values through behaviors defined in the People Development Model. The Clariant Sales Award recognizes outstanding individual achievements in increasing revenue and providing value to customers. Winners of these awards are celebrated with monetary prizes and/or official award ceremonies.

In 2024, a third global award, the Innovation & Sustainability Award, was launched and will be celebrated for the first time in 2025. Closely aligned with Clariant's value »Innovate for Sustainability,« this award recognizes outstanding projects with proven impacts on innovation and sustainability footprint.

Clariant offers a comprehensive Global Benefits Policy that encompasses essential areas like retirement planning, life insurance, travel coverage, accident protection, healthcare services, flexible working options, and wellness programs. This global structure is complemented by country-specific policies that align with local regulations and market standards. Both frameworks are routinely updated to stay current with evolving benefit trends worldwide and locally. The policy demonstrates Clariant's commitment to providing competitive benefits that attract and retain top talent while ensuring employee satisfaction and security across all regions.

To support better work-life integration, Clariant provides various employee perks based on local availability and practices. These may include access to gym facilities, fitness program subsidies, adjustable work schedules, remote work options, on-site childcare, childcare, and elder care support. Additionally, many regions offer Employee Assistance Programs that provide mental health resources and financial guidance to support overall employee well-being. These benefits reflect Clariant's understanding that employee success depends on professional support and personal well-being. The company regularly reviews and enhances these offerings based on employee feedback and changing workplace needs. Through these comprehensive benefits, Clariant aims to create an inclusive, supportive work environment that enables employees to thrive professionally and personally while maintaining a healthy work-life balance.

Local programs for stress management

Clariant's Employee Assistance Program offers free counseling by external specialists for work-related stress, as well as burnout, and personal crises. Flexible work arrangements can be made both for work-related stress management and for unrelated extenuating circumstances.

Support for dealing with drug addiction and programs to quit smoking

In the event of drug addiction, Clariant has established a procedure for treatment through medical plans and, if necessary, inpatient treatment. Voluntary programs to help employees quit smoking have been introduced at some sites. Clariant assesses the health habits and specific health problems of all employees and updates local programs based on these findings.

Talent acquisition delivery

In 2024, Clariant delivered further optimization on both talent acquisition expenditures and time-to-hire metrics through specialized in-house teams. A large focus was placed on supporting DE&I objectives, establishing bias reduction frameworks, providing training to hiring managers, and increasing outreach to underrepresented groups.

Global alignment of policies and processes has aided transparency and departmental agility, creating a foundation for any potential shift in hiring demands.

In line with fostering employee engagement and providing equitable opportunities for career development, Clariant established a new global framework for internal applications, including a comprehensive change management roadmap.

Looking forward to 2025, talent pools are not expected to loosen, maintaining the challenge of identifying and attracting high-quality talent. Clariant will meet this demand with increased direct outreach, zeroing in on essential and emerging skill sets.

Automation and AI will be utilized in supporting candidate and manager experience, but not for screening and selection, offering the balance of efficiency and the benefits of human interaction.

Flexible work policies

In 2024, Clariant continued to provide additional training to employees on how to leverage the company's systems for remote work, including training on team collaboration via Microsoft Teams. As a result, the use of existing tools increased, and global teams were able to intensify collaboration, leading to improved productivity and efficiency. By implementing these measures, Clariant aims to support its employees in achieving a healthy work-life integration while maintaining its commitment to delivering excellent results for its customers.

Employee feedback

Clariant is committed to being a great employer and regularly assesses how employees perceive the company. In 2024, the listening forums included the Our Voice engagement survey, which offered an opportunity for all employees at Clariant to share their insights and experiences on working at Clariant. The survey saw strong participation, with 83% of invited employees across all levels sharing their perspectives and reaffirming their support for the process.

The insights from the survey enabled action plans led by business and people leaders across Clariant. The three areas actioned are strengthening leadership impact through internal communication, decision-making, and empowerment, as well as strengthening inclusion. Progress will be measured through the Our Voice survey in January 2025.

Besides this, Clariant continued to leverage feedback loops to assess the effectiveness of the company's engagement pillars. The insights for initiatives across communication, performance, and development helped Clariant refine and improve its approach over time.

Evaluating the management approach regarding talent attraction and development includes analyzing the results and impact of diverse talent management initiatives. The feedback collected after each training course is systematically reviewed. For example, Clariant conducts briefing and debriefing calls with participants of leadership trainings. In addition, a feedback survey is sent out directly after the training, followed by a survey after three months to evaluate the impact on daily work. Other evaluations include competency assessments for key position holders, management appraisals for external or internal placement of key positions, and yearly performance evaluations. All evaluations are documented, transparently shared, and followed up on with individual development planning.

Minimum notice periods regarding operational changes

Clariant adheres to all local statutory and operational obligations related to informing employee representatives and employees about any significant operational changes. Employees receive prompt and regular communication about such changes through channels such as the intranet, emails from the CEO, forums with senior leaders such as Coffee Connects and Leaders Circles, and meetings with local leaders. All information is provided in the relevant languages. Clariant also holds regular corporate information sessions, including CEO and business unit/functional town hall meetings, to keep employees informed.

S1-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Clariant has set a target of completion of mandatory compliance trainings as part of employee performance management.

In the medium to long term, Clariant talent development aims to focus on delivering differentiated input to high-potential employees, creating individualized learning experiences for most employee groups.

Clariant aspires to foster a better life at work with empowered employees who are well equipped and supported to perform at their best. Clariant aspires to be a top-quartile employer in terms of engagement by 2030. The overall goal remains: Clariant strives to be an employer of choice, attracting and retaining talent to help it deliver lasting results.



S1-6 – CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES¹

Number of employees (head count)	
Female	2 781
Male	8 065
Other	0
Not reported	0
Total	10 846
Average number of employees (head count)	
Female	2 734
Male	8 024
Other	0
Not reported	0
Total	10 757
Number of permanent employees (head count)	
Female	2 648
Male	7 778
Other	0
Not reported	0
Total	10 426
Number of temporary employees (head count)	
Female	133
Male	287
Other	0
Not reported	0
Total	420
Number of non-guaranteed hours employees (head count)	
Female	n.a.
Male	n.a.
Other	n.a.
Not reported	n.a.
Total	n.a.
Number of full-time employees (head count)	
Female	2 442
Male	7 749
Other	0
Not reported	0
Total	10 191
Number of part-time employees (head count)	
Female	339
Male	316
Other	0
Not reported	0
Total	655

S1-13 – TRAINING AND SKILLS DEVELOPMENT METRICS

Percentage of employees that participated in regular performance and career development reviews	
Female	84
Male	61
Other	n.a.
Not reported	n.a.
Total	66
Average number of training hours per person for employees by gender	
Female	11.6
Male	6.8
Other	n.a.
Not reported	n.a.
Average number of training hours per person for employees	
	8.0
Percentage of employees that participated in regular performance and career development reviews by employment category	
Worker	36
Employee	85
Average number of training hours per employee by employee category	
Management levels 1-5	21.8
Employees in downstream levels	9.5
Percentage of non-employees that participated in regular performance and career development reviews	
	0

S1-6 – FURTHER DETAILED BREAKDOWN BY GENDER AND BY REGION¹

Number of full-time employees by head count		EMEA	APAC	Americas
Female		1 171	661	610
Male		3 240	2 570	1 939
Other		0	0	0
Not reported		0	0	0
Total		4 411	3 231	2 549
Number of part-time employees by head count				
Female		289	12	38
Male		82	204	30
Other		0	0	0
Not reported		0	0	0
Total		371	216	68

¹ Only employees with status 'active' are considered for head count figures. Employees with status 'paid leave' or 'unpaid leave' are not included in these figures. All head count figures are year-end unless stated otherwise. Average figure applies to the entire reporting period.

Results and KPIs

In 2024, 8 428 employees participated in training sessions recorded in the central learning management system, MyLearning, for a total of 88 174 training hours. Training sessions included fully virtual, blended (virtual plus face-to-face), and fully face-to-face live sessions, as well as engaging on-demand content available on the newly established e-learning platform. The average number of training hours per unique participant was 11 hours. Each female participant had an average of 11.4 hours, while male participants averaged 11 hours of training per year. At Management Level 1–5, 14 345 hours were recorded, whereas local managers, professionals, and employees completed 73 828 hours of training. The e-learning approach enables learners to focus precisely on relevant content while skipping familiar material, eliminating the time spent on redundant information typical in traditional classroom settings.

In 2024, 238 employees benefited from Global People Development programs. All programs were newly developed with a close focus on strategic implications. Additionally, the new learning format of »Learning Wednesday« had 5 350 participants, displaying the success of the new offering.

Overall, training participation related to safety and sustainability (23.1%), legal and compliance (23.6%), functional skills (10.1%), IT skills (12.7%), personal development (21.8%), general management skills (1.0%), and leadership (7.7%). These figures include training sessions beyond the Global People Development program.

In 2024, the average feedback score for Global People Development training sessions was 4 (with a maximum possible score of 5). Positive feedback highlighted the high quality of training, including a good overview of new concepts and methodology,

with a focus on practical application through examples and interaction with colleagues across different functions. Participant feedback has been invaluable for adapting and enhancing the training offerings. This has been especially important because all Global People Development programs rolled out were new and offered for the first time.

With an investment of 4 550 hours, 91 managers have been trained in the Clariant People Manager Lab. This hybrid program aimed to enable middle management to drive Clariant's transformation by teaching and practicing with the right tools and concepts, such as how to develop a growth mindset or how to drive psychological safety in their teams. The program has been conducted in three regional cohorts, starting with a two-day F2F workshop in China, Brazil, and Germany. Additional programs that have been conducted include the First Time People Manager Program with 50 participants and the Female Leadership Program.

With an investment of 608 hours, 452 leaders have participated in the Inclusive Hiring Training. The success of this training is measured on the basis of further achievement of yearly DE&I targets and a more inclusive culture measured by the Inclusion Index.

In 2024, the performance management process covered 66% of all employees. This means that 7 210 employees followed a standardized performance management process. Individual countries have started to increase the employees' involvement in the standardized performance management process, particularly for production workers who currently lack access to technology and tools. Once these workers gain access, they can actively participate in the process, ensuring inclusivity and equal engagement across all employee groups.

EMPLOYEE BREAKDOWN BY GENDER AND REGION

	Total 2024	2023	2022	2021	2020
Total staff (FTEs)	10 465	10 481	11 148	13 374	13 235
Male	7 818	7 994	8 472	10 431	10 191
Female	2 646	2 486	2 675	2 942	3 044
EMEA	4 649	4 732	5 026	6 211	6 265
APAC	3 226	3 191	3 216	3 920	3 726
Americas	2 590	2 558	2 906	3 244	3 244
Total number of employees by employment contract (FTEs)					
Permanent	10 073	10 124	10 769	12 893	12 763
Male	7 543	7 728	8 231	9 986	9 846
Female	2 530	2 396	2 538	2 907	2 917
EMEA	4 347	4 446	4 747	5 851	5 907
APAC	3 196	3 186	3 211	3 909	3 713
Americas	2 530	2 492	2 812	3 134	3 144
Temporary	392	356	378	481	472
Male	276	266	296	384	368
Female	116	90	82	97	104
EMEA	301	287	279	360	359
APAC	30	5	6	11	13
Americas	60	65	94	110	100
Total number of non-guaranteed hours employees (FTEs)	n.a.	n.a.	n.a.	n.a.	n.a.
Male	n.a.	n.a.	n.a.	n.a.	n.a.
Female	n.a.	n.a.	n.a.	n.a.	n.a.
EMEA	n.a.	n.a.	n.a.	n.a.	n.a.
APAC	n.a.	n.a.	n.a.	n.a.	n.a.
Americas	n.a.	n.a.	n.a.	n.a.	n.a.
Total number of employees by employment type (FTEs)					
Full-time	10 174	10 198	10 836	13 023	12 887
Male	7 741	7 925	8 444	10 280	10 143
Female	2 433	2 273	2 392	2 743	2 744
EMEA	4 403	4 489	4 757	5 904	5 967
APAC	3 225	3 189	3 215	3 919	3 724
Americas	2 546	2 520	2 864	3 200	3 196
Part-time	291	283	312	351	348
Male	77	69	83	90	71
Female	213	213	228	261	277
EMEA	246	243	269	307	299
APAC	1	2	1	1	2
Americas	44	37	42	44	48

EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT

	Total 2024	2023	2022	2021	2020
Total number of employees who receive regular performance and career development reviews (headcount)	7 210 ²	7 607 ²	6 696 ²	7 514	7 335
Management Level 1-5	656	670	596	732	658
Management Level 1-5 (%)	9	9	9	10	9
Local managers, professionals, and employees	6 554	6 937	6 100	6 782	6 677
Local managers, professionals, and employees (%)	91	91	91	90	91
Male	4 880	5 346	4 764	5 285	5 125
Female	2 330	2 261	1 932	2 229	2 210
Percentage of total employees who receive regular performance and career development reviews (%)	69	73	60	56	55
Male	62 ¹	67 ¹	56 ¹	51 ¹	50 ¹
Female	88 ¹	91 ¹	72 ¹	74 ¹	73 ¹

¹ The percentage is calculated based on the total number of employees in the respective group.

² Performance management is a mandatory and consistent global process for all employees of the type White Collar or Manager (except for local exceptions based on employee class and employee level). Performance management is not a mandatory global process for Blue Collar employees; execution depends on local regulations.

TRAINING HOURS

	Total 2024	2023	2022	2021	2020
Number of training hours	88 174	95 957	114 508	164 523	113 190
Male	54 543	62 558	80 547	108 996	75 372
Female	32 223	33 064	33 960	55 526	37 818
Management Level 1-5	14 345	9 421	10 424	12 345	8 897
Local managers, professionals, and employees	73 828	86 536	104 083	152 178	104 293
Number of employees participating in training (headcount)	8 428	7 842	9 575	11 956	12 630
Average hours of training that the organization's employees undertook during the reporting period	10.5	12.2	12.0	13.8	9.0

NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER (GRI 401-1, ESRS S1-6)

	Total 2024	2023	2022	2021	2020
Total number of new employee hires (headcount)	1 040	1 004	1 418	1 438	918¹
Male	675	679	995	1 057	647
Male (%)	65	68	70	74	70
Female	365	325	423	381	271
Female (%)	35	32	30	26	30
Under 30	547	475	605	627	393
Under 30 (%)	53	47	43	44	43
30-50	455	471	687	732	464
30-50 (%)	44	47	48	51	51
Over 50	38	58	126	79	61
Over 50 (%)	4	6	9	5	7
EMEA	418	417	541	583	335
Americas	289	321	538	432	248
APAC	333	266	339	423	335
Employees who left (headcount)	1 214	1 554	1 390	1 556	1 522
Male	865	1 113	980	1 121	1 085
Male (%)	71	72	71	72	71
Female	349	441	410	435	437
Female (%)	29	28	29	28	29
Under 30	278	324	320	353	393
Under 30 (%)	23	21	23	23	26
30-50	571	772	734	717	668
30-50 (%)	47	50	53	46	44
Over 50	365	458	336	486	461
Over 50 (%)	30	29	24	31	30
EMEA	636	654	568	659	544
Americas	305	621	520	514	607
APAC	273	279	302	383	371
Turnover rate (%)	11.0	14.3 ³	12.1	11.3	10.3 ²

¹ The decline in new employee hires was due to the COVID-19 pandemic and the divestment of Business Unit Masterbatches.

² Excluding data from the discontinued Business Unit Masterbatches from H1 for better comparison. Including these statistics, Clariant's 2020 turnover rate is 11.2 %.

³ For 2023, 14.3% refers to 1554 exits (12.6 % excluding the Divestiture/carve out of Great Spirit)

Clariant's dynamic placement process is reflected in a 6 % promotion rate for senior managers in 2024. In the general talent population, the average tenure in a certain role before promotion is around three years.

Clariant hires individuals who both share its values and meet the qualifications for their defined roles. In 2024, the company brought on 1 040 new employees, comprising 365 women and 675 men. Europe, Middle East & Africa (EMEA) was the largest contributor of new hires (418), followed by APAC (333).

During the same period, 1 214 employees, including 349 women and 865 men, left the company for different reasons. The company's turnover rate per head count (HC) was 11%, a decrease from 14.3%, in 2023.

In 2024, 177 mothers and 299 fathers took advantage of the opportunity to take parental leave. Out of the 415 employees who returned to work in the same year, 129 were female and 286 were male.



PARENTAL LEAVE¹

	Total 2024	2024	2022	2021	2020
Total number of employees who were entitled to parental leave, by gender (headcount)	10 846	10 653	11 322	13 573	13 647
Male	8 065	8 043	8 574	10 422	10 373
Female	2 781	2 610	2 748	3 151	3 274
Total number of employees who took parental leave, by gender (headcount)	476	450	378	449	445
Male	299	289	236	273	317
Male (%)	63	64	62	61	71
Female	177	161	142	176	128
Female (%)	37	36	38	39	29
Total number of employees who returned to work in the reporting period after parental leave ended, by gender (headcount)	415	423	373	472	471
Male	286	287	238	333	318
Male (%)	69	68	64	71	68
Female	129	136	135	139	153
Female (%)	31	32	36	29	32
Total number of employees who returned to work after parental leave ended, and who were still employed 12 months after their return to work (headcount)	378	326	421		
Male	264	215	311	n.a.	n.a.
Male retention rate	92	90	93	n.a.	n.a.
Female	114	111	110	n.a.	n.a.
Female retention rate	84	82	79	n.a.	n.a.
Total retention rate	89	87.0	89.0	n.a.	n.a.

¹ The return to work rate for parental leave KPIs is calculated but not reported as the employees going on parental leave and returning from parental leave may belong to different reporting periods

PEOPLE OVERVIEW

	Total 2024	2023
Total staff	10 465	10 481
Male (in FTEs)	7 818	7 994
Male (%)	75	76
Female (in FTEs)	2 646	2 486
Female (%)	25	24
Employees	6 460	6 413
Male (in FTEs)	4 153	4 244
Male (%)	64	66
Female (in FTEs)	2 307	2 169
Female (%)	36	34
Workers	4 004	4 068
Male (in FTEs)	3 666	3 750
Male (%)	92	92
Female (in FTEs)	339	318
Female (%)	8	8
Staff under the age of 30 (%)	15	15
Staff between the ages of 30 and 50 (%)	59	59
Staff over the age of 50 (%)	26	26
Employees in permanent employment contracts (in FTEs)	10 073	10 124
Employees in temporary employment contracts (in FTEs)	392	356
Full-time employees (in FTEs)	10 174	10 198
Part-time employees (in FTEs)	291	283
Turnover rate (%)	11.0	14.3
Staff in Research & Development (in FTEs)	>690	>660
Total training hours	88 174	95 957
Training hours (Ø per participant)	10.5	12.2
Percentage of total employees covered by collective bargaining agreements (%)	43	45
Lost-Time Accident Rate (LTAR) ¹	0.14	0.18
Lost-Time Accident Rate (LTAR) for contractors ¹	0.30	0.19
Lost Workday Rate (LWR)	6.53	2.52
Employee participation in engagement survey (%)	83	75
Employee Net Promoter Score (eNPS)	25 ²	3 ²
Survey responses obtained from customer contacts	1 519	943
Customers who want to continue doing business with Clariant (%)	88	86

¹ LTAR: accidents with at least 1 day lost/200 000 work hours

² Engagement survey was launched in January 2023.

³ Survey is conducted every year.

The main metric in the Our Voice engagement survey is the employee net promoter score (eNPS), which calculates how many people are likely to advocate for the company. The improvement in eNPS is also one of the KPIs in the Clariant Long-Term Incentive Plan, as described in the Compensation Report. Clariant aims to be in the top quartile of employers by 2030.

Clariant has made progress on the engagement roadmap with the eNPS moving to the second quartile (score 25) from the third quartile (score 3) since the last survey in 2023. In addition to determining eNPS, Clariant also measured overall employee engagement in this survey. This sets the foundation for tracking progress against robust benchmarks. According to the survey, 62% of employees feel engaged at Clariant. This indicates that Clariant needs to continue building engagement.

The »Inclusion« scores show employee recognition of Clariant's DE&I priority and efforts. The question »I feel my organization values diversity« is among the »top ten« scoring questions at 73%. There is a significant increase in some experience areas compared to the last survey, with the areas listed below emerging as strengths:

89% Safety score: Clariant's commitment to safety is felt strongly. Safety questions are among Clariant's »top score« and beat the benchmark

Strong managerial connection: People feel connected to their managers. In Clariant's top ten scores, 6 out of 10 manager question items are featured.

S1 Chapter II: Health and Safety

As a global chemical company and a responsible employer, Clariant is strongly committed to promoting and protecting a healthy culture in the workplace. Zero accidents worldwide are the goal Clariant aims to achieve. Therefore, processes regarding occupational safety are top priorities to protect Clariant's employees, ensure seamless manufacturing operations, and meet legal requirements and regulations at any time.

S1-1 Policies related to own workforce

We have a workplace accident prevention policy in place, which was devised to meet the key security interests of Clariant's workforce and other relevant stakeholders: AvoidingAccidents@Clariant is a global policy that covers all of Clariant's own workforce and consists of several guidelines. The policy creates safe work environments, raises awareness of safety, and illustrates Clariant's focus on prevention. Under the umbrella of the policy, Clariant deploys multifaceted trainings and tools to achieve the zero-accidents objective. These include, for example, safe behavior trainings, safety leadership improvements, safety checks, safety days, safety weeks, and selected webinars on various guideline-specific topics. The BU Operations Management, as Clariant's most senior person responsible for the policy's implementation, and the respective site managers are responsible for implementing the policy, and Global ESHA & IGSM is auditing the respective units regularly. A risk-based approach determines the individual intervals of on-site audits to monitor ESHA, IGSM, and operational excellence process implementation at each site. Clariant derived the policy independently of relevant internationally recognized instruments such as UN guiding principles on human rights.

The AvoidingAccidents@Clariant policy is communicated through guidelines. Line managers ensure that all guidelines are made available to all potentially affected stakeholders via the Group Management System and printed documents. This includes Clariant's own workforce and relevant external stakeholders, such as suppliers and contractors. Clariant's internal guideline »Protection from Hazards to Health« serves to prevent work-related illnesses and regulates the identification of work-related health hazards for all workplaces. The guideline includes defined review criteria and cycles. The Substitution, Technical measures, Organizational, and Personal (STOP) principle defines the hierarchy of measures to be taken to prevent incidents. It must be applied to control measures. A comprehensive audit system ensures quality and triggers continuous improvements.

To ensure the health and safety of employees, Clariant has a set of principles and guidelines in place. They are accessible online in the Group Management System (GMS) database for all employees.

The ISO 45001 standard, which formulates requirements for an occupational health and safety management system, is authoritative. By implementing the AvoidingAccidents@Clariant-policy, Clariant commits to respect this standard. Clariant made the transition from the current OSHAS 18001 certification to ISO 45001 in

2020. In 2024, it carried out audits in accordance with ISO 45001. The certificate confirming compliance with the standard is available at → clariant.com/en/Company/Corporate-Governance/Principles-and-Certifications.

Further guidelines cover a variety of safety issues, such as fire and explosion protection, the handling of hazardous substances, and the process hazard analysis in chemical production. In addition, Clariant adheres to the precautionary principle when it comes to risks that have not yet been fully clarified scientifically. The safety of employees and the work environment is also anchored in Clariant's sustainability policy.

S1-2 Processes for engaging with own workers and workers' representatives about impacts

The perspectives of Clariant's own workforce influence Clariant's decisions or activities aimed at managing the actual impacts on its own workforce. The following types of engagement involve Clariant's own workforce:

- Feedback for Safety Deviation campaigns
- Participation in Safety Checks
- Development of Safety Moments, Safety Learnings, and Safety Alerts
- Collaboration in Incident Investigations
- Involvement in Safety Committees
- Close involvement in developing EHWAs (Evaluation of Health Hazards in the Working Area)
- Conducting Safety Weeks

The stages are

Progressive identification of issues through permanent prevention:

- Safety Deviation campaigns (can take place any time as many production facilities are in continuous operation)
- Safety Checks (take place throughout the year)
- Involvement in Safety Committees (convening at intervals ranging from monthly to yearly, depending on site)
- Close involvement in developing EHWAs
- Conducting Safety Weeks (at least one event per year at every site)
- Event-based reporting in Intex (can occur any moment as many production facilities operate all day every day of the year)
- Collaborative Incidence Investigations

Publication (event-based and continuously):

- Development and publication of Safety Moments, Safety Learnings, and Safety Alerts

The function and the most senior role within Clariant that has operational responsibility for ensuring that Clariant's engagement with its own workforce happens and that its results inform the undertaking's approach is the site management or, if available, the regional or country operational manager.

Effectiveness is assessed through the rate of workplace safety-related Days Away, Restricted, or Transferred (DART) cases, which includes but goes beyond the Lost-Time Accident (LTA) frequency. Furthermore, Safety Deviation & Safety Checks are KPIs that are assessed. There is an investigation workflow covering all DART cases. The workflow initiates countermeasures, which are shared with the respective site personnel and the ESHA community. The workflow involves the entire workforce. Also, all Clariant employees are involved in the Safety Deviation process. In addition, Safety Committees, which include representatives from works councils, meet regularly to assess the effectiveness of the policies in place. A 24/7 Integrity Line also supports all employees in voicing any concerns they may have over existing policies.

Worker participation, consultation, and communication regarding occupational health and safety

Ninety-four percent of staff employed in production are represented by a safety committee. Considering the whole workforce (production, procurement, sales, and management), 88% of staff are represented. At Clariant, committees that do not primarily deal with this topic also address safety issues. In case internal standards need to be modified or updated, a working group is established. It sends the resulting draft to the different stakeholders in Clariant's business units and regions to solicit feedback. Feedback and requests for revisions are duly considered before the standard is finalized and approved. The relevant information is subsequently published in the Group Management System (GMS) database and on SharePoint.

Clariant employs various channels such as listening sessions and engagement survey analyses to understand the requirements and concerns of underrepresented employee groups, such as employees identifying as nonbinary, women, and employees of

non-European origin, also regarding the health and safety-related material impacts. Clariant established Employee Resource Groups (ERGs) to provide formats for employees to further debate and act on some of these requirements and concerns.

S1-3 Processes to remediate negative impacts, and channels for own workers to raise concern

Clariant has established the »Safety Counts!« program. We assess the effectiveness of our channels, e.g., Safety Deviations, by measuring the number of reported cases and the action taken, as well as by setting targets for them. We conduct pilots with some of our sites to test those channels (e.g., Safety Deviation). The process of using, e.g., the Safety Deviations Channel is driven by the line management of the respective unit. Site management checks the usage and thus the awareness and trust of all channels. We set targets regarding the use of Safety Deviations and monitor developments regularly. Additionally, feedback is provided to the input giver.

For the protection of individuals within our workforce against retaliation, we have a channel called the »Integrity Line,« where everybody can raise concerns and needs regarding OHS issues anonymously.

S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions Measures

Clariant aims to achieve a zero-accidents culture and be a leader in safety in the chemical industry. The bonuses of management are linked to progress in this area, and safety is integrated into the daily routines of all operations.

We offer our employees voluntary health services and access to intervention hotlines through external service providers in the event of personal crises. A detailed accident investigation workflow is established within Clariant and supported by all senior management. To prevent accident recurrence, results are shared globally. The established Safety Deviation process ensures a continuous identification of potential risks and involves the entire workforce.

EMPLOYEES COVERED BY AN OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

	Total 2024	2023	2022	2021	2020
Percentage of employees covered by an Occupational Health and Safety management system (%)	100 ¹	100	100	100	100
Percentage of employees covered by an Occupational Health and Safety management system that has been internally audited (%)	100 ¹	100	100	100	100
Percentage of employees covered by an Occupational Health and Safety management system that has been externally audited or certified (%)	100 ¹	100	100	100	100

¹ The value includes all employees and is calculated as monthly average: 12 427 own employees and supervised workers.

Occupational Health and Safety programs and training
Occupational safety at Clariant means much more than just wearing the necessary protective equipment. It is a commitment to address safety comprehensively and to ensure that employees come home from work as healthy as when they arrived. To increase awareness among its employees globally, Clariant carries out various training and awareness measures every year.

In 2024, Clariant organized more than 150 safety weeks/days in more than 120 locations worldwide under the umbrella of the AvoidingAccidents@Clariant program described above. For the safety weeks executed in 2024, the company provided an information hub with ideas and training modules in addition to the regular training in the different units.

Learning Management System

Clariant has a Learning Management System (LMS) that is used to provide, steer, and monitor various programs, such as e-learning, webinars, and workshops, on occupational health and safety. Additionally, there are special trainings regarding work-related hazards, hazardous activities, and potentially hazardous situations. And each plant, as well as building management, provides special trainings regarding work-related hazards. These trainings are customized and depend on the jobs to be performed.

Six Life-Saving Rules

The company continued introducing the Six Life-Saving Rules first presented in 2021. In the reporting year, it reviewed the training approach and developed an e-training, which will be mandatory to all Clariant employees in 2024. Every worker at Clariant must be aware of the Life-Saving Rules. They are part of the Code of Ethics and must be complied with. Witnesses to a breach of these rules should immediately notify the line manager or ESHA.

6 LIFE-SAVING RULES

- 1** Use fall protection when working at heights greater than 1.80 meters or 6 feet and outside a guarded area.
- 2** Wear Personal Protective Equipment (PPE) when required.
- 3** Always work with a valid work permit whenever required.
- 4** Do not disable safety-critical equipment without authorization and without having additional precautions in place.
- 5** Use lock out/tag out procedures to protect you from danger.
- 6** Don't walk or work under suspended loads.

Handouts on Occupational Health and Safety-related topics

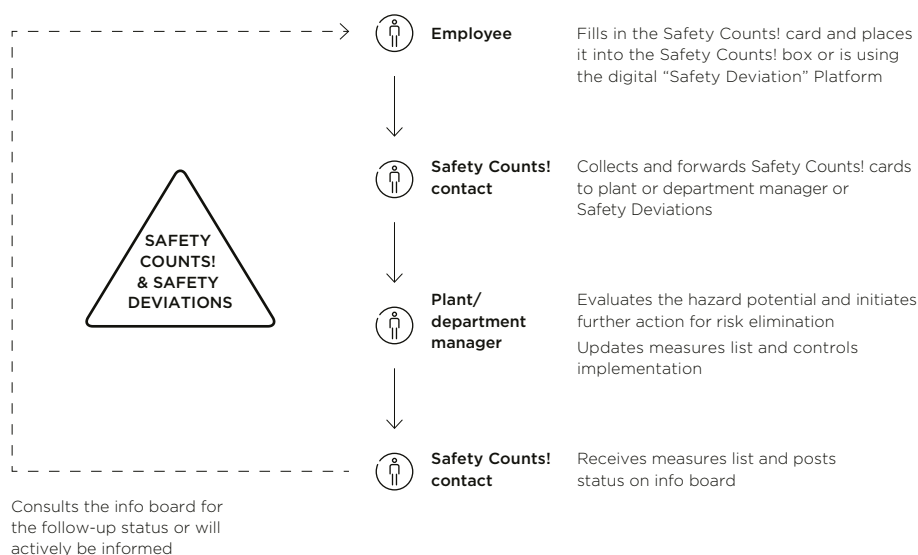
As part of the »Safety Moments« initiative, more than 350 illustrated handouts have been created for employees at Clariant, as well as for the training on topics related to occupational health and safety – from operations to administration – since 2017. They are presented and discussed, for example, at the beginning of meetings and can be accessed via an internal platform.

Process Safety Academy

Clariant has also established a Process Safety Academy to enhance the Process Hazard Analyses standard. This one-week training delivers theory and practical knowledge on relevant process safety topics, facilitating a better implementation of the process safety standards at the sites. In 2024, the process safety academy took place in the Americas region at our Suzano site in Brazil.

AVOIDINGACCIDENTS@CLARIANT

AvoidingAccidents@Clariant is a global program that creates safe working environments, raises awareness of safety, and illustrates Clariant's focus on prevention. Since the start of the program in 2007, the lost-time accident rate (LTAR) has declined from 0.92 to 0.14.



Tracking health and safety

Safety performance and initiative updates have been a standing agenda item in every Executive Leadership Team (ELT) meeting in 2024. The ELT reviews all DART events and the overall company performance and discusses corrective actions. One of the outcomes has been the introduction of an alert system to inform the business unit heads about any DART event in their business unit within 24 hours of the event, as well as the coordination of a call from the ESHA responsible for providing more insights into the accident within seven days of the event.

Clariant uses the DART rate, which includes the LTA rate, as a bonus-relevant metric. This ensures a focus on a broader scope of safety-related events, not only the most severe lost-time accidents, which helps to establish a zero-accident culture.

Clariant utilizes dashboards to visualize occupational health and safety reporting. All sites are obliged to report an accident resulting in loss of work immediately. This concerns cases where the affected employee cannot work for at least one day and cases of restricted work. For all these cases, investigation reports are mandatory.

Reporting near misses and unsafe situations

To report unsafe situations and near-miss incidents, Clariant's employees can either approach their supervisors directly, submit a report using »Safety Counts!« cards, or utilize an online system at some sites to report »Safety Deviations.« In 2023 and early 2024, Clariant started the preparation of a broader rollout of this online system to include all its sites. If employees identify a hazardous situation, they are permitted and encouraged to stop the activity and report it to their supervisor.

After a work-related incident, Clariant investigates to identify corrective actions and avoid recurrence. Specific methodologies are provided and described in Clariant's investigation guide. According to internal processes, Lost-Time Accident and Restricted Work case reports are only closed if an appropriate investigation report is available and filed. The decision to close a report is made at the Group level by an assigned member of Global Function ESHA & IGSM.

Checks and audits

As part of Clariant's audit program, internal experts from Global Function ESHA & IGSM regularly visit sites to review workplace and process safety standards. To do this, they evaluate the facilities and determine corrective actions to address the main risks. In addition, in 2024, the company conducted work permit checks to improve the quality of the work and, thus, safety. Throughout the year, it further strengthened this process and simplified data gathering and the analysis of risks.

To protect employees from work-related hazards, each workplace undergoes a systematic, multistep assessment. This includes workplace ergonomics, lighting, noise, indoor air quality, humidity, and temperature, as well as chemical industry-specific hazards like

the handling of hazardous substances, biological hazards, and mechanical and thermal hazards. If a workplace falls below defined minimum requirements, Clariant takes measures to redesign that workplace.

Process safety management system

Clariant has a set of standards for an effective process safety management system – Process Hazard Analyses (PHAs), explosion protection, Pre-Start Safety Review (PSSR), incident management, Management of Change (MOC), and asset integrity. The core process safety requirement is the Process Hazard Analysis (PHA). It allows the company to identify, assess, and control risks in the production processes and auxiliary activities. Clariant provides the standards, tools, and templates globally for all sites to conduct such PHAs, specific assessments, and management of mechanical integrity to maintain fully operational safety-critical elements.

Competent personnel at the sites conduct PHAs regularly. They are reviewed at least every five years and updated as changes occur. If a change is implemented in a facility, change management procedures ensure that this is assessed and controlled to avoid risks.

Clariant has also developed a reporting system that records and systematically assesses substances and energy releases from process units to avoid major incidents. It categorizes them as process safety events (PSEs) according to criteria stipulated by the International Council of Chemical Associations (ICCA).

After a process safety event, Clariant thoroughly investigates to determine its root cause (using, e.g., fishbone or fault tree analysis) and establishes corrective and preventive measures to avoid recurrence. The company tracks the measures at the site level and global level with its global reporting tool EBR@ILX to ensure effective implementation.

Employee health checks

At certain workplaces, Clariant carries out regular comprehensive employee health checks. The objective is to detect signs of illness as early as possible. Clariant takes care to obtain special health certificates and to carry out vaccinations that are required for some jobs. Medical professionals anonymously report problems identified during employee personal health checks. Depending on local laws, these reports are addressed to the local ESHA organization or the appropriate area. The reported information is used to review mandatory workplace risk assessments in accordance with the guideline »Protection from Hazards to Health.« Clariant ensures medical confidentiality.

METRICS AND TARGETS

S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing risks and opportunities

Clariant has multiple instruments in place to engage directly with its own workforce or worker's representatives in identifying any lessons or improvements from the undertaking's performance. Those instruments are the following:

As part of the tracking and investigation of incidents, Safety Moments, Safety Learnings, and Safety Alerts are derived from that and EHWAs are updated if needed. Safety Performance KPIs are discussed with the site management on a regular basis and activities are derived, also pro-active.

Clariant is implementing programs, according to the root causes identified, to improve the Process Safety KPIs and avoid incidents.

Clariant has used the DART rate, which includes LTA and Restricted Work cases, since 2021. This broad indicator allows us to gain more valuable insights into accident occurrence than the LTA rate alone, and thereby contributes to our efforts to achieve a zero-accident culture. The milestones are defined at the Group and business unit/service unit level for the calendar year. The DART rate decreased significantly from 0.21 in 2023 to 0.17 in 2024.

S1-14 Health and safety metrics

Results and KPIs

WORK-RELATED INJURIES ¹

	Total 2024	2023	2022	2021	2020
Number of fatalities as a result of work-related injury and ill health (own employees + supervised workers)	0	0	0	0	0
Rate of fatalities as a result of work-related injury (per 200 000 hours, own employees + supervised workers)	0	0	0	0	0
Number of fatalities as a result of work-related injury and ill health (contractors)	0	1 ²	0	0	0
Rate of fatalities as a result of work-related injury (per 200 000 hours, contractors)	0	0.04	0	0	0
Number of high-consequence work-related injuries (excluding fatalities)	1	1	0	2	2
Rate of high-consequence work-related injuries (excluding fatalities) (per 200 000 hours)	0.01	0.01	0.00	0.01	0.01
Number of recordable work-related injuries	56	102	97	141	157
Rate of recordable work-related injuries (per 200 000 hours)	0.45	0.82	0.80	1.00	0.95
Number of hours worked (own employees + supervised workers)	24 853 500	24 782 000	24 196 000	28 440 000	33 262 000
Number of hours worked (contractors)	6 686 500	5 322 333	5 957 333	7 129 667	5 691 000

¹ Information about "not employees" (contractors) are not in the same way gathered like "all employees" (own workers and supervised workers) due to medical data privacy.

² This refers to a fatality from a contractor at a joint venture site in Baroda/India.

OCCUPATIONAL ACCIDENTS

	Total 2024	2023	2022	2021	2020
Lost-time accidents (own employees + supervised workers) ¹	18	22	29	23	26
Male	17	20	27	21	26
Female	1	2	2	2	0
Lost-time accident rate (LTAR, own employees + supervised workers) ²	0.14	0.18	0.24	0.16	0.16
Male	0.13	0.16	0.22	0.15	0.16
Female	0.01	0.02	0.02	0.01	0.00
Lost-time accidents (contractors) ¹	10.00	5	9	13	6
Male	10	5	9	12	6
Female	0	0	0	1	0
Lost-time accident rate (LTAR, contractors) ²	0.30	0.19	0.30	0.30 ⁵	0.14 ⁵
Male	0.30	0.19	0.30	0.28	0.14
Female	0.00	0.00	0.00	0.02	0.00
Lost-time accidents by supervised (non-Clariant) workers (included in the overall number of occupational accidents) ¹	1	3	6	1	1
Male	1	2	6	1	1
Female	0	1	0	0	0
Lost workdays (LWDs) caused by occupational accidents	812	312	712	974 ³	1 229
Male	760	274	709	962 ³	1 229
Female	52	38	3	12	0
Lost workday rate (LWDR)	6.53	2.52	5.89	6.85	7.39
Number of cases of recordable work-related ill health ⁴	1	2	0	0	0

¹ Number of occupational accidents with at least one day's work lost

² Occupational accidents with at least one day's work lost relative to 200 000 hours of work

³ 279 lost workdays (LWDs) from 2019 and 2020 incidents

⁴ For all reported years, there were no fatalities as a result of work-related ill health

⁵ This includes discontinued business

OCCUPATIONAL ACCIDENTS BY REGION

	2024		2023		2022		2021		2020	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Occupational accidents with at least one day's work lost	17	1	20	2	27	2	21	2	26	0
Europe, the Middle East, and Africa	12	1	14	1	16	2	17	2	18	0
Asia-Pacific	2	0	0	1	3	0	0	0	1	0
Latin America	3	0	5	0	7	0	2	0	6	0
North America	0	0	1	0	1	0	2	0	1	0

OCCUPATIONAL ACCIDENTS OF CONTRACTORS

	2024		2023		2022		2021		2020	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Occupational accidents of contractors, with at least one day's work lost	10	0	5	0	9	0	12	1	6	0
Europe, the Middle East, and Africa	9	0	4	0	6	0	8	1	3	0
Asia-Pacific	0	0	1	0	0	0	3	0	1	0
Latin America	1	0	0	0	3	0	1	0	2	0
North America	0	0	0	0	0	0	0	0	0	0

DART

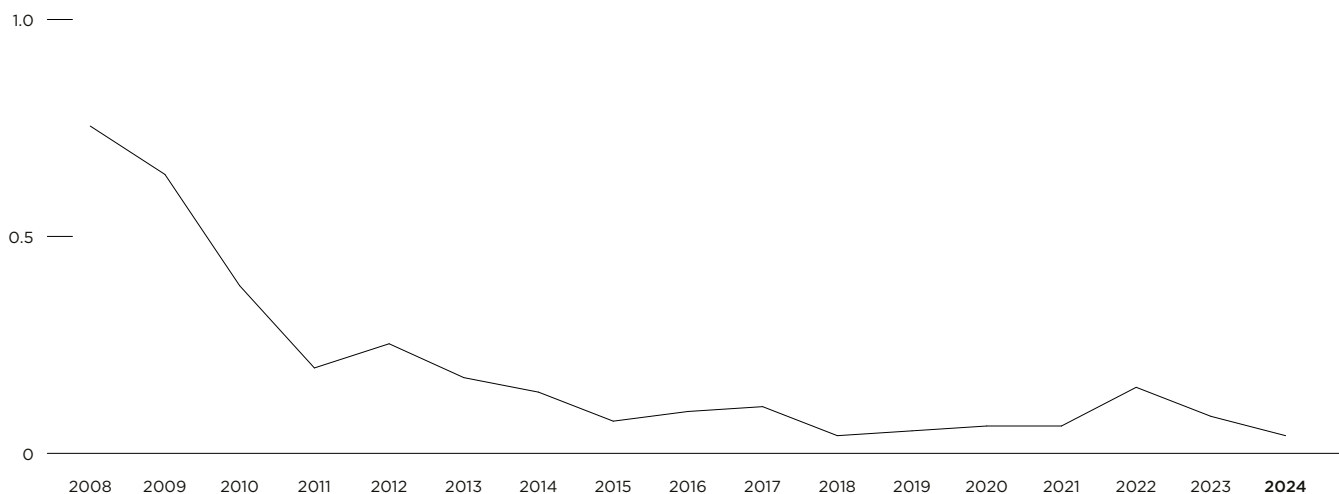
In 2024, the numbers of reported unsafe situations and near misses stayed at a high level, which shows the high commitment to and awareness of safety.

In 2024, the overall health and safety performance at Clariant's sites improved significantly. The total number of lost-time accidents decreased from 30 in 2022 to 18 in 2024. In addition, ten lost-time accidents occurred involving contractors, which is an increase compared to five accidents in 2023. First aid was required

for 91% of all recorded injuries; 8% needed medical treatment; and 1% of recorded injuries were restricted work cases. The most frequent injury types in 2024 were sprains, bruises, and contusions (26%); open wounds (23%); bone fractures (14%); and chemical burn injuries (14%). There were no limb losses or injuries due to electrical incidents.

Since the start of AvoidingAccidents@Clariant in 2007, the lost-time accident rate (LTAR) has decreased from 0.92 to 0.14 in 2024.

DEVELOPMENT OF CLARIANT LOST-TIME ACCIDENT RATE (LTAR)



SAFETY MANAGEMENT

	Total 2024	2023	2022	2021	2020
Process safety event rate ¹	0.35	0.42	0.36	0.46	0.36
Number of significant spills	11	12	9	6	17
Total volume of significant spills (m ³) ²	27.50	86.66	12.88	13.24	78.69

¹ Process Safety Event rate = Number of Process Safety Events * 100 / FTEs

² All spills were contained on-site without any releases to the environment. Due to the new definition of significant process safety events (PSEs) and spills based on the ICCA criteria, all PSEs with a score of ≥ 3 points are considered significant. With this new definition, the numbers reported this year are not comparable with previous years and the difference is higher.

The lost-time accident rate (LTAR) of 0.14 accidents per 200 000 hours of work decreased compared to 2023. The total number of lost workdays increased from 312 in 2023 to 812 in 2024, albeit with no life-changing injury or fatality. This indicates that job-related injuries were more severe in 2024 than in 2023. Accordingly, the lost-workday rate (LWDR) increased from 2.52 workdays lost per 200 000 hours of work in 2023 to 6.53 workdays lost per 200 000 hours of work in 2024.

There were no fatalities attributable to work-related accidents and no known fatalities attributable to work-related ill health in the group of own employees and supervised workers and contractors in 2024.

Process safety

In 2024, Clariant's rate for process safety events decreased from 0.42 to 0.35. In total, there were 43 cases, a decrease of 15% compared to the 51 cases of 2023. Of the 43 cases, 79% (34) had a low impact and, therefore, were in the lowest category.

Significant process safety events for Clariant are those with a score of more than three points according to ICCA criteria. In 2024, Clariant had 11 cases considered significant, with a total spilled volume of 27.5 m³, compared to 12 cases in 2023. This led to a decrease in the Process Safety Severity Rate to 0.72. Personal and organizational causes represented 58% of the process safety events, whereas technical causes made up 38% and 4% were related to other causes.

S1 Chapter III: Human Rights

Clariant is committed to doing business with respect for human rights. The company recognizes its responsibility to promote respect for human rights, which includes the prohibition of child labor.

S1-1 – Policies related to human rights in Clariant's own workforce

Respect for human rights and fair treatment of people are also key components of Clariant's → »Code of Ethics«, the central instrument to ensure ethical behavior. The code also includes guidance on how to respond to suspected violations, including in relation to human rights issues, such as child labor. The Code of Ethics is an integral part of any applicable employment contract and is also the subject of e-learning programs for Clariant employees.

There are a variety of ways in which Clariant may impact or influence the human rights of various groups. To develop an effective response to these potential impacts, Clariant takes a cross-functional, integrated approach to managing its human rights risks.

Over the years, Clariant has built a comprehensive framework of policies, guidelines, and processes to identify and address potential negative human rights impacts, including labor rights. The Human Rights Policy forms the basis for the integration of human rights considerations into relevant functions and processes across the business. Clariant has a Human Rights Steering Committee that provides strategic direction and steers the company's human

rights initiatives. This committee is responsible for reviewing, and where necessary, mandates further development of internal guidelines. It also defines key roles, functional responsibilities, and processes to identify, assess, and mitigate human rights risks.

Clariant's publicly available → **»Human Rights Policy«** sets out the company's overall commitment and outlines the core human rights standards and expectations the company has established for its employees, suppliers, contractors, and business partners. It was updated in 2023 to include a more comprehensive description of relevant standards, Clariant's due diligence process, and key responsibilities and governance structures.

As stated in the Human Rights Policy, Clariant prohibits all forms of child and forced labor and respects the rights of children. It expressly acknowledges International Labour Organization (ILO) Conventions 138 (Minimum Age Convention) and 182 (Worst Forms of Child Labor Convention) as the minimum standard.

With regard to its own workforce, Clariant's → **»1 April 2024 Global Employment Policy«** protects workers' rights regarding nondiscrimination, forced labor, child labor, fair working conditions, freedom of association, privacy, effective remedies, and workplace health and safety. These documents are available in local languages and form an integral part of Clariant's HR management, which includes ensuring compliance with applicable labor rights standards.

In 2023, Clariant conducted a thorough evaluation of its Human Rights Policy and governance structure with the support of external human rights experts. The project was co-led by the Sustainability Transformation and the Compliance departments, with the project leaders having their responsibilities reflected in their annual goal-setting process (comprising in total about 80% of an FTE in 2024).

Building on a comprehensive mapping and assessment of Clariant's existing management systems and processes, the project included reviewing and assigning roles and responsibilities for human rights due diligence as well as further strengthening monitoring systems and indicators. In this context, the company established a cross-functional Human Rights Committee, responsible for coordination and oversight of all human rights-related activities.

The Human Rights Committee consists of the main company functions responsible for implementing various aspects of human rights due diligence, including Human Resources, Procurement, Health and Safety, Legal and Compliance, and Sustainability. It ensures that every part of the business is clear about its role in implementing Clariant's commitments to respect human rights, including the prohibition of child labor, and that human rights considerations are integrated into relevant management systems and processes. The committee met quarterly in 2024.

In 2024, Clariant focused on the implementation of the updated processes, including systems for monitoring and reviewing the effectiveness of approaches taken. In this implementation, key functions within Clariant identified, assessed, and addressed potential human rights risks. See also the sub-chapters → **»Valuing Employees«** and → **»Health and Safety«** for more information on Clariant's approach to ensuring fair working conditions for its own employees.

Continuous improvement

Clariant is committed to enhancing its management approach continuously as it considers its sustainability objectives, strategy, external expectations, and new human rights due diligence legal requirements across several jurisdictions. A cross-functional team comprising representatives from the Sustainability Affairs team, Legal and Compliance, Human Resources, ESHA/IGSM, and Procurement regularly reviews Clariant's human rights due diligence process to ensure effectiveness in light of existing and new regulations, such as human rights-related reporting and due diligence obligations in Switzerland (Konzernverantwortungsinitiative, KVI), the Norwegian Transparency Act, and the German Supply Chain Act (Lieferkettensorgfaltspflichtengesetz, LkSG).

The evaluation of the company's management approach to human rights issues also takes into account benchmarking against Clariant's peers, using external ratings such as the EcoVadis rating, as well as participation in industry and multistakeholder networks and discussions. Clariant strongly supports collaborative initiatives aimed at promoting respect for human rights across the industry. The company is a signatory to the UN Global Compact and the chemical industry's Responsible Care® initiative. It is also a member of the Together for Sustainability (TfS) initiative and the Roundtable on Sustainable Palm Oil (RSPO).

Putting commitments into practice

Clariant's commitment to respecting human rights is integrated into its operations and decision-making processes. To implement this commitment, Clariant relies upon management and monitoring systems that enable the company to detect potential human rights concerns so they can be effectively addressed and mitigated.

Training and skill building of Clariant's workforce are key to fulfilling the company's human rights commitments. Registered participation in e-learning modules and internal trainings related to the Code of Ethics, including human and labor rights aspects, is part of the mandatory training curriculum, whose completion is one of the goals in the performance-based employee remuneration. For the number of employees trained in Code of Ethics modules in 2024, please refer to the training overview in the chapter → **»Business Conduct.«**

While formal training is an important tool for raising awareness and building internal capabilities, a large part of the knowledge-building relates to on-the-job experiences. A cross-functional team of 20 employees from several global functions and all three business units was actively involved in fostering the implementation of Clariant's Human Rights governance. Those involved deepened their valuable experience in human and labor rights.

Taking action: Clariant's approach to addressing human rights risks

Working conditions in Clariant's own operations and approach to child, forced, or compulsory labor

Clariant recognizes its responsibility for the well-being of its staff and has well-established processes in place to ensure fair working conditions and a safe working environment for all of its employees. Human Resources is the lead function to identify, assess, and address potential human rights risks in relation to Clariant's own workforce, while ESHA / IGSM is responsible for monitoring and addressing issues related to occupational health and safety.

Annual risk assessments are performed on a regional or site level. The risks are categorized, corrective measures are identified, and progress is monitored. For example, the ESHA global risk platform for health and safety-related topics makes it possible to track the status of corrective measures against the agreed timeline. When it comes to the company's grievance mechanism, the »Integrity Line« (see below), tags make it possible to track reports related to human rights issues, and the respective case workers have KPIs related to resolving incidents.

Based on the human rights due diligence review and update in 2023, Clariant expanded its assessment criteria in 2024 to systematically include a stronger focus on risks to people in its existing risk management processes. In 2024, the company rolled out this approach, identifying and implementing any enhancements to the risk assessment methodology.

Clariant's Code of Ethics, which applies to all Clariant's own employees, sets out that Clariant will not tolerate any form of child and forced labor, in line with international standards and applicable national law. Concerning child labor, Clariant's Human Resources function, in line with the company's Employment Policy, ensures that minimum age provisions are adhered to and that local Human Resources departments at Clariant workplaces use mechanisms for age verification. Clariant prides itself on offering interesting and attractive learning and career opportunities to young people via its internship and apprenticeship programs. Where these involve young workers under 18 years of age, Clariant strictly abides by applicable laws and regulations on the protection of such young workers. Clariant's rigorous Environmental Health & Safety procedures ensure that young workers are protected from any health hazards in the context of their employment.

Human rights due diligence

Human rights due diligence is an ongoing process through which Clariant identifies and manages, as appropriate, actual and potential adverse impacts on human rights, including child labor, associated with its business activities and relationships. This process also applies to human rights concerning Clariant's own workforce. Actions taken can include enhanced due diligence, engagement with suppliers and contractual assurances, supplier assessments and on-site checks, awareness-raising and training, and other measures as appropriate considering the specific risk. Clariant seeks to continuously improve its human rights due diligence, including in relation to specific risk areas.

→ **More information on Clariant's human rights due diligence can be found in the »Workers in the Value Chain« chapter.**

To ensure that all internal and external stakeholders can confidentially report any concerns, the company has established an Integrity Line and actively monitors and addresses all submitted reports with diligence and transparency.

Clariant's Integrity Line is open to anyone wishing to report an actual or suspected breach of Clariant's policies, including the Human Rights Policy, without retaliation. Based on the evaluation of its human rights due diligence approach, Clariant will continue to further strengthen the effectiveness of the Integrity Line from a human rights perspective, particularly by ensuring transparency about the types of issues that can be raised and about how concerns will be investigated. See the → **»Business Conduct«** chapter for more information on Clariant's Integrity Line.

When it comes to the company's grievance mechanism, Integrity Line tags allow for the tracking of reports related to human rights issues, and the respective case managers have KPIs related to the resolution of incidents. All cases have been investigated by the responsible case managers, and 75 % of them were closed in 2024, while the remaining 25 % are ongoing investigations.

Clariant's Human Rights Policy was developed based on internationally recognized standards, which demonstrates the company's commitment to global best practices. The policy is aligned to the UN Guiding Principles for Business and Human Rights, the International Bill of Human Rights, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. This alignment ensures a comprehensive approach to human rights protection across Clariant's operations.

The policy encompasses a wide range of human rights considerations, including worker rights, prohibition of child and forced labor, nondiscrimination, safe working conditions, freedom of association, fair wages, privacy rights, and respect for local communities. By adhering to these standards, Clariant goes beyond mere legal compliance, embracing best practices in human rights management.

This approach ensures consistency in Clariant's human rights practices across its global operations. It also facilitates effective human rights due diligence, providing a clear framework for identifying, preventing, and mitigating potential human rights impacts. The policy also aligns seamlessly with Clariant's employment policy by ensuring fair treatment of employees worldwide, while also extending these principles to all stakeholders affected by the company's operations, in line with its broader human rights commitments.

S1-17 – Incidents, complaints, and severe human rights impacts

Number of severe human rights issues and incidents connected to own workforce

When it comes to the company's grievance mechanism, Integrity Line tags allow for the tracking of reports related to human rights issues, and the respective case managers have KPIs related to the resolution of incidents.

In 2024, 52 cases related to human rights were reported via the Integrity Line under the category »treatment of employees« (covering, e.g., employee relations, mistreatment, HR issues or violations, harassment and bullying, sexual harassment, and discrimination).

In 2024, the company was not aware of any reported instances of child labor in the company or with its direct suppliers. There were no reports concerning child labor or forced labor made to Clariant's Integrity Line, which is publicly accessible and enables anyone directly or indirectly affected by Clariant's activities to speak up, with the option to raise concerns anonymously. Overall, there are no reasonable grounds to suspect child labor with respect to the reporting requirements of the Regulation on Due Diligence on Child Labor, Article 964 j-k Section 3.

KPIs related to own operations

Regarding Clariant's own operations, regular risk assessments are performed on a regional or site level. The ESHA global risk platform for health- and safety-related topics makes it possible to track the status of corrective measures against the agreed-upon timeline. All cases are assigned to a responsible person, and a time-bound corrective action plan is agreed upon. In 2024, nine risks related to human rights were identified. In 2024, six of the agreed-upon measures were implemented and the respective cases closed, and three of the corrective action plans are still ongoing and due in 2025.

S1 Chapter IV: Diversity, Equity, and Inclusion

✓**I** Clariant is a diverse workplace with 10 465 employees in 38 countries. They represent 93 nationalities and a wide range of cultures, religions, and professional and educational backgrounds. **I** Diverse and inclusive teams have the capacity to boost Clariant's innovative strength and enable the company to better address the needs of its customers. Thus, diversity contributes to the company's problem-solving mindset and customer-centric culture.

S1-1 – Policies related to own workforce

Global Employment Policy and Code of Ethics

✓**I** The belief that trust, integrity, appreciation, and respect make Clariant and its employees stronger, ensuring long-term prospects, has been incorporated in the company's Global Employment Policy and Code of Ethics.

Clariant's membership in the UN Global Compact, the company-wide Group Policy on Human Rights, and global employment standards form the basis for activities in the DE&I area. Clariant's worldwide family support and flexible working policy are a strong pillar in allowing parents in general, and particularly women, to combine professional development and private life. Clariant continuously reassesses how it can support parents and caregivers. Clariant reviewed its policies for their inclusivity at the end of 2022, as well as in 2023. **I**

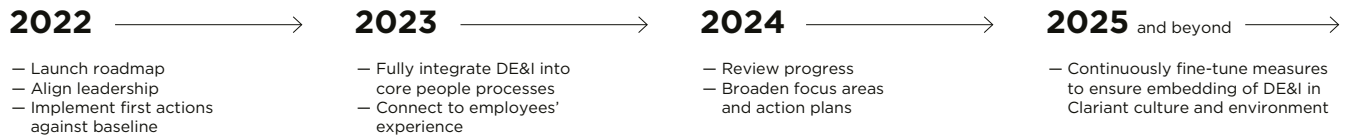
Clariant does not tolerate discrimination based on race, ethnicity, nationality, religion, gender or gender identity, disability, age, marital status, sexual orientation, or membership in a trade union or political party. In hiring, compensation, and promotion, each employee or applicant has the right to be treated solely based on personal abilities, skills, performance, and potential.

Clariant's Global Employment Policy includes key principles and minimum standards for working conditions and labor practices. These standards ensure a fair, transparent, and discrimination-free work environment. The policy commits to equal development and promotion of all people across every organizational level, age group, and personal background. Employment agencies and contractors doing business with Clariant are also obliged to adhere to this policy. Although Clariant does not have a dedicated DE&I policy, it incorporates DE&I principles into all of its policies. And as it is an integral part of the Global Employment Policy, the elimination of discrimination and harassment, as well as the promotion of equal opportunities for all, is integrated into all of Clariant's practices.

DE&I roadmap

✓**I** In the context of its purpose-led strategy as well as through feedback from employees and customers, Clariant has set up a DE&I roadmap for 2022 to 2030, which concentrates on four select core elements: **I**

DIVERSITY, EQUITY, AND INCLUSION ROADMAP OF ACTIONS



Leadership commitment: Clariant leaders continuously commit to a diverse and inclusive workplace. Leaders will be made accountable for achievements and advocacy for underrepresented groups and for leading inclusively with cultural intelligence.

Inclusive culture: Everyone at Clariant demonstrates by their behaviors that every single employee is welcome and contributes to a strong Clariant. Emphasis is on a feedforward and speak-up culture.

Employee equality: Equality is essential for all Clariant employees. The company offers equal opportunities and equal pay for equal work for all positions. It gives equal access to career development for all ethnicities and national identities, with particular emphasis on the leadership team.

Cultural intelligence: Building awareness of difference across the global business and seeking to build empathy and appreciation for all promotes a sense of inclusion.

Progress on the roadmap is on track, as the yearly breakdown confirms.

2022

- Launch roadmap
- Align leadership
- Implement first actions against baseline

2023

- Fully integrate DE&I into core people processes
- Connect to employees' experience

2024

- Review progress
- Broaden focus areas and action plans

2025 and beyond

- Continuously fine-tune measures to ensure embedding of DE&I in Clariant culture and environment

Clariant has utilized the results of its double materiality assessment to shape its ongoing strategy and action plans. This process involved a comprehensive review of its infrastructure, yielding significant recommendations for improving its family leave policies.

S1-2 – Processes for engaging with own workers and workers' representatives about impacts

Annual engagement survey

Once a year, Clariant gathers insights and feedback from all employees to identify the needs and sentiments of its workforce through its annual engagement survey. Every employee is encouraged to participate and provide feedback. The results from this survey are crucial for shaping any further actions taken in relation to DE&I. The CEO ensures that the survey is supported by aligned action plans and effective implementation. Clariant views the engagement survey as an effective tool for engaging all employees, as evidenced by rising participation rates and improved engagement scores.

Clariant actively engages with its employees through its annual employee engagement survey.

In addition, all employees can request reasonable adjustments to support them in their roles. However, Clariant does not currently collect data on protected characteristics across its entire workforce, as it recognizes the complexities of collecting sensitive data and the necessity of managing data collection on a country-by-country basis.

As a result, unless an employee voluntarily provides this information, Clariant remains unaware of their specific needs.

With regard to DE&I outcomes, employees play an active role in monitoring performance by answering targeted questions about their experience. The DE&I dashboard provides quarterly updates on attrition, representation, and recruitment, highlighting the progress made.

Besides its annual engagement survey, Clariant also actively engages all employees through dedicated Employee Resource Groups (ERGs). Currently, there are ERGs for women and the LGBTQ+ community. Plans are in place to establish an additional ERG focused on multi-generational issues, depending on employee interest. Each ERG has an annual action plan with regard to education and events.

Clariant regularly benchmarks its practices against global standards, including the Workplace Pride and Inclusive Employers Standard, generating annual reports that identify gaps. The insights gained from these assessments are instrumental in shaping the DE&I action plan for the following year.

S1-3 – Processes to remediate negative impacts, and channels for own workers to raise concerns

To ensure a workplace free from harassment and discrimination, Clariant has established the Clariant Integrity Line as a reporting tool for individuals seeking assistance or wishing to report concerns. → [Read more on the Integrity Line in the »Business Conduct« chapter.](#)

S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

✓ In 2022, Clariant's focus was on setting the ground for the DE&I roadmap and setting up the DE&I Steering Team, allowing for regular metrics reviews and creating sponsorship for Employee Resource Groups (ERGs). On a global and regional level, Clariant has started partnerships with relevant external initiatives to support these processes, such as the global organization »Inclusive Employers« and the »Charta der Vielfalt« in Germany.

Inclusive Employers offers consultancy, training, and thought leadership to help make inclusion an everyday reality at the workplace. In 2023, Clariant signed the Workplace Pride charter, which champions LGBTQ+ inclusion.

For 2024, the objective was to focus on increasing the acumen of the executive and senior leadership around DE&I, implementing diverse slates and inclusive interview panels in the recruiting processes, developing specific learning measures for talents from underrepresented groups, and leveraging the community-specific knowledge of Clariant's ERGs.

The Executive Leadership Team (ELT) and leadership teams of the business units and global functions have considerably expanded their appreciation of this topic. All our leadership team members went through a diagnostic called IDI to identify their current state of intercultural awareness and how to address the gaps.

Based on annual gender pay gap analyses conducted since 2022, Clariant established a roadmap in early 2023 to address systematic causes of pay gaps. The roadmap is reviewed and adjusted yearly, while educational materials and opportunities are provided to increase awareness and understanding, particularly among Clariant leaders. |

Raising awareness

Clariant raises awareness of DE&I through extensive education and training initiatives. In 2024, Clariant employees also engaged in various activities aiming to raise awareness for DE&I issues and celebrate differences across the global business.

Women Inclusion Network

In 2024, the Women Inclusion Network (WIN) hosted virtual training sessions on topics such as impostor phenomenon, mental toughness and influential leadership which complemented its virtual coffee breaks with senior leadership and numerous networking activities on sites globally.

Blended leadership program

To further foster an inclusive workplace and promote gender equality, Clariant launched a blended leadership program aimed specifically at empowering female leaders across the globe. This program engaged 21 female participants in a dynamic learning experience that combined e-learning content, personalized coaching, and insightful fireside chats. The feedback received from Clariant's pilot cohort has been positive.

Clariant Pride

Clariant Pride is an employee-led affinity group within Clariant to champion a culture that is increasingly inclusive and participatory and values the diverse ideas, experiences, and backgrounds of every individual. The mission of this ERG is to build a pride community that promotes diversity within Clariant and offers an inclusive space for members of the LGBTQ+ community and allies to share experiences. The ERG is a safe space for like-minded people. It sees itself as a sparring partner for Clariant so it can positively influence behaviors, processes, and benefits that are not inclusive of the LGBTQ+ community. It is a platform whose purpose is to educate all Clariant employees, with the support of allies and ambassadors. This ERG is sponsored by Richard Haldimann, Clariant's Chief Strategy & Technology Officer.

Pay equity and fairness

Equal pay for equal work stands as a fundamental principle within Clariant's Diversity, Equity, and Inclusion framework and Clariant's remuneration philosophy. Throughout 2024, Clariant has strengthened its commitment to pay equity through several initiatives. A key focus has been increasing transparency and empowering people managers and HR colleagues with better tools and insights for making fair compensation decisions.

Significant progress has been made through the implementation of new digital solutions, including enhanced dashboards that provide people managers with comprehensive pay information of employees. To support data-driven decision-making, a new Compensation Simulator was introduced for people managers, enabling more informed and equitable compensation decisions. The company also further improved its Compensation Dashboard for HR professionals, facilitating more detailed analysis and monitoring of pay equity across the organization.

To ensure consistent application of these new tools, Clariant delivered targeted training on pay practices to both HR professionals and people managers. Additionally, Clariant improved transparency by making all pay-related policies and documents available to employees. Finally, reward policies, applicable to all Clariant legal entities (in general excluding joint venture companies) and own workforce (regardless of temporary or permanent status or full-time or part-time status) were updated to strengthen equal pay considerations in rewards decisions and processes. Clariant views pay transparency as one step toward pay equity. To this end, reward policies are available to all Clariant employees globally.

The introduction of a standardized Peer Review approach for HR, particularly for compensation offers and pay equity checks, further strengthens our commitment to fair pay practices. This systematic approach helps ensure consistency and fairness in compensation decisions across the organization.

Our commitment to closing the gender pay gap is reflected in our global metrics. Globally, the ratio of average base salary of female employees in 2024 is at 104.1% of the average base salary of male employees. This is slight increase from 103.6% in 2023. As part of our equal pay actions, a global and structured analysis was performed, taking into account the pay position of each employee gender group by job level and country level. Pay positions indicate where employees are placed within Clariant's salary bands, which are determined based on market data and job level. In 2024, the average pay position of male employees was 2.14% higher than the average pay position of female employees globally. This figure increased from 1.96% in 2023. This increase is driven by employees with different compensation structures and levels who joined Clariant as part of the Lucas Meyer Cosmetics acquisition. Excluding this population, the average pay position of male employees in 2024 is 1.71% higher than the average pay position of female employees, demonstrating the positive impact of actions taken in 2024. Both analyses, average base salary and average pay position by job level, cover permanent and temporary employees in all countries, with the exception of Argentina and Venezuela, due to the high-inflation environment and, with this, the frequent and significant adjustments in salaries. Both analyses furthermore cover full-time and part-time employees. The analysis of average pay position by job level in general excludes employees who are bound by a collective bargaining agreement.

Looking ahead, Clariant remains dedicated to advancing pay equity as a core component of our broader Diversity, Equity, and Inclusion strategy, with regular monitoring and adjustment of our approaches to maintain fair compensation practices.

Following Clariant's commitment to pay a living wage to all employees by 2030, significant progress was made in 2024 by expanding the living wage assessment to all Clariant locations worldwide. The living wage initiative aims to ensure that employees receive sufficient income to maintain acceptable living standards, covering essential needs such as housing, food, childcare, schooling, and support for other household members – going beyond statutory minimum wages, which may not always guarantee a decent standard of living.

In partnership with the Fair Wage Network, a leading NGO in this field, Clariant has completed a comprehensive gap analysis across all its global operations in 2024. This assessment built upon the successful pilot program conducted in eight countries during 2023. The analysis compares employees' guaranteed remuneration elements against Fair Wage Network's defined living wage levels for each specific location.

In 2025, the assessment process will continue with anonymous employee surveys to verify pay practices and their effectiveness in meeting living wage standards. Once the survey is completed and the results are positive, Clariant aims to be a globally certified living-wage employer.

This global expansion represents a significant milestone in Clariant's journey toward ensuring fair compensation for all employees. This initiative reinforces Clariant's position as a responsible employer committed to supporting sustainable livelihoods for its workforce worldwide.

Diversity in the recruiting process

Clariant is committed to fostering diversity and inclusion in its workforce. The company recruits and promotes individuals based on their skills and abilities, regardless of their social identity. A diversity of perspectives and ways of thinking is seen as essential to driving innovation and growth.

Clariant uses a variety of strategies to ensure that its recruitment practices support DE&I objectives. The practices include targeted outreach efforts to underrepresented groups, training on unconscious bias, and the use of inclusive language in job postings. Clariant also utilizes data to track progress toward DE&I targets and to identify areas for improvement. By continuously evaluating and improving recruitment practices, Clariant can attract and retain a diverse talent pool that reflects the communities it serves. We are going to measure success by tracking our talent acquisition pipeline.

Accelerated review and external benchmarking exercise on all family-friendly policies, including adoption leave

Clariant accelerates its review and external benchmarking exercise on all family-friendly policies. This includes adoption leave.

Developed a detailed action plan to rebalance any pay inequities across the business and focus on pay transparency education

Clariant developed a detailed action plan to rebalance any existing pay inequities across the business. It also focuses on pay transparency education.

Clariant has commenced a review of key location hubs and undertaken a review of its facilities.

Clariant has initiated more vigorous pipeline activities to focus on graduate development in key markets and career returner programs for women and underrepresented groups.

DIMENSION AND ITEMS¹

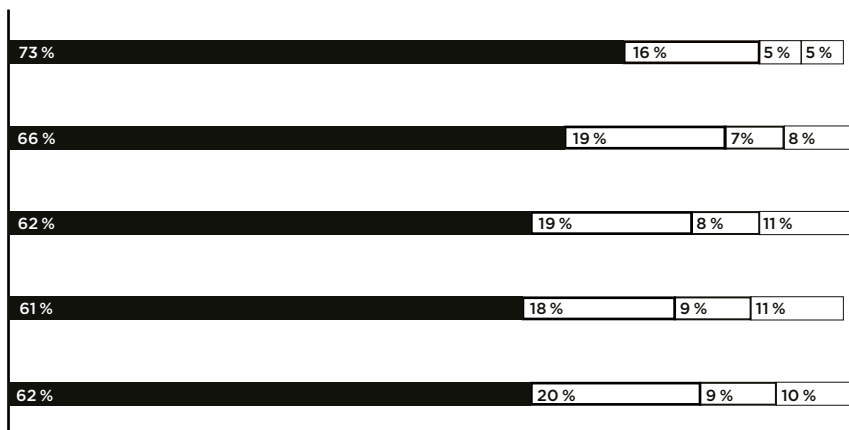
I feel my organization values diversity (e.g., age, gender, ethnicity, language, education qualifications, ideas, and perspectives)

My voice is heard when I express my perspectives, even if they differ from the rest of the team

I feel it is safe to speak up without fear of adverse consequences

Employees from all backgrounds have an equal opportunity to succeed at my organization

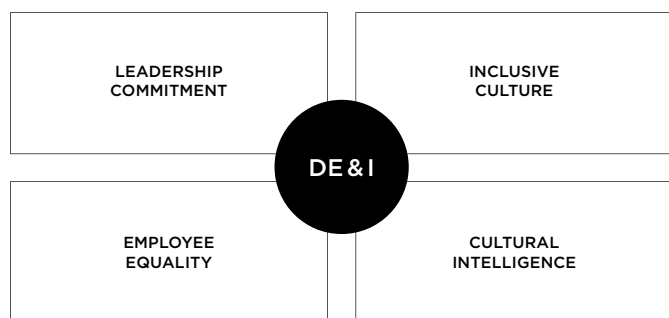
The managers at Clariant practice inclusion, helping all employees feel important, capable and understood



■ Positive Perception ■ Positive Hesitation □ Negative Hesitation □ Negative Perception

¹ The sums do not always add up to 100 as the numbers are rounded

DE & I CORE ELEMENTS



Clariant aspires to:

- Increase the Inclusion Index from 66 % in 2021 to 82 % in 2030
- Grow the percentage of female leaders from 16 % in 2021 to over 30 % in 2030 and strengthen gender balance for non-frontline employees from 35 % female in 2021 to 45 % by 2030
- Increase the percentage of leaders of national origin outside Europe at the senior management level from 32 % in 2021 to over 40 % in 2030
- Focus on improving gender balance (30 %)
- Ensure that its leadership reflects a broader business footprint (40 % with non-European origin)

Proportion of senior management hired from the local community

✓ **I** National origin refers to the nationality associated with the employment contract. This goal relates to the senior and top leadership levels. **I**

S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Clariant aspires to have its employees represent the diverse and global world we live and work in. In each country, efforts might be required to increase the outreach and advancement of underrepresented ethnicities and races within Clariant. On its DE&I journey, the company is committed to continuously reviewing and assessing how it can create a more equitable and inclusive workplace that engages a workforce reflective of the world's diversity. We have set an objective to bring in 50 % of our talent from under-represented groups for all vacant positions in the organization.

All of Clariant's targets are global targets.

According to Clariant's growth plans, Europe will represent less than 40 % of sales by 2025. Increasing the share of nationals from outside Europe serves the purpose of ensuring that Clariant leadership reflects the business footprint to include different regional perspectives and increase the quality of global decision-making.

S1-9 – Diversity metrics

✓I Inclusion Index

Clariant introduced an Inclusion Index in 2021, which measures employees' approval of a select subset of DE&I-related items from the regular annual engagement survey questionnaire. It measures employee experience and perception of Clariant as a Diverse and Inclusive workplace and the behaviors that contribute to it. I

✓I Relevant criteria, as of 2024, refer to the following key areas and questions:

- **Belonging:** I feel my organization values diversity (e.g., age, gender, ethnicity, language, education, qualifications, ideas, and perspectives).
- **Uniqueness:** My voice is heard when I express my perspectives, even if they differ from the rest of the team.
- **Psychological safety:** I feel it is safe to speak up without fear of adverse consequences.
- **Fairness:** Employees from all backgrounds have an equal opportunity to succeed in my organization.
- **Authenticity:** The managers at Clariant practice inclusion, helping all employees feel important, capable, and understood.

As measured through the Our Voice survey from 2024, the Inclusion Index score is 65%, showing an improvement of 8% over the results from the Purpose survey in 2023. The employee experience improved across four of the five questions that form the Inclusion Index. I

✓I Diversity in management positions

The company's structured global succession planning promotes a variety of profiles for leadership positions, encouraging cross-business and cross-functional experiences. As a result of these efforts, Clariant has achieved a 25% representation of women in the total workforce and 24.5% in management positions.

The current share of the new ELT, with three women and six men, reflects a share of female leaders of 33%. On the Board of Directors, 27% of the members are women.

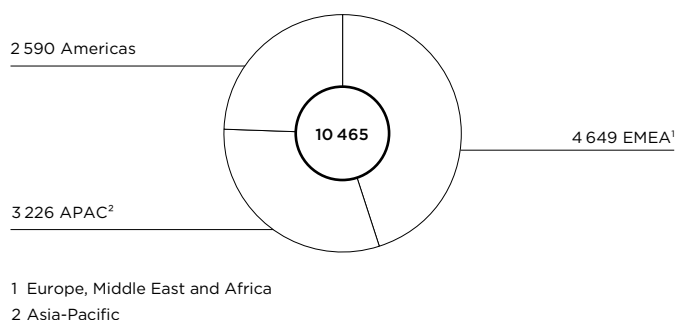
Globally, the ratio of the average base salary of female employees in 2024 is at 104.1% of the average base salary of male employees. I

✓I Proportion of senior management hired from the local community

Of all managers, 97% are non-Swiss, which reflects Clariant's international footprint and diversity. While, at the end of 2024, 39% of Clariant's employees were of European origin, this applies to 57% of junior management and 64% of senior management. Regarding the percentage of leaders of national origin outside Europe at the senior management level, the objective is to move from 32% in 2021 to over 40% in 2030.

In 2024, 50% of all senior managers (Executive Leadership Team and top four management levels) were citizens of – or had an indefinite right to reside in – the country where they were employed. Within the European Union, citizenships of all member states were considered »local.« I

FTEs BY REGION



✓I PROPORTION OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY

	Total 2024	2023	2022	2021	2020
Percentage of senior management at significant locations of operation who are hired from the local community (%) ¹	50	53	57	58	60

¹ All relevant Group companies except those in North America, where no nationality data is recorded. Clariant uses "top management" and "senior management" synonymously, and defines this level as including the CEO, the Executive Steering Committee, and the top four levels (based on grading) below the supervisory and administrative bodies. This definition was also applied in previous reports and allows for comparability over time.

✓I DIVERSITY INDICATORS

	2024	
	Head count	Percent
Employees at top management level ¹	146	1
Employees under 30	1 726	16
Employees between 30 and 50	6 396	59
Employees over 50	2 724	25

¹ Clariant uses "top management" and "senior management" synonymously, and defines this level as including the CEO, the Executive Steering Committee, and the top four levels (based on grading) below the supervisory and administrative bodies. This definition was also applied in previous reports and allows for comparability over time.



✓ I NUMBER OF EMPLOYEES BY AGE GROUP

	2024		2023		2022		2021		2020	
	FTEs	Percent	FTEs	Percent	FTEs	Percent	FTEs	Percent	FTEs	Percent
Total	10 465		10 481		11 148		13 374		13 235	
Under 30	1 600	15.3	1 580	15.1	1 667¹	14.9	1 907¹	14.3	1 896	14.3
Male	1 118	10.7	1 155	11.0	1 208	10.8	1 398	10.5	1 367	10.3
Female	482	4.6	425	4.1	458	4.1	510	3.8	529	4.0
30–50	6 197	59.2	6 174	58.9	6 579	59.0	7 843	58.6	7 798	58.9
Male	4 529	43.3	4 590	43.8	4 914	44.1	5 944	44.4	5 889	44.5
Female	1 668	15.9	1 583	15.1	1 665	14.9	1 899	14.2	1 909	14.4
Over 50	2 668	25.5	2 727	26.0	2 902	26.0	3 624¹	27.1	3 541	26.8
Male	2 172	20.8	2 249	21.5	2 405	21.6	3 028	22.6	2 959	22.4
Female	496	4.7	479	4.6	497	4.5	595	4.4	582	4.4

¹ The sum does not add up, as the numbers are rounded.

✓ I NUMBER OF INCIDENTS OF DISCRIMINATION

	Total 2024	2023	2022	2021	2020
Total number of incidents of discrimination during the reporting period	0	0	0	0	0

✓ I BREAKDOWN OF EMPLOYEES BY NATIONALITY

Nationality	2024		2023		2022		2021		2020	
	FTEs	Percent	FTEs	Percent	FTEs	Percent	FTEs	Percent	FTEs	Percent
German	2 707	25.9	2 835	27.1	3 044	27.3	3 922	29.3	4 023	30.4
Indian	1 221	11.7	1 252	12.0	1 212	10.9	1 688	12.6	1 517	11.5
Chinese	1 086	10.4	1 002	9.6	1 019	9.1	1 081	8.1	1 031	7.8
Brazilian	795	7.6	798	7.6	894	8.0	1 053	7.9	981	7.4
Indonesian	547	5.2	571	5.5	593	5.3	618	4.6	620	4.7
Mexican	375	3.6	364	3.5	357	3.2	535	4.0	521	3.9
Spanish	318	3.0	317	3.0	314	2.8	314	2.3	310	2.3
Polish	285	2.7	266	2.5	288	2.6	276	2.1	283	2.1
Turkish	248	2.4	243	2.3	255	2.3	290	2.2	283	2.1
French	215	2.1	141	1.3	155	1.4	161	1.2	167	1.3
Japanese	191	1.8	190	1.8	194	1.7	258	1.9	260	2.0
Colombian	175	1.7	174	1.7	189	1.7	191	1.4	183	1.4
Argentinian	145	1.4	146	1.4	171	1.5	186	1.4	191	1.4
Italian	121	1.2	119	1.1	125	1.1	137	1.0	140	1.1
South African	105	1.0	102	1.0	118	1.1	139	1.0	142	1.1
Swiss	89	0.8	95	0.9	120	1.1	137	1.0	141	1.1
Peruvian	83	0.8	75	0.7	75	0.7	77	0.6	76	0.6
Others (incl. North America, for whom no nationality data is recorded)	1 758	16.8	1 791	17.1	2 027	18.2	2 313	17.3	2 369	17.9

¹ Numbers below 1.0 % threshold

✓ I DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

	Total 2024	2023	2022	2021	2020
Percentage of individuals within the Board of Directors (%)					
Male	73	64	64	73	75
Female	27	36	36	27	25
30–50	0	0	0	9	8
Over 50	100	100	100	91	92

✓ I MANAGEMENT FUNCTIONS

	Total 2024	2023	2022	2021	2020
Total Management functions (in FTEs)	605	573	585	676	691¹
Male	459	450	477	569	575
Female	146	123	108	107	115
Senior Management functions (in FTEs)²	146	146	168	190	196
Male	117	122	144	171	177
Female	29	24	24	19	19
Junior Management functions (in FTEs)³	459	428	417	486	495¹
Male	342	328	333	398	398
Female	117	99	84	88	96

¹ The sum does not add up as the numbers are rounded.

² Clariant uses "top management" and "senior management" synonymously, and defines this level as including the CEO, the Executive Steering Committee, and the top four levels (based on grading) below the supervisory and administrative bodies. This definition was also applied in previous reports and allows for comparability over time. FTE-values for 2024 are identical with headcount-values. Therefore, the ratio of female to male employees in senior management in 2024 is 20% to 80%.

³ Management Level 5

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES (IROS) RELATED TO WORKERS IN THE VALUE CHAIN: IRO-1

Description + corresponding ESRS-sub-sub topic or sub-topic + corresponding sub-chapter(s)	Type (Actual/potential, positive/negative, impact/risk / opportunity)	Value Chain Location			Time Horizon		
		Upstream	Own ops.	Downstream	Short-term	Medium-term	Long-term
Increased health risks from inadequate safety measures in sourcing countries	Potential negative impact	■			■	■	■

ESRS S2: Workers in the Value Chain

Summarized by Clarita^{AI}

- + In 2024, Clariant established a Human Rights Committee and implemented comprehensive supplier monitoring, with 82 % of active suppliers undergoing ESG assessments.
- + The company achieved strong supplier sustainability performance, with only 4 % scoring below expectations and 63 % showing improvement in reassessments.
- + No human rights violations or child labor incidents were reported in 2024, and Clariant maintained a high EcoVadis score of 78/100, with 90/100 in sustainable procurement.

S2 Workers in the Value Chain

Sub-Topic Working Conditions

Sub-Sub-Topic Health & Safety + Sub-Sub-Topic Human Rights

ESRS 2 SBM-3 Material impacts, risks, and opportunities and their interaction with strategy and business model (GRI 3-3)

»Working conditions in the value chain« and the sub-topics corresponding to sub-sub-topics »health and safety« as well as »human rights« are material topics for Clariant. Therefore, Clariant takes an active approach to the management of supply chain topics and issues. All workers of tier-1 suppliers who provide raw materials, especially in production, or services like maintenance work could be materially impacted. The types of tier-1 workers affected by material IROs are:

i. workers working on the undertaking site but who are not part of Clariant's own workforce, i.e., who are not self-employed workers or are not workers provided by third-party undertakings primarily engaged in employment activities (covered through ESRS S1)

ii. workers working for entities in Clariant's upstream value chain (e.g., those involved in the extraction of metals or minerals or harvesting of commodities, in refining, manufacturing, or other forms of processing)

Disruption risks related to supply chain and how Clariant deals with these risks

Aside from managing persistent turbulences (see description of risk management below), Clariant proactively took care in 2024 to prepare its supply chain for the future by anticipating bottlenecks and choosing its suppliers accordingly.

Long-established local and regional supply bases help Clariant mitigate disruption risks. In 2024, this network once again proved itself to be valuable in dealing with geopolitical issues, trade disputes, factory shutdowns, and blocked traffic routes. In addition, Clariant's procurement managers continuously review and adapt supply strategies. Further priorities include increasing transparency through digital applications, for example, by tracking Scope 3 emissions and being able to illustrate how raw material issues affect the production of finished goods to see the sales at risk.

Supply risk evaluation is an integral part of Clariant's supply strategy. Therefore, its supply chain setup includes redundant sourcing, a notification system for crucial events, regular tracking of open orders, constant contact with its suppliers, emergency team meetings to define mitigation measures, cross-functional cooperation, and supply contracts to secure favorable prices.

Description of the IROs (GRI 414-2)

Clariant aims to cooperate with suppliers that strive to reduce their GHG emissions and provide emergency schemes for extreme weather events. At the same time, Clariant is committed to doing business with respect for human rights and health and safety issues. It recognizes its responsibility to promote respect for human rights, including prohibitions on child labor, throughout the supply chain. The company expects all its suppliers and business partners to comply with internationally recognized human and labor rights standards.

Clariant expects suppliers, business partners, and their contractors to fully endorse the principles of the Supplier Code of Ethics and to join Clariant in reducing negative environmental and social impacts. This goal is achieved by evaluating and continuously improving the sustainability performance and increasing the ESG resilience of our supply chain through our membership in the Together for Sustainability Initiative.

The impacts are both widespread and systemic in specific contexts but can also be related to individual incidents (e.g., oil spill, blast, fire, etc.). The objective is to drive more efficient improvements across supply chains and create a greater impact.

S2-1 – Policies related to the value chain and its workers

A priority for Clariant is to build a resilient supply chain that ensures business continuity. Systematically integrating sustainability practices will remain on the front burner for Clariant. In an increasingly unpredictable environment, Clariant does not maintain a static position. The company is determined to further strengthen its position by securing customer supply and balancing the interests of customers and consumers with the demands for low-carbon materials and products.

Clariant incorporates sustainability standards into its procurement practices and demands transparency from its direct (raw material) suppliers and (all other) indirect suppliers on various topics such as environment, labor and human rights, ethics, and sustainable procurement practices. Considering the impact of changing legislation on due diligence in supply chains regarding human and labor rights has been a focus in 2024 and will require further analysis and actions in the future. In 2024, Clariant also further increased transparency regarding spend coverage and reduced risk exposure.

Management approach to the supply chain

The highest level of responsibility of Supply Chain Management lies with the Chief Procurement Officer (CPO), who reports to the Chief Corporate Development Officer, a member of the Executive Leadership Team. He is also the most senior role with operational responsibility for gaining insights into the perspectives of value chain workers and for implementing the SCoE.

The Supplier Sustainability & Climate Initiatives team is responsible for setting the sustainable procurement strategy and implementing supplier sustainability projects globally. The team reports to the Head of Supplier Sustainability & Climate Initiatives, who is a member of the Procurement leadership team and reports directly to the Head of Procurement. The team includes regional sustainability specialists for EMEA, Asia-Pacific, and the Americas.

Global procurement risk responsibility lies with Clariant's Supply Risk Management, which, being part of the Procurement leadership team, reports to the Head of Center of Expertise. It develops and deploys Clariant's strategy for supply risk management and supports both the direct and indirect spend category and procurement managers within Global Function Procurement as well as Global Business Services, the business units, and other function units in reducing their risk exposure. Supply strategies are aligned with each business unit.

Proportion of spending on local suppliers

Whenever possible, Clariant procures goods and services from local suppliers that fulfill all procurement criteria. Supporting regional economic development in this way is particularly relevant for – and encouraged in – key emerging markets such as Brazil, China, and India. Clariant defines local suppliers as suppliers based in the same country or region where it uses the materials and services.

Human Rights Policy as a safeguard for health and safety of value chain workers

Occupational health and safety in the value chain, social responsibility, and human rights are highly relevant topics for Clariant. They are addressed in Clariant's Supplier Code of Ethics and key sustainability initiatives, among other areas.

Over the years, Clariant has built a comprehensive framework of policies, guidelines, and processes to identify and address potential negative human rights impacts, including impacts on labor rights. This framework contributes to the overall health and safety of value chain workers. The Clariant Group Human Rights Policy forms the basis for the integration of human rights considerations into relevant functions and processes across the business. To support the implementation of the Human Rights Policy, the company reviews and further develops comprehensive internal guidelines and defines key roles, functional responsibilities and processes to identify, assess, and mitigate human rights risks.

The Human Rights Policy is publicly available, sets out the company's overall commitment and outlines the core human rights standards and expectations Clariant has established for its employees, suppliers, contractors, and business partners. In 2023, Clariant conducted a thorough evaluation of its Human Rights Policy and governance structure with the support of external human rights experts. Building on a comprehensive mapping and assessment of Clariant's existing management systems and processes, this evaluation included reviewing and assigning roles and responsibilities for human rights due diligence across Clariant's own operations and its supply chain, as well as further strengthening monitoring

systems and indicators. In this context, the company established a cross-functional Human Rights Committee, responsible for the coordination and oversight of all human rights-related activities, which was implemented in 2024.

The Human Rights Policy outlines the following commitments relevant to health and safety for value chain workers:

- Protecting the safety, health, and well-being of workers
- Promoting health and safety values, including standards to maintain an injury-free workplace
- Expecting suppliers to apply internationally accepted standards such as the ISO Occupational Health and Safety Guidelines

Furthermore, as stated in the Human Rights Policy and Supplier Code of Ethics, Clariant prohibits all forms of child and forced labor in its value chain and respects the rights of children. It expressly acknowledges International Labour Organization (ILO) Conventions 138 (Minimum Age Convention) and 182 (Worst Forms of Child Labor Convention) as the minimum standard.

Supplier Code of Ethics

Clariant's suppliers play an integral role in its overall sustainability strategy, which includes respect for human rights as a precondition toward workers' health and safety. Based on the values expressed in the Human Rights Policy and the Code of Ethics, Clariant's **Supplier Code of Ethics (SCoE)** of January 2023 sets out the ethical, environmental, human, and labor rights standards Clariant expects its suppliers to meet, including those related to occupational health and safety, freedom of association, fair treatment, and other relevant human and labor rights. Regarding child and forced labor, the SCoE sets out Clariant's expectation that suppliers avoid all use of child and forced labor and act in line with the principles set out in relevant ILO Conventions and national law.

The SCoE also requires suppliers to uphold the same standards in their own supply chains. It is publicly available on Clariant's website and communicated to new suppliers as part of their onboarding. It refers to Clariant's Integrity Line as a key channel for supply chain grievances or concerns, including in relation to human rights. For relevant new and/or renewed supply agreements, the supplier is asked to sign the SCoE as a standard process. Furthermore, Clariant's General Contract Terms and General Terms and Conditions of purchases also request adherence to the SCoE, including explicit reference to ILO Conventions 138 and 182. The SCoE is available in 16 different languages.

The Human Rights Policy as well as the SCoE reflects – and thus Clariant expects its suppliers to apply – internationally accepted standards such as the principles of the UN Global Compact initiative, the UN Guiding Principles on Business and Human Rights, the International Bill of Rights, the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the global chemical industry's Responsible Care® initiative, the OECD Conflict Minerals Guidance, the OECD Guidelines for Multi-National Enterprises, the ISO Occupational Health and Safety Guidelines, and Clariant's Policy Statement on Human Rights.

The SCoE's key provisions are:

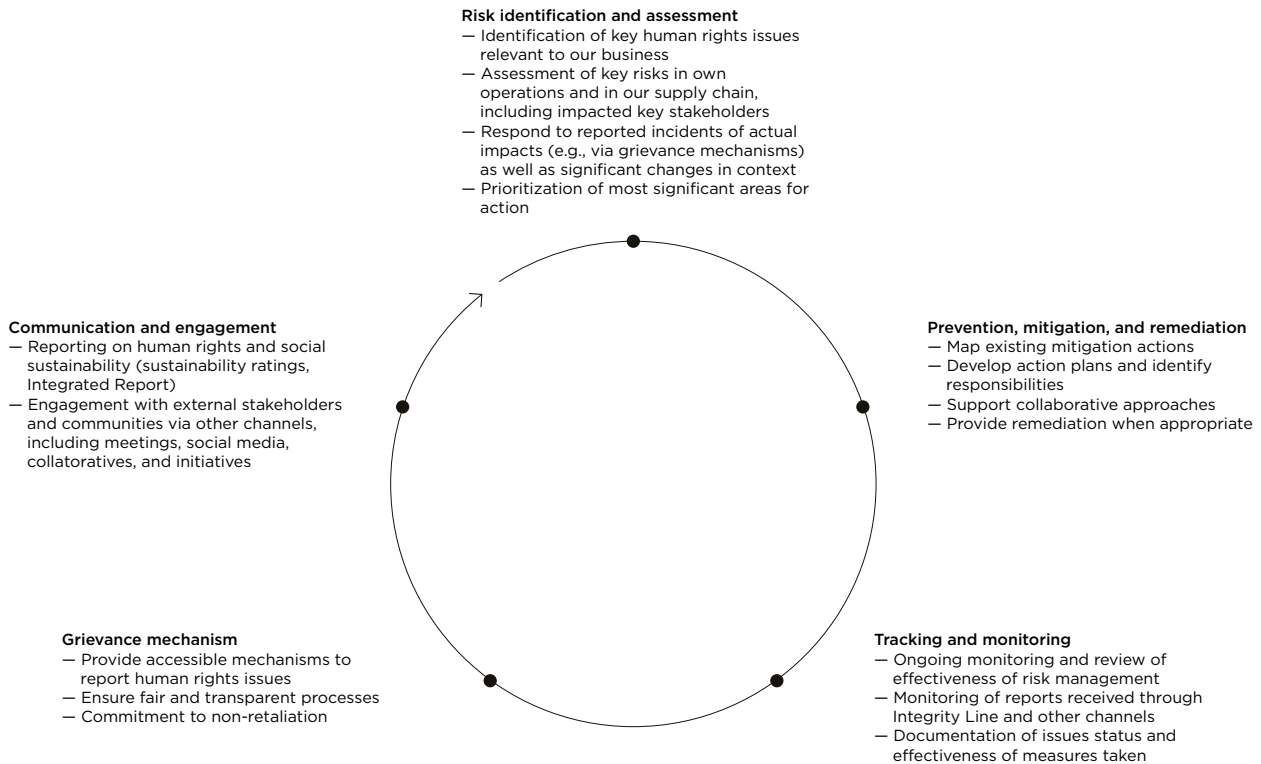
- Compliance with all relevant laws and regulations
- Respect for human rights, including prohibitions on child labor, forced labor, and discrimination
- Creation of a safe and healthy workplace for employees
- Responsible management of environmental impacts, resource efficiency, reduction of waste and emissions
- Anti-corruption and anti-bribery practices
- Protection of intellectual property rights
- Responsible sourcing of raw materials and conflict minerals

Based on prioritizations according to risk assessments and criticality, through Tfs audits and assessments, Clariant monitors and audits suppliers to check if and how they comply with the ESG standards also covered by Clariant's SCoE. Violations of the SCoE may lead to termination of the business relationship.

International collaboration for occupational health and safety

Clariant strongly supports collaborative initiatives and policies aimed at promoting respect for human rights across the industry. The company is a signatory of the UN Global Compact and the chemical industry's Responsible Care® initiative, and a member of the Roundtable on Sustainable Palm Oil (RSPO) and the Together for Sustainability (TfS) initiative. TfS is a nonprofit organization and joint initiative of chemical companies focusing on the promotion of sustainability practices and global standards for environmental, social, and governance performance in the chemical industry's supply chain.

KEY ELEMENTS OF THE HUMAN RIGHTS DUE DILIGENCE PROCESS



Through RSPO and TfS, Clariant directly mitigates potential social and human rights issues:

- Protecting the health, safety, and life of its employees and implementing strict policies on workplace safety
- Working actively on identifying and adjusting unsafe practices
- Promoting human and labor rights and compliance with the law and business ethics
- Continuously developing workplace conditions toward a healthy and safe environment that has enough restrooms, access to food, potable drinking water, adequate lighting, safe temperatures, ventilation, sanitation, and safe and healthy company premises and working environments
- Ensuring workers are protected from chemical, biological, and physical hazards, as well as physically demanding tasks and conditions (including cold or high temperature in the workplace), by assessing exposure in an adequate Job Safety Analysis (JSA)
- Remediating the gaps, if identified; similar protection will be applied in any company-provided living quarters

S2-2 – Processes for engaging with value chain workers about impacts

Clariant acknowledges that many human rights challenges may be outside its direct control or of a systemic nature. In such instances, the company seeks to use its leverage or collaborate with others, particularly its direct suppliers, as well as other industry stakeholders, to support solutions. However, there is no direct engagement with value chain workers outside the »Integrity Line« reporting channel described below.

S2-3 – Processes to remediate negative impacts; channels for value chain workers to raise concerns (GRI 414-2)

Clariant's commitment to respecting human rights and their impact on occupational health and safety in the value chain is integrated into its operations and decision-making processes. Management and monitoring systems and processes enable the company to detect potential human rights concerns in the value chain so they can be effectively addressed and mitigated.

Human rights due diligence

Human rights due diligence is an ongoing process through which Clariant identifies and manages actual and potential adverse impacts on human rights, including the impairment of health and safety or the use of child labor, associated with its business activities and relationships in the value chain. The figure → **»Key Elements of the Human Rights Due Diligence Process«** depicts the process's key elements.

In this process, key functions within Clariant identify, assess, and address potential human rights risks, including health and safety risks, concerning the company's supply chains. When undertaking due diligence, Clariant relies on key information, such as data gathered by the various functions; supplier assessments; insights from reports received via its grievance mechanism; external expertise, including that of international organizations, nongovernmental organizations, experts, and relevant stakeholders, including rightsholders. Clariant prioritizes identified human rights risks, considering the likelihood and severity of adverse impacts, and determines appropriate prevention and mitigation actions while establishing clear responsibilities and monitoring systems.

Clariant remains committed to continuously enhancing its approach while considering its sustainability objectives, strategy, external expectations, and new human rights due diligence legal requirements across several jurisdictions. In the same vein, Clariant seeks to continuously improve its human rights due diligence.

In 2024, Clariant established a cross-functional Human Rights Committee, responsible for the coordination and oversight of all human rights-related activities. It consists of the main company functions responsible for human rights due diligence across Clariant's supply chain, including Human Resources, Procurement, Health and Safety, Legal and Compliance, and Sustainability. It regularly reviews Clariant's human rights due diligence process in light of existing and new regulations, such as human rights-related reporting and due diligence obligations in Switzerland (Konzernverantwortungsinitiative, KVI), the Norwegian Transparency Act, and the German Supply Chain Act (Lieferkettensorgfaltspflichtengesetz, LkSG), and ensures that human rights considerations are integrated into all relevant management systems and processes. The committee met quarterly throughout 2024.

Integrity Line

To enable all internal and external stakeholders to bring to Clariant's attention any concerns they may have, the company established the Clariant Integrity Line (IL) and closely monitors reports received. This Integrity Line is open to anyone wishing to report an actual or suspected breach of Clariant's Code of Ethics and policies without retaliation. Since 2023, Clariant has strengthened the effectiveness of the Integrity Line from a human rights perspective, for instance, by ensuring transparency about the types of issues that can be raised and about how concerns will be investigated. See the chapter → **»Own Workforce«** for more information on Clariant's Integrity Line.

In its Supplier Code of Ethics, Clariant explicitly encourages its suppliers and their workers to make use of the Integrity Line for asking questions or making reports while having the option to remain anonymous. All cases are registered in the IL Case Management Tool. If reported outside IL, the case will be registered by Management or Compliance. The case gets assigned through IL to the Case Manager (CM) of the respective function. A retaliation check has been activated, which allows reporters to inform about potential retaliation.

Supplier reliability evaluation

Clariant measures and manages the individual performance and behavior of its most relevant suppliers, outsourcing partners, and service providers. It considers country, business and ESG risks, global category priorities, spending, and purchase volumes. In 2024, it implemented a new Supplier Life Cycle Management tool (SLM tool) for this purpose. The tool is the front-end solution (entry gate) of Clariant's supplier base and allows for transparency around supplier segmentation, a 360° view of business relationships, and performance measurement. Part of the implementation also considers the monitoring process for action plans and related reporting.

The tool allows for comprehensive insights into Clariant's key supplier base. Based on the overall score, the company triggers actions for suppliers and supports strategic suppliers that outperform their peers in this assessment. The scoring method for the overall score of the annual performance is as follows:

- Scores ≥80%: no actions
- Scores 66-79%: corrective action is optional
- Scores ≤65%: corrective action is mandatory

The Supply Risk Manager stores and monitors the scores and corrective actions for each evaluated supplier.

Supplier ESG evaluation

Clariant makes sustainability an integral part of supplier selection and management. It actively measures the ESG performance of its suppliers in order to identify improvement opportunities. Clariant selects suppliers for participation in its evaluation depending on the severity and likelihood of potential sustainability impacts.

Outsourcing the assessment of its suppliers' ESG risk profile and sustainability performance to external providers guarantees process robustness, independence, confidentiality, and conformity with antitrust and competition laws. Therefore, Clariant relies on TfS/EcoVadis assessments by sustainability ratings provider EcoVadis as well as TfS audits conducted by approved external auditors. These identify risks by leveraging a combination of data inputs, such as supplier self-assessment questionnaires, data collected by audits, and historical performance analysis.

The EcoVadis questionnaire also contains a specific section for child and forced labor, where suppliers need to state and provide documented evidence of whether they have public commitments, a grievance mechanism, and processes for age verification in place, and whether they carry out measures such as trainings or engagement with multistakeholder groups to address child labor, forced labor, and/or human trafficking issues.

In addition to EcoVadis, Clariant considers TfS audits, Responsible Care® audits, the Sedex Members Ethical Trade Audit (SMETA), the Chemical Road Safety Assessment System (CRSAS), and the Cefic Safety and Quality Assessment for Sustainability (SQAS). For palm oil, which is particularly vulnerable to ESG risks, Clariant works directly with the Earthworm NGO for identification of cases.

If a TfS/EcoVadis assessment yields an unsatisfactory result <45, Clariant expects the supplier to work on a corrective action plan (CAP) and demonstrate improvements in the next reassessment in accordance with TfS standards. CAPs outline Clariant's sustain-

ability, health, and safety expectations of suppliers and indicate how suppliers can improve their performance. Depending on the TfS scores, CAPs can be recommended or mandatory. They can also be limited to particularly critical topics such as environmental policy, diversity, anti-discrimination measures, and labor and human rights. In addition, suppliers needing improvements can take human rights courses through the TfS Academy.

Through the TfS initiative, Clariant also has online access to many assessment scorecards and audit reports generated on behalf of other TfS members. In addition to an overall score, they contain individual scores for environmental topics, labor and human rights, ethics, and sustainable procurement. Furthermore, they provide detailed feedback on specific improvement areas and guidance on where and how to address the identified gaps.

NEGATIVE ENVIRONMENTAL AND SOCIAL IMPACTS IN THE SUPPLY CHAIN

	Total 2024	2023	2022	2021	2020
Number of suppliers assessed for environmental impacts	4 947	4 796	4 242	4 876	4 205
Number of suppliers identified as having actual or potential significant negative environmental impacts	352	360	400	524	472
Percentage of suppliers identified as having actual or potential significant negative environmental impacts and with whom improvements were agreed upon as a result of assessment	31	41	44	13	14
Number of suppliers assessed for social impacts	4 947	4 796	4 242	4 876	4 205
Number of suppliers identified as having actual or potential significant negative social impacts	220	234	242	357	342
Percentage of suppliers identified as having actual or potential significant negative social impacts and with whom improvements were agreed upon as a result of assessment	35	44	47	9	14

PERCENTAGE OF SUPPLIERS ASSESSED VIA ECOVADIS

	Total 2024	2023	2022	2021	2020
Percentage of direct spend for raw materials from suppliers covered by shared sustainability ratings (EcoVadis)	92	91	89	87	84

Main performance indicators

Integrity Next self-assessment for new suppliers (GRI 414-1)

Given that not all suppliers are suitable for the rigorous and resource-demanding EcoVadis assessment due to size or spend, Integrity Next represents another solution for gaining traceability and transparency with respect to suppliers' activities. With exceptions (see below), new suppliers are required to fill in the Integrity Next Self-Assessment form, which covers sustainability and human rights as well as other topics such as cybersecurity and sanctions lists. Suppliers are expected to reach at least the »satisfactory« or »green« level in their Integrity Next self-assessment to be registered as a new vendor with Clariant.

The following vendors are exempt from an Integrity Next Self-Assessment:

- one-time vendors
- vendor types such as governmental institutions, banks, NGOs, law firms, patent/certification bodies, educational and research facilities, insurance brokers
- suppliers registered on the EcoVadis platform (and present on an EcoVadis target list)

Responsible Sourcing program

Clariant addresses key supply chain ESG risks connected to the geographic origin and industry nature of specific raw materials. Depending on the nature of the identified risk, the response can include supplier assessments or audits, supplier and internal trainings, direct engagement with suppliers, collaboration with peers and industry initiatives, sourcing from certified sources, or efforts to increase visibility and transparency in the supply chain.

For this purpose, Clariant engages with several raw material suppliers to gain a better understanding of the provenance of sourced materials and potential exposure to child labor risk. Clariant is also a member of the Action for Sustainable Derivatives (ASD). Its goal is to increase the transparency of the global derivatives supply chain, collectively monitor risks and activities with direct and indirect suppliers, address grievances in the supply chain, and implement collective action projects to address social and environmental issues on the ground (read more in the chapter on biodiversity).

As an excellent-scoring Round Table on Sustainable Palm Oil (RSPO) member, Clariant commits to sustainable palm oil sourcing, which includes social responsibility across plantations, smallholder inclusion, and the reduction of labor human rights risks, among others. Regarding palm oil-based raw materials, Clariant follows a sustainable palm oil sourcing roadmap, performing a comprehensive analysis of environmental and social sustainability aspects regarding palm-based raw materials, intensifying collaboration with suppliers to increase transparency in the palm oil value chain, and engaging in multistakeholder initiatives (read more in the chapter on biodiversity).

FEATURED STORY



Credits that count: Small farmers, big impact

Palm oil smallholders, who manage modest-sized farms often passed down through generations, face significant challenges in today's complex market. Despite producing about 40% of the world's palm oil, these farmers frequently struggle with limited resources, lack of access to sustainable certification programs, and difficulty getting fair prices for their crops. Many remain trapped in a cycle of unsustainable practices, unable to invest in the improvements needed for both environmental protection and better livelihoods.

Clariant is a member of the Roundtable on Sustainable Palm Oil (RSPO). This global non-profit organization has established an online platform where companies purchase credits that directly support certified sustainable palm oil producers. Each credit represents one ton of sustainably produced palm oil, with the payment going straight to the smallholders, who meet strict environmental and social standards. Clariant's Business Unit Care Chemicals demonstrated this commitment by purchasing over 8 000 credits last year.

This innovative credit system is just one part of Clariant's comprehensive approach to sustainable palm oil sourcing, where partnerships continue to drive positive change throughout the industry.

[Learn more](#)

Embedding sustainability considerations in investment agreements and contracts

Investments are subject to Clariant's internal capital appropriation request process, and approvals are granted according to the Management Bylaws. Significant investments are subject to the approval of the Executive Steering Committee or its respective subcommittees and take into consideration financial, strategic, and sustainability criteria.

S2-4 – Taking action with respect to material impacts on value chain workers (GRI 414-2)

Through the Supplier Sustainability & Climate Initiatives team, Clariant has made it a priority to integrate sustainability actions into procurement processes and its global supply chain.

N-Tier involvement

Suppliers need to make sure their own supply chains follow sustainability principles as well. Therefore, in 2022, Clariant engaged in an N-Tier case study with TfS to enhance the visibility of 2-Tier suppliers' performance on EcoVadis. Based on this study, the company continuously collaborates with its suppliers to encourage and incentivize tracking and transparency throughout their own supply chains.

Procurement-specific sustainability trainings

- Clariant Global Function Procurement (GFP) organized procurement-specific internal training sessions in 2024. These sessions focused on instructing employees on how to evaluate performance in the supply chain adequately and incorporate sustainability aspects into purchasing decisions. The training sessions also covered Environmental, Social, and Governance (ESG) topics and Scope 3 emissions. New employees in Procurement received specialized training and support material, which included information on terms and conditions, procurement policy, relevant tools and dashboards, and an introduction to Together for Sustainability (TfS).

Supplier training

Clariant Procurement also provided key suppliers with free training sessions, webinars, and materials. They covered a variety of topics, including the TfS assessment and reassessment process, improving sustainability performance, and working on CAPs. Clariant's suppliers were invited to participate in webinars and training sessions at the TfS Academy, which offers several function-specific training sessions to its members, including training sessions related to the social dimension of the EcoVadis assessment, covering topics such as labor and human rights.

Actions concerning working conditions in Clariant's supply chain

Clariant's Procurement organization and Responsible Sourcing program play a central role in ensuring the application of the Supplier Code of Ethics in practice, including in relation to child labor.

In 2024, Clariant focused on implementing its human rights due diligence framework. It considered high and very high human-rights-risk suppliers with relevant business relationships for a targeted supplier list and invited them to a reassessment according to its consequence management framework and supplier sustainability journey.

(GRI 414-1) Furthermore, it rolled out IQ plus by EcoVadis, a tool for automated risk management across its supply chain. The tool enables geography- and industry-specific risk assessments and complements the 2023 human rights and child labor risk assessment. It enhances Clariant's understanding of drivers of potential risks, for example, key raw material and agricultural supply chains or contexts of weak governance. The tool prioritized relevant suppliers with very high and high IQ plus risk assessment.

As part of its overall human rights due diligence, Clariant continued to develop and enhance its approach to child labor in 2024. If it becomes aware of incidents of child labor at one of its suppliers, for example, through a report via the Integrity Line, it will take appropriate action to investigate the issue and support a resolution.

Disclosure of severe human rights issues and incidents connected to upstream and downstream value chain (S2-4-36)
In 2024, Clariant was not aware of any reported instances of child labor among its direct suppliers. There were no reports concerning child labor or forced labor made through the Integrity Line and no reasonable grounds to suspect child labor as to the reporting requirements of the Ordinance on Due Diligence on Child Labor, Article 964 j-k Section 3.

Furthermore, Clariant's procurement analysis in relation to minerals and metals from conflict-affected and high-risk areas and in relation to child labor showed that it does not import or process conflict minerals in quantities exceeding the thresholds set by the reporting requirements of the Ordinance on Due Diligence and Transparency Regarding Minerals and Metals from Conflict Areas and Child Labor, Article 964 j-k Section 2 art 3 or EU Regulation 2017/821 of the European Parliament and of the Council 02017R0821-EN-19.11.2020-001.001-1.

S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

In line with customer and consumer interests, Clariant aims to continuously increase the share of suppliers joining its supplier sustainability program and the share of low-carbon and renewable raw materials sourced. In its Procurement Sustainability Roadmap, the company defines the following indicators:

- spend covered by sustainability assessments or audits
- spend with risk suppliers (ESG score below 45)
- number of new sustainability assessments (EcoVadis) generated
- number of new sustainability audits generated
- number of suppliers that have improved from one assessment or audit to the next
- risk score (suppliers <45)

Clariant continuously enhances the breadth and depth of its Procurement Sustainability Roadmap. It sets annual targets for supply chain sustainability and Scope 3 GHG reductions and tracks them monthly in the Procurement Leadership Team (PLT) committee meetings.

Metrics

Raw Material Spend Data

With 71 production sites strategically located across 25 countries, Clariant maintains a robust and sustainable supply chain network.

Supplier trainings

In 2024, Clariant invited suppliers in Europe, the Middle East, Africa, India, the Asia-Pacific region, North America, and Latin America to participate in multiple trainings and webinars facilitated by TfS. They emphasized the importance of sustainable procurement and helped suppliers understand the TfS requirements and opportunities, as well as the EcoVadis methodology, so that they could further improve their assessment scores. More than 990 participants in total attended twelve TfS/EcoVadis webinars in five languages. In addition, 1 168 participants in total attended six webinars around decarbonization.

Internal trainings

In 2024, Global Function Procurement organized five trainings and 22 regional best-practice exchange sessions mainly for procurement managers, the corporate sustainability team, and sustainability experts from business units. Clariant employees completed an additional 89 sustainability training courses in the TfS Academy on-demand program mainly on Scope 3 greenhouse gas emissions. By the end of the reporting year, 87% of procurement employees had been trained in sustainability-related topics.

RAW MATERIAL PROCUREMENT

	Total 2024	2023	2022	2021	2020
Raw materials procured (in m t)	2.96	2.81	3.50	3.67	2.92
Percentage of the procurement budget that is used for significant locations of operation and spent on suppliers local to that operation (%)⁵	92.6	92.2	89.3	87.1	87.6
APAC (in CHF m)	317	332	376	501	426
Of which with local suppliers (in CHF m) ²	308	325	367	476	405
Number of local suppliers ³	717	693	679	1 422	2 296
EMEA (in CHF m)	738	837	1 236	1 309	1 084
Of which with local suppliers (in CHF m) ²	685	777	1 101	1 122	946
Number of local suppliers ³	599	707	829	964	1 732
Americas (in CHF m)	399	488	646	542	518
Of which with local suppliers (in CHF m) ²	354	427	548	449	425
Number of local suppliers ³	653	728	778	1 253	1 992
Grand Total (in CHF m)	1 455	1 657	2 258	2 352	2 027
Of which with local suppliers (in CHF m) ²	1 347	1 529	2 016	2 048	1 777
Number of local suppliers ³	1 969	2 128	2 286	3 639	6 020

¹ Duplicate counts possible. One supplier may supply to continuing and discontinued operations.

² Raw material spending of Clariant production sites in this region

³ Regional suppliers that supplied Clariant (production) sites

⁴ Continuing operations only

⁵ All locations are considered significant

RAW MATERIAL CLASSIFICATION

	2024	2023	2022	2021	2020
Raw material classification¹					
Fossil-based raw materials	32.6	26.1	15.9	17.1	20.2
Inorganics and minerals	63.5	43.8	26.6	32.8	19.3
Renewable biobased raw materials	3.0	5.2	4.1	4.5	6.6

¹ Materials listed are used to produce Clariant's products. Fossil-based, inorganic, and mineral materials are considered non-renewable. In 2024, Clariant revised the classification of its raw materials. The category "raw materials from crude oil" was expanded to include all "fossil-based raw materials"; the category "natural raw materials" was renamed "inorganics and minerals" and includes bentonites and clays, inorganic compounds, gases and metals; the category "renewable raw materials" was renamed to "renewable biobased materials" to specify the alternative feedstock origin.

Supplier performance

In 2024, TFS members initiated 1 309 new supplier assessments and 9 219 reassessments, 65% of which resulted in improved scores. At the end of the year, the TFS pool included 20 634 actively managed assessments. The number of new audits among TFS members amounted to 596. Clariant correlates these assessments and audits against its supplier base to determine the share of total spend covered by TFS assessments, which in 2024 amounted to 92%.

Clariant itself received a score of 78/100 for its own EcoVadis assessment in 2024. The company scored high in sustainable procurement (90/100 points), which acknowledges its advanced sustainability system of supply chain management.

Of Clariant's active suppliers, 4 947 performed an EcoVadis assessment or TFS audit, including an assessment of their labor and human rights management systems and practices. The overall spend coverage was 82%. This means that EcoVadis assessments and TFS audits had a 92% spend coverage for direct spend, with an average score of 64.9 for the labor and human rights category. For indirect spend, the spend coverage was 67% with an average score of 63.5 for this category. The percentage of suppliers with an overall EcoVadis score below Clariant's expectations was below 4%. Of reassessed suppliers, 63% improved their score.

Of the 352 suppliers identified with a significant negative sustainability impact, 31.3% followed a CAP in 2024 (including CAPs implemented in 2024 but discussed and agreed upon in previous years). Their negative impacts were mostly related to weaknesses in their sustainability management systems, such as lack of measures in employee health and safety, limited reporting on environment or labor and human rights, and missing sustainable procurement policies. These suppliers were mainly located in Asia, North America, and Latin America. In 2024, five business relationships with suppliers were terminated due to an inadequate sustainability assessment, as Clariant focused on collaborating with its suppliers to close the gaps.

There were no reported cases of noncompliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises that involved value chain workers in 2024.

In 2024, Clariant started business with 118 direct spend (raw material) suppliers, of which 50% completed an ESG assessment (in EcoVadis or Integrity Next). Out of them, 86% scored green in the IntegrityNext Labor & Human Rights category or >45 points in EcoVadis.

ESRS S4: Customer Relationships and Dialogue

Summarized by Clarita^{AI}

- + Clariant focuses on building strong customer relationships by openly communicating, integrating sustainability into products, collaborating on sustainable solutions, and continuously improving engagement.
- + Clariant has launched digital platforms like CLARITY™, ClariHub, and Clarita Sales Assistant to enhance real-time data exchange, collaboration, and tailored solutions for customers.
- + Clariant regularly assesses customer satisfaction through surveys and has received recognition from customers for its outstanding performance, innovation, sustainability efforts, and operational excellence.

Introduction

Strong customer relationships and open dialogue are fundamental to building trust, fostering collaboration, and driving mutual success. In today's fast-changing landscape, characterized by evolving consumer preferences, resource challenges, and tightening regulations, maintaining active communication with customers is critical for aligning business strategies with market demands. Companies that prioritize constructive engagement are better positioned to address customer needs, create value, and establish durable partnerships.

At Clariant, developing and nurturing strong customer relationships is a central priority. The company's proactive approach ensures it stays ahead of shifting consumer expectations, resource dynamics, and regulatory changes. By closely engaging with customers, Clariant aligns its offerings with their evolving interests and needs, providing tailored solutions that help them achieve their goals.

Mutual trust and constructive collaboration are at the heart of Clariant's customer relationships. These partnerships are viewed as vital across the entire value chain, from sourcing raw materials to delivering sustainable innovations to end consumers. This helps Clariant to create long-term value and underscore its commitment to sustainable and mutually beneficial growth.

IRO-1 – Description of the processes to identify and assess material customer relationships and dialogue-related impacts, risks, and opportunities

A comprehensive double materiality analysis (DMA) was conducted as part of Clariant's ongoing commitment to sustainability. Please refer to the → »General Disclosures« chapter for details. The assessment identified the opportunity »stronger brand image and customer relationships« as relevant for customer dialogue at Clariant. Considering the company's B2B activities, there are information-related risks for Clariant's consumers and end users. The company processes all publicly available personal data, such as email addresses, concerning the relevant data subjects.

CUSTOMER APPROACH ANCHORED IN VALUES



Description of the IROs

Opportunity (downstream). *Active portfolio communication builds trust and strengthens customer relationships:* Clariant can deepen customer engagement by actively sharing comprehensive information about its portfolio, including key sustainability initiatives like the Portfolio Value Program (PVP), EcoTain™, and (e) SDS. This proactive communication can involve highlighting the environmental, social, and performance benefits of its products, as well as offering transparency regarding safety, compliance, and lifecycle impacts.

By positioning its portfolio as a solution to customer challenges, particularly in the context of sustainability and regulatory requirements, Clariant can align its offerings with evolving market expectations. This strategy allows customers to better understand the value of Clariant's products and enhances collaboration opportunities, enabling the co-creation of tailored solutions that address their specific needs.

Strategic approach

Clariant is committed to adding value to its customers by delivering innovative, competitive, and sustainable solutions while creating continuous, profitable growth. In recent years, Clariant has built additional marketing capabilities in its business units to continue its journey from a product-driven to a customer-centric organization. With the introduction of the new purpose in 2021 and the purpose-led strategy, customer focus has been anchored as a purpose dimension. As such, Clariant aims to shape the future with customers through fruitful collaboration for a meaningful impact. To create this impact, Clariant embodies the customer's perspective, as well as their demands, and leverages regional market knowledge.

Clariant takes steps to prevent or mitigate potentially negative customer privacy concerns or data breaches. For this purpose, it implements regular training sessions, including documentation and completion tracking; implements task-specific classroom training in sensitive areas (e.g., HR, IT); and conducts regular communication and awareness campaigns. Recognizing the importance of fostering robust relationships with its customers, Clariant implemented several strategies to harness stronger brand image and customer relationships effectively:

Enhanced communication and engagement

Clariant prioritizes open and transparent customer dialogue. Through regular feedback sessions, surveys, and engagement initiatives, the company ensures that customer needs and expectations are at the forefront of its own operations. This strengthens relationships with customers and aligns sustainability efforts with customer values.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES (IROS) RELATED TO CUSTOMER RELATIONSHIPS AND DIALOGUE: IRO-1

Description + corresponding ESRS-sub-sub topic or sub-topic + corresponding sub-chapter(s)	Type (Actual/potential, positive/negative, impact/risk / opportunity)	Value Chain Location			Time Horizon		
		Upstream	Own ops.	Down-stream	Short-term	Medium-term	Long-term
Active portfolio communication builds trust and strengthens customer relationships.	Opportunity			■	■		

Sustainability integration in product development

Incorporating sustainability considerations into the product development process helps Clariant to deliver innovative solutions that meet environmental and customer demands. Clariant's Idea-to-Market process in innovation combines regular customer feedback and a sustainability screening of innovations to achieve this target so that new products are developed with a focus on reducing environmental impact while aligning closely with customer needs and expectations. A clear commitment to sustainable practices enhances the brand image and builds customer trust. → **Please refer to the PVP discussion in the »General Disclosures« chapter for details.**

Education and awareness campaigns

There is active engagement with customers in sustainability education to help them understand the environmental benefits of Clariant's products. Sharing knowledge and resources can empower customers to make informed decisions, reinforcing the company's position as a trusted partner in their sustainability journey.

Collaboration for sustainable solutions

Clariant collaborates with customers to develop tailored sustainability strategies that meet their needs and goals. This collaborative approach strengthens existing and new partnerships and positions Clariant as a leader in sustainable innovation. In the fight against climate change, topics such as energy efficiency, renewable raw materials, and emissions reduction play significant roles. Clariant helps its customers to improve their handprint or reduce their footprint and aims to build long-term relationships to win together.

Today's challenges around sustainability require close collaboration along the value chain to tackle the most pressing issues while aiming for the highest product performance. Clariant continuously consults with its customers to identify needs and solutions around the sustainability of its products in the customer's application. In 2024, Business Unit Additives & Adsorbents held several customer workshops and interviews involving marketing, innovation, and sustainability functions. The workshop enabled the sharing of product benefits, such as reduced product carbon footprint and solutions that are free of substances of very high concern (SVHCs) and that Clariant can offer based on stringent product development around sustainability. Clariant can also adapt its solutions to best suit the needs of its customers. The automated tool for calculating PCFs, »ClimiMate,« allows the sharing of data on product carbon footprint with customers and highlights the progress toward decreasing negative environmental impact.

Continuous improvement and monitoring

Clariant regularly assesses and monitors customer engagement initiatives within the company to ensure they are effective and responsive to evolving market demands. By staying attuned to customer feedback, customer engagement strategies can be adapted to enhance brand loyalty and customer satisfaction.

Policies

An internally certified Data Privacy Organization is responsible for providing guidance and regular information, creating awareness, conducting multiple trainings, and implementing the program throughout the company, with Data Privacy Champions in each business unit and region. Clariant's internal information channels (Intranet, Yammer/Viva Engage, etc.) make important information directly available to end users.

Clariant's Data Privacy Program consists of the Data Privacy Policy, a general directive on the processing of personal data, standardized operating procedures (SOPs) on selected aspects of the Data Privacy Policy, and basic data privacy e-learning courses.

In 2024, Clariant adapted its policy and SOPs governing the privacy of customers due to organizational and legal requirements within the framework of standardized life cycle management.

Clariant provides its customers with all necessary information regarding its data privacy program, which is available on the following pages of the corporate website.

- Data protection and privacy: www.clariant.com/en/Meta-Nav/Data-Protection-and-Privacy
- For customers, vendors, and business partners: www.clariant.com/en/Meta-Nav/Privacy-Statements

The Data Privacy Program addresses information-related impacts for consumers and end users, such as the use of collected data, the obligation to observe confidentiality, and the protection of data from theft and misuse.

Actions

CLARITY™ and CLARITY™ Prime

Clariant's Business Unit Catalysts continues to see strong adoption and excellent performance of CLARITY™, its digital service portal with a cloud-based platform. In 2024, Clariant expanded its offering with the launch of CLARITY™ Prime, an advanced digital service that adds cutting-edge capabilities to the existing platform.

CLARITY™ presents catalyst customers with real-time exchange and visualization of plant performance data. The tool supports all Clariant catalyst applications, allowing secure and end-to-end encrypted sharing, with key performance indicators visualized in customizable dashboards. The interface connects customers directly with technical experts for guidance and troubleshooting.

Since its launch in 2021, CLARITY™ has been adopted by more than 150 plants, serving over 450 active customer users across 33 countries worldwide. This significant increase in adoption demonstrates the platform's value in enhancing efficiency and collaboration between Clariant and its customers.



CLARITY™ Prime, introduced in 2024, offers premium services that unlock new potentials of Clariant catalysts in catalytic units. Key features include automated catalyst alerting, catalyst performance projections, and catalyst-specific benchmarking. These advanced features enable customers to forecast catalyst performance, make informed decisions, and improve operations based on desired timelines and economic considerations.

The platform enables seamless two-way communication between customers and Clariant experts, such as applied catalyst technology engineers and technology advisers. This improved dialogue has led to more efficient catalyst operations and faster resolution of challenges.

Clariant remains committed to further developing CLARITY™ and CLARITY™ Prime, combining proprietary tools and expertise with advanced data science, machine learning capabilities, and artificial intelligence. These innovations continue to drive efficiency, sustainability, and profitability across diverse applications in the chemical industry, offering improved plant reliability, safety, and profits.

ClariHub

The free online customer portal ClariHub, which was introduced in 2021, offers a 24/7 self-service platform for Clariant customers in several market segments, such as personal and home care, health-care, paints and coatings, industrial lubricants, and crop solutions. The ClariHub portal helps Clariant immediately respond to customer inquiries. In addition, it serves as an information hub with real-time ingredient data and 24/7 access to various documentation. For example, users can track key metrics or find reference documents, such as material safety data sheets (MSDSs) and technical data sheets (TDSs), ecolabel information, trend reports, and webinars. In addition, they are provided with relevant information such as FAQs and troubleshooting tips, as well as company and product details.

While ClariHub serves as an extra channel for customer communication and queries, it is also helpful for Clariant to derive additional oversight and visibility. In 2024, the platform continued its expansion, now covering more than 3 600 users at the end of the reporting year. ClariHub makes it easier for customers to identify and select ingredients from the Clariant portfolio. The platform is under continuous improvement, with new functionalities being developed.

One of the highlights was the Claricoat web app for paints and coatings customers, allowing customized property selection covering a wide range of performance criteria from liquid paint stability and workability to sustainability. Once the criteria selection is complete, the product recommendation engine proposes the most suitable additives covering the needs of the paint formulator.

Clarita Sales Assistant

In 2024, Clariant launched Clarita Sales Assistant, an AI-based tool that supports the Sales teams with all relevant customer information to best prepare and interact with every customer. Clarita Sales Assistant enables all customer-facing roles to »Make every customer feel like a Key Account.« Clarita Sales Assistant was developed from idea to working product and piloted by BU Adsorbents & Additives within five months. The tool has been very well received internally at Clariant and is currently in the process of being rolled out to Care Chemicals and Catalysts.

Customer journey

Inauguration of technical application center in Brazil

Clariant had the pleasure of welcoming customers from various industry segments to its Care Chemicals Business Unit Application and Technology Development Laboratory. The new technical application center, located in our Suzano industrial complex in São Paulo, features six laboratories focused on developing customized solutions for Personal & Home Care, Crop Solutions, Industrial Applications & Base Chemicals, and Oil Services. The event was attended by strategic customers, executives from Clariant's global leadership team, and our technical and commercial teams. It was a great opportunity to showcase our technological capabilities and demonstrate in practice how we can innovate collaboratively with our customers.

Success stories in customer awards and recognitions

Clariant Mining Solutions has been consistently recognized with Anglo American's Outstanding Suppliers Award. We have been nominated for two consecutive years in the main »Outstanding Supplier« category in 2021 and 2022, and we continue to be recognized in several other categories of the award, reflecting the strong collaboration and ongoing partnership between the two companies and Clariant's commitment to operational excellence, innovation, and sustainability in mining. At the ceremony that took place in 2024, for the year 2023, we received two awards, one in the Performance category and another in the Sustainability category, for our social project with the community.

Clariant is marking a 75-year milestone in collaboration with Continental, advancing vehicle braking technology and safety standards. This enduring partnership has enabled the development of innovative brake fluid chemistry that delivers exceptional performance. The collaboration has been fundamental in creating high-performance brake fluids that meet modern automotive demands. As braking systems represent crucial safety components in vehicles, working alongside a globally recognized brake system specialist has helped push performance boundaries and enhance overall vehicle safety technology.

The Clariant Crop team is honored to have won the 2024 Syngenta's Supplier Sustainability Award in the »Reduction in Water Impact« category. The award was presented at Syngenta's Annual Supplier Event during Chemspec in Düsseldorf, Germany, on 19 June. This recognition underscores Clariant's commitment to sustainability and its efforts to support valued customers in the crop industry. Clariant deeply values its partnership with Syngenta and looks forward to joint progress in continuing to boost sustainability programs. This award celebrates the hard work and dedication of Clariant's teams worldwide.

FEATURED STORY



Enhancing herbicide efficiency for higher yields

Farmers today are facing a multitude of growing challenges. Pests and diseases become more prevalent.

Weeds develop resistance to chemicals traditionally used for control. Limited agricultural land further complicates matters, as farmers navigate environmental concerns and regulatory pressures. Amidst these issues, Clariant's multi-functional tank-mix adjuvant Synergen™ ME offers a convenient solution for farmers, which is easy to use and highly plant compatible while enhancing the effectiveness of herbicides.

Synergen™ ME combines the well-established additives Methylated Seed Oil (MSO), Ammonium Sulfate (AMS) and non-ionic surfactants into a single, ready-to-use formula. It boosts the pesticide application by improved spray retention, increased wetting and enhanced penetration of the actives into the leaf. Additionally, it minimizes spray drift. The result? More effective uptake of systemic herbicides, better weed control and, ultimately, higher crop yields.

Compatible with most common herbicides, Synergen™ ME gives farmers greater flexibility and ease of use. It has also shown to perform consistently across a wide temperature range, ensuring reliable results throughout the spraying seasons. Synergen™ ME is readily biodegradable and EPA and REACH approved, making it an efficient solution for modern agriculture.

[Learn more](#)

Clariant Oil Services was honored with the Petrobras Best Suppliers Award in the Health category for its VIVAZ Program. This wellness initiative fosters positive habits and holistic well-being for employees and their families. Aligned with the United Nations Sustainable Development Goals (SDGs) for Good Health and Well-Being, the program promotes balanced lifestyles and a healthy work-life dynamic. The company crafts internal policies to enhance the quality of life at work, focusing on the respect and integrity of employees, both as individuals and professionals.

Additives Global Order Management Survey

As a follow-up to the 2023 Order Management survey, a new digital solution has been implemented to track real-time information on overseas shipments. Thanks to this new tool, Clariant can increase the visibility of its outbound flows, enhance collaboration among logistic partners, and proactively address potential supply disruptions. Additionally, in partnership with a consulting software provider in 2024, work is ongoing on analyzing the company's CO₂ emissions from all outbound flows globally to identify actionable areas and reduce our environmental impact. Please read more in the Climate and Energy chapter.

Innovative Catalysts and Future Technologies Conferences

Clariant Business Unit Catalysts, under the Syngas & Fuels segment, together with global engineering partners, organized the Innovative Catalysts and Future Technologies Conferences for the North Africa, China, and Americas regions in 2024. Held in Egypt, China, and the US, the events gathered some 87, 85, and 46 participants, respectively, from these regions and tackled key issues in energy transition, focusing on the decarbonization of existing assets, low-carbon ammonia, green methanol, and power-to-X solutions. With all events receiving 10 out of 10 overall customer ratings, Clariant proved its commitment to enabling customers to reach their sustainability targets and jointly tackling the challenges of decarbonizing the chemical industry.

The Middle East Ethylene Catalyst Seminar

The Middle East Ethylene Catalyst Seminar in the Kingdom of Bahrain in May 2024 was a unique opportunity for customers to learn about the latest catalyst innovations for ethylene producers from our global network of product experts and engineers. Topics discussed included the latest catalyst innovations driving acetylene hydrogenation reactor reliability, as well as ethylene and propylene purification; recovery of purified olefins; and valorization of refinery light off-gas streams. Customers learned how to increase selectivity, boost yields, and improve savings with catalysts.

Clariant Catalyst OXO Alcohols Seminar

Clariant Business Unit Catalysts, under the Specialties segment, hosted its first OXO Alcohols Seminar in Tegernsee, Germany, from 13-16 May 2024. The event brought together key OXO alcohol producers, Clariant catalyst R&D experts, and CLARITY™ digital specialists to exchange ideas on optimizing production. The seminar unveiled Clariant's next-generation chromium-free hydrogenation catalyst, and customers engaged in enthusiastic discus-

sions about balancing productivity with environmental responsibilities, showing particular interest in the new catalyst's sustainability benefits. Customers rated the seminar 100 %, excellent in terms of training content, networking opportunities, and customer dialogue.

The Maleic Anhydride Seminar APAC

Clariant's Maleic Anhydride Seminar APAC 2024 in Haikou, China, showcased cutting-edge innovations, including the groundbreaking SynDane™ 500 catalyst series. The event featured discussions on market trends, sustainable production, and digital solutions like CLARITY™. A technology roundtable fostered valuable customer dialogue with Clariant experts. Participants praised the seminar's content and networking opportunities, highlighting Clariant's commitment to industry collaboration and innovation in sustainable chemical production.

Additives sample automation

By connecting SAP and CRM sample information, Business Unit Adsorbents & Additives simplifies the sampling process and has a better understanding of which sample leads to which business opportunity. By connecting all the information, there is better interaction with the customer, and they can be given feedback and support on their customer journey.

Additives Triple Fit Strategy: For selected Global Key Account customers from Polymer Solutions and Coatings & Adhesives, the Triple Fit Strategy was introduced with a holistic approach to create a value-driven growth strategy. This program started in April 2024 and will grow further in 2025.

Adsorbents customer events

In 2024, Clariant hosted two dedicated technical seminars in APAC for Foundry customers to continuously promote pre-mix solutions, further enabling customers to switch to more effective and higher-performing products.

In preparation for the commissioning and launch of the new line of feed additives at BU Adsorbents & Additives in Indonesia, Clariant hosted a successful mycotoxin and livestock event in August with academic institution speakers and customers, focusing on the applications and benefits of using clay-based products in livestock feed. This initiative aligns with the United Nations Sustainable Development Goals (SDGs) of Zero Hunger and Good Health and Well-Being by promoting improved animal health and food safety.

Additives customer events

Jointly with the distribution partner in Vietnam, Clariant hosted an event with more than 150 Coatings & Inks customers. The seminar covered all of Clariant's additives for these applications and focused on those products targeting new regulations and market trends, such as PFAS-free waxes, label-free light stabilizers, and high-performance intumescent coatings.

Metrics

In 2024, Clariant received no substantial complaints from outside parties or regulatory bodies concerning breaches of customer privacy or losses of customer data. Similarly, the company is not aware of any identified leaks, thefts, or losses of customer data.

Customer satisfaction survey

To systematically monitor and enhance customer relationships, Clariant relies on its comprehensive customer satisfaction survey as the primary feedback tool. Moving from a biannual to an annual cycle in 2024 demonstrates Clariant's commitment to more frequent customer engagement. The latest survey, conducted in 2024, evaluates customer experience through multiple dimensions, focusing on key buying factors and various customer touchpoints. With efficiency in mind, the survey design was optimized to respect participants' time, resulting in a streamlined questionnaire with a completion time of approximately five minutes.

The results show that Clariant maintains a strong market position with a Net Promoter Score (NPS) of 45, unchanged from 2023 and significantly above the B2B industry benchmark of 37.

Customers expressing an intention to intensify their business relationship with Clariant are at 83%, showing a slight decrease from 2023 level of 86 %.

Technical Service emerged as the most critical buying criterion, followed by Customer Service and Products & Packaging. Environmental and social impact considerations, while ranking lower, are now also established as a distinct buying criterion.

Customer satisfaction scores remain at high levels, between 7.8 and 8.3 out of 10. Technical Support and Products & Packaging received the highest satisfaction ratings (both 8.3), while areas like Supply Chain & Logistics and Innovation (both 7.8) present opportunities for improvement.

In terms of brand attributes, Clariant maintains its position as a quality-driven brand in the specialty chemical market. The company's reputation remains strongest in quality association and overall brand image, followed by its recognition as a reliable business partner and sustainability leader.

CUSTOMER RELATIONSHIPS

	Total 2024	2023	2022	2021	2020
Customer interviews as part of marketing and strategy initiatives	91	242	0	287	132
Interviews with industry experts as part of marketing and strategy initiatives	60	55	0	82	75
Survey responses obtained from customer contacts	1 519	943	n.a.	n.a. ¹	1 735
Customers who want to continue doing business with Clariant (%)	88	86 ²	n.a.	n.a. ¹	88
Customers who plan to intensify the business relationship (%)	83	90 ²	n.a.	n.a. ¹	82
Net Promoter Score (NPS) (%)	45	45	n.a.	n.a. ¹	42

¹ Surveys are conducted every two years. In 2022 the survey was postponed due to Group-wide transformation processes

² Due to a graphical error, the lines for "Customers who want to continue doing business with Clariant" and "Customers who plan to intensify the business relationship" were incorrectly swapped last year.

ESRS G1: Business Conduct

Summarized by Clarita^{AI}

- + Clariant has a comprehensive compliance program aimed at promoting ethical business practices and preventing corruption, bribery, sanctions, trade controls, and anti-competitive behavior. This includes the Code of Ethics, Anti-Bribery and Anti-Corruption Policy, training programs, and reporting channels like the Integrity Line.
- + Strong business conduct is recognized as an opportunity to enhance trust, reputation, efficiency and mitigate compliance risks. Clariant's Strategic Compliance Roadmap implements ethical standards across five pillars.
- + In 2024, Clariant strengthened anti-bribery efforts through a new Gifts and Entertainment Policy, awareness training, risk assessments, and related advisory services. Compliance integrity line cases, new training and awareness on e.g. bribery/anti-competitive are reported in addition to additional risk-based projects.

Introduction

»Business ethics and compliance« refers to ethical, responsible, and integrity-based behavior. It also includes compliance with legal and regulatory frameworks on accounting and taxation, anti-competitive practices, anti-money laundering, anti-bribery and corruption, lobbying and political involvement, and intellectual property rights.

In the company's purpose and values, business ethics is anchored in the value »act with integrity«. Clariant's Business units and global functions are responsible for ensuring compliance with laws, regulations, and all Clariant internal policies. The Compliance department manages the compliance program, promotes an ethics-based culture and assists business units and global functions by providing the awareness communication, tools, training, monitoring and testing, and advice.

The role of the management and supervisory bodies

The role of the management and supervisory bodies is described in the General Disclosures chapter. Clariant has a full-time Head of Compliance, full- or part-time Regional Compliance Officers in each region, Country Compliance Officers, Compliance Specialists, a Head of Group Privacy, a Head of Information Security, and a Head of Antitrust. The Compliance team gets support from Global

Function Legal, Environmental Safety and Health Affairs (ESHA), Technology & Sustainability, Product Stewardship, Enterprise Risk Management (ERM), and Internal Control over Financial Reporting. These insights help to ingrain a culture of ethics and integrity throughout the organization and provide assurance on the overall program.

Compliance also coordinates Clariant's Ethics and Risk Management Committee (ERMC). The ERMC consists of the CEO as its Chair, the CFO, the General Counsel, the Chief Human Resources Officer, the Head of Compliance as its secretary, and Internal Audit as a standing guest.

A focused Regional Ethics and Risk Management Committee (RERMC) is in place for each region. The RERMC ensures the holistic oversight of compliance matters in the respective region and has the task of implementing global initiatives, reviewing the implementation, and agreeing on focus areas based on lessons learned from investigations/incidents for continuous improvement. In the regions, the Chair of the RERMC is the respective Business Unit President. The other members are Regional HR, Legal, Finance, and the Regional Compliance Officer as its secretary.

Expertise of the leadership team

The management and supervisory bodies possess deep expertise in business conduct, delivering strong governance and ethical oversight. Key members have backgrounds in compliance, governance, risk management, and ethics, with experience in overseeing corporate ethics programs. Committees like the Audit Committee regularly review practices for legal and regulatory alignment. Ongoing training ensures they stay informed of emerging business conduct issues, enabling them to guide the organization through regulatory and ethical challenges.

IRO-1 – Description of the processes to identify and assess material business conduct-related impacts, risks, and opportunities

The results of the double materiality assessment enhanced by Clariant in 2024 confirmed an opportunity relating to business conduct. The details of the process for identifying the material topics are available in the General Disclosures chapter of the Sustainability Statement.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES (IROS) RELATED TO BUSINESS CONDUCT

IRO	Description + corresponding ESRS-sub-sub topic or sub-topic + corresponding sub-chapter(s)	Type (Actual/potential, positive/negative, impact/risk / opportunity)	Value Chain Location			Time Horizon		
			Upstream	Own ops.	Down-stream	Short-term	Medium-term	Long-term
Enhanced trust, reputation, efficiency, and compliance-driven risk mitigation		Opportunity		■	■	■		

Description of the IROs

Business conduct opportunity (own operations, downstream). *Enhanced trust, reputation, efficiency, and compliance-driven risk mitigation*: Clariant recognizes that robust business conduct practices, including the prevention of corruption and bribery, create significant opportunities. These practices enhance trust with customers, strengthen the company's reputation, and improve operational efficiency by eliminating fraudulent activities that can lead to financial losses. Additionally, strict compliance with laws and regulations minimizes the risk of fines and sanctions.

Strategic Compliance Roadmap

Clariant's Strategic Compliance Roadmap lays the foundation for the company's ethics and integrity strategy to foster an ethical mindset and responsible behavior in the workforce. The Strategic Compliance Roadmap is the overarching document to implement Clariant's standards for responsible business conduct around five pillars: leadership engagement; communication and training; legal and compliance risk assessment; standards and controls; and monitoring, auditing, and reporting.

The roadmap is a detailed plan, including metrics from these categories, which the Executive Steering Committee and the Audit Committee set. The roadmap was in effect throughout 2024. Updates on progress and measures are provided quarterly to the ERM and biannually to the Audit Committee. Clariant continuously evaluates the indicators to improve the effectiveness of its approach. The Audit Committee, on behalf of the Board of Directors, approves the Strategic Compliance Roadmap.

G1-1 – Policies

Business conduct policies and corporate culture

Clariant's policies on business conduct and sustainability are designed to foster trust with customers, partners, and stakeholders by promoting transparency, ethical practices, and adherence to strict compliance standards.

In developing the respective policies on business conduct, including the Anti-Bribery, Anti-Corruption, and Anti-Money Laundering Policy, Clariant carefully considered the interests of key stakeholders, including employees, business partners, and regulatory authorities. This ensures that stakeholder interests are integrated into Clariant's commitment to ethical business practices.

Clariant's robust compliance policies and proactive monitoring ensure the effective realization of the identified material opportunity, reinforcing its reputation and maintaining strong, trust-based relationships with its customers.

Clariant ensures accessibility of the Code of Ethics and its policies to the relevant stakeholders. The policies are readily available to all employees via the company intranet, facilitating easy access to essential guidelines and standards.

After approval by the EMRC and the Audit Committee, responsibility for the implementation and rollout of the policies lies with the Business Presidents and the respective Global Functions.

Code of Ethics

An instrument to ensure ethical behavior under the roof of the roadmap is Clariant's »We Reflect Ourselves« Code of Ethics. It outlines the company's ethical commitments and guides employees in their decisions and actions. It also contains a clear commitment to human rights. To ensure that our employees have access to and understand the Code of Ethics, it is available in all major languages relevant to Clariant's business operations. A Code of Ethics Resource Center is available to resolve dilemmas and provide input for team meetings, scenarios, videos, and other materials.

Anti-Bribery, Anti-Corruption, and Anti-Money Laundering Policy

Clariant's Anti-Bribery, Anti-Corruption, and Anti-Money Laundering Policy (ABAC AML Policy) reflects Clariant's commitment to the conduct of fair and transparent business. It explains how Clariant defines bribery, corruption, improper advantages, money laundering, and fraud. Furthermore, the policy instructs employees when they receive or plan to provide gifts or entertainment and when they interact with public officials. Regarding third-party selection and qualification, the policy lays out a compulsory due diligence process and »red flags« to consider. The policy also provides »red flags« in relation to money laundering.

Clariant recognizes that certain functions within the organization, specifically procurement, sales, and business development, are particularly susceptible to risks related to corruption and bribery due to their interactions with external stakeholders, including suppliers, customers, and government entities. To mitigate these risks, Clariant has instituted targeted training programs and compliance measures specifically designed for these high-risk areas.

All employees have a clear and consistent understanding of their responsibility to follow this policy, in addition to anti-bribery and anti-corruption laws, rules, and regulations existing in, or applying to, jurisdictions in which Clariant operates, including the OECD Convention on Combating Bribery, the Swiss Penal Code, the UK Bribery Act, the US Foreign Corrupt Practices Act, and the United Nations Convention against Corruption (UNCAC), specifically Articles 12, 21, and 2. The ABAC AML Policy is available to all employees and relevant third parties.

Antitrust Guidelines

The antitrust principles are embedded in the Code of Ethics. Clariant has a comprehensive antitrust compliance program and guidelines, which are updated regularly.

Investigation Policy

The Code of Ethics lays out Clariant's investigation process, described in the Investigation Policy. The process has a structural approach, which applies to all reported concerns and breaches of the Code of Ethics. Global functions (Compliance, Human Resources, Internal Audit, ESHA/IGSM, and other functions where appropriate) are entitled to lead investigations assigned to them and have received appropriate training. Remediation is coordinated by the global ERMC and the regional RERMC. The company tracks globally the number and type of process changes made in response to allegations.

Clariant has established the Integrity Line as a key mechanism for identifying, reporting, and investigating concerns related to unlawful behavior or violations of its Code of Ethics and other internal rules. This reporting channel is accessible to all stakeholders, including employees, suppliers, and external partners for a comprehensive approach to addressing potential violations. The Integrity Line provides a confidential platform for stakeholders to voice their concerns, fostering a culture of transparency and accountability. Upon receiving reports, Clariant conducts thorough investigations to assess the validity of the concerns and takes appropriate actions to uphold its commitment to ethical business conduct.

Anti-Fraud Policy

In line with the commitments to ethics and integrity stated in the Code of Ethics, Clariant does not initiate or participate in any type of fraud. To facilitate the prevention and detection of fraud, Clariant's Anti-Fraud Policy provides general guidance and defines key principles, tools, controls, roles, and responsibilities regarding fraud, which must be followed by all Clariant employees.

Clariant's Anti-Fraud Policy contains a »three lines of defense against fraud« model, with clear roles and responsibilities. The business units and Global functions, representing the first line in this model, are responsible for periodic risk assessments and the implementation of anti-fraud actions. Compliance, the second line of defense, oversees the policy's processes and supports the first line of defense in defining actions. Internal Audit represents the third line of defense. It provides independent assurance and audits policy adherence.

Third-party due diligence

Clariant's Third Party Due Diligence Guideline applies to all entities and employees worldwide and sets out the standard process for engaging third parties in scope. This guideline applies to the engagement of third parties, a company or an individual, who acts for or on behalf of Clariant in the private or public sector. This includes but is not limited to, companies or individuals that represent Clariant in front of private or public officials or governmental bodies.

Information security and data privacy

Clariant has established an Information Security Program to create awareness and train employees on the appropriate use of data. The Information Security Program includes information classification, measures to avoid the loss of data, and measures according to the confidentiality, integrity, and availability (CIA) of information. To ensure a coordinated approach, Information Security Champions in each business and service unit support the implementation of the program in close collaboration with the IT Security team.

Clariant implemented a Data Privacy Program in line with the General Data Protection Regulation (GDPR) of the European Union and relevant international regulations. An internally certified Data Privacy Organization is responsible for providing guidance and regular information, creating awareness, conducting training, and implementing the program throughout the company, with Data Privacy Champions in each business unit and region.

The Data Privacy Program consists of the Data Privacy Policy, a general directive on how to process personal data, standardized operating procedures (SOPs) on selected aspects of the Data Privacy Policy, and basic Data Privacy e-learning courses.

INTEGRITY LINE



»Through robust screening, ongoing training, and a commitment to heightened awareness, we empower our people to uphold integrity and transparency in every decision they make. This solid foundation of trust and accountability strengthens our compliance culture, driving long-term success and sustainability.«

Judith Bischof
General Counsel
Member of the ELT

G1-2 – Actions

Management of relationships with suppliers

Compliance and ethical values apply not only to Clariant's own operations, but also to third parties acting for or on behalf of Clariant, such as distributors, agents, and other service providers. They must undergo a detailed due diligence process.

Clariant assesses third parties against a predefined risk model: Enhanced due diligence is required for medium- and high-risk business partners. However, all business partners must confirm that they have an appropriate compliance framework in place. They are also required to complete a relevant training program. The process of assessing the supplier base was reviewed and updated in 2024.

G1-3 – Focus areas

In 2024, one focus of Compliance was on further strengthening the gifts and entertainment process by establishing an enhanced policy, as well as training and awareness and an improved reporting mechanism.

Clariant Compliance also continues to support activities regarding human rights. Clariant is committed to enhancing its existing activities, proving its commitment to, and continued focus on, human rights in its own operations and the supply chain.

Procedures to prevent corruption incidents

Together with the Code of Ethics, designed to prevent, detect, and address incidents of corruption and bribery, Clariant launched a global tool called »Integrity “Yes”-Check.« It helps employees to ask questions related to their daily work and determine if they are on the right track or require support. The Code of Ethics is value-based and designed around Clariant's eight guiding principles:

- We treat each other with respect.
- We comply with the highest ethical standards and the law.
- We put safety first and are committed to protecting the environment.
- We are committed to fighting corruption.
- We care about our community and behave as a good corporate citizen.
- We handle information with care.
- We communicate responsibly.
- We take care of our resources.

Addressing conflicts of interest

Clariant's Investigation Policy states that conflicts of interest in connection with management in investigations are reported and taken care of by Compliance.

Clariant ensures that the investigation process for allegations or incidents of corruption and bribery is conducted with the highest level of integrity and objectivity. To maintain this standard, the investigators or investigating committees involved in the investigation are independent from the chain of management connected to the matter being investigated. This separation ensures that investigations are free from any potential conflicts of interest and allows for impartiality in the assessment of the situation. Additionally, this structure fosters a transparent environment where stakeholders can trust that allegations are thoroughly and fairly examined, without influence from management personnel who may have a vested interest in the outcome. This approach aligns with Clariant's commitment to ethical conduct and accountability in all aspects of its operations.

While the Ethics and Risk Management Committee (ERMC) is not involved in every investigation, relevant management personnel are engaged throughout the process. In cases where allegations are substantiated and deemed significant, the findings are promptly reported to the ERMC and the Audit Committee so that senior leadership is informed of critical compliance matters and appropriate actions are taken.

Active communication of the policies

Clariant effectively communicates its policies on ethics and compliance to ensure that all relevant stakeholders understand their implications and have access to the necessary resources. The Code of Ethics and the Supplier Code of Ethics are publicly accessible on the Clariant website, along with the Integrity “Yes”-Check tool, which provides guidance for employees as they navigate ethical dilemmas in their daily work. To reinforce its commitment to high ethical standards, Clariant incorporates its ethical principles into its General Terms and Conditions, which are acknowledged by third parties.

Clariant’s due diligence process includes mandatory anti-bribery and anti-corruption (ABAC) training for third parties. This training ensures that all external stakeholders understand their obligations regarding ethical conduct. Completion of the training is required, and third parties must formally acknowledge their agreement to adhere to the company’s ethical standards. Through the training, Clariant makes its anti-bribery and anti-corruption policies clearly understood by those impacted.

Clariant implements comprehensive anti-bribery and anti-corruption training programs for its employees to ensure a strong understanding of ethical conduct and compliance standards. All Clariant staff with email access are required to participate in the ABAC training, which covers essential core messages, including:

FEATURED STORY



How Latin America is redefining workplace transparency

In Latin America, Clariant’s »Speak Up« initiative reshapes how employees interact with leadership. »Speak Up« promotes open communication by providing employees with a safe space to share feedback, concerns, and ideas. Nominated Role Models across all sites foster a transparent and respectful workplace, encouraging teams to voice their perspectives.

After the initiative had been introduced in 2021, it was refined and reintroduced throughout 2024. Through continuous iteration, »Speak Up« now empowers Role Models to facilitate even more impactful Dialogue Forums, aspiring to create a clear, consistent path for employees to express their perspectives and drive improvements. Leadership is engaged to shape a transparent and dynamic company culture in which every voice is heard.

Until now, 58 Role Models have been trained, 128 forums held, and over 2 600 participants engaged in discussions spanning everything from ethics to workplace innovation. These efforts have been recognized externally, for instance, Clariant Peru won the first place at the Best Labour Practices Contest in November 2024 for its commitment to preventing harassment.

The »Speak up« initiative is one of many ways in which Clariant brings its value »Act with Integrity« to life.

[Learn more](#)

Scope of training on the policies

Clariant provides guidance on how to report concerns or potential violations of the ABAC policies. Clariant has set a target for the completion of mandatory compliance trainings as part of employee performance management. In addition to the general training for employees, Clariant offers specialized ABAC training for distributors and agents tailored to address the unique challenges they may face in their roles. This training emphasizes the importance of compliance and ethical behavior in all interactions and transactions.

All functions identified as being at risk (100 %) are fully covered by the anti-corruption and anti-bribery training programs.

Anti-bribery and anti-corruption e-learning is mandatory for all members of the Executive Leadership Team. Additionally, all members of the Executive Leadership Team have received awareness training on relevant topics, with a similar awareness session scheduled for the Board of Directors.

Training format

Special target groups, like employees with higher exposure, receive further face-to-face training or targeted e-learning. The company also familiarizes new employees with the Code of Ethics and anti-bribery and anti-corruption policies in introductory training. Classroom training and e-learning on antitrust matters

are mandatory for Procurement, Marketing, Sales, and employees of other relevant functions. Clariant developed a training curriculum in 2021, which defines the frequency, target groups, and further details. It was put into practice in 2022. In 2024, Group Compliance added to the curriculum new awareness trainings on data privacy; information security; gifts and entertainment; anti-trust.

Clariant regularly trains its employees in antitrust matters with global webinars and classroom training.

Clariant Integrity Line

An important reporting channel for any indication of violation of Clariant's Code of Ethics or its policies is Clariant's Integrity Line. The Group Compliance team handles reports under the Head of Compliance's supervision. Through this independent, third-party-operated platform, employees and business partners can confidentially report malpractices, violations of the Code of Ethics, and workplace-related compliance issues. Reports can be made anonymously if preferred. It is available in multiple languages 24/7 via an easy-to-use online portal. The Integrity Line was adapted to the legal requirements of the EU whistleblower directive. Reporters in one of the countries in scope can choose if they want a local case manager to investigate their report or if the global team can handle their case. Furthermore, a retaliation check has been activated, which allows reporters to inform about potential retaliation.

COMMUNICATION AND TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES⁴

	Total 2024	2023	2022	2021	2020
Percentage of members of the Board informed about anti-corruption policies (%) ³	100	100	100	100	50
Percentage of employees informed about anti-corruption policies (%) ^{3, 4}	100	100	99	3	14
Percentage of business partners informed about anti-corruption policies (%) ³	80 ¹	80 ¹	80 ¹	70	60
Percentage of members of the Board who received anti-corruption training (%) ³	91	91	36 ²	100	50
Percentage of employees who received anti-corruption training (%) ^{3, 4}	100	95	98	3	14
Percentage of employees who received compliance training (%) ⁴	97	98	98	81	14

¹ 80% is an estimation based analysis run on our business partners

² In 2022 the training was held for the Audit Committee.

³ Considering the complexity of the KPI, Clariant omits the KPI's total and split by region, category or business type.

⁴ This number refers to employees with a Clariant e-mail.

INTEGRITY LINE

	2024	2023	2022	2021	2020
Cases submitted via the anonymous Integrity Line	116	112	120	82	64
thereof fully or partially substantiated	28	29	22	31	17
thereof closed during the year	94	81	69	56	38
Total submissions	116	139	140	95	73

G1-4 – Metrics

Incidents of corruption or bribery

Key actions in the reporting period against incidents of bribery and corruption

In the reporting year, Clariant has undertaken the following key actions in line with its anti-bribery and anti-corruption objectives:

Gifts and Entertainment (G&E) Policy implementation: Rolled out across the organization to ensure employees adhere to clear standards regarding the acceptance and provision of gifts and entertainment, reducing the risk of bribery.

Awareness e-learning: Conducted company-wide training sessions to enhance awareness of anti-bribery and anti-corruption policies.

Preparation of risk assessment: A comprehensive risk assessment was initiated to identify and evaluate areas with heightened bribery and corruption risks, enabling targeted mitigation strategies.

Ad hoc advisory and risk mitigation actions: Provided specific advisory services and implemented immediate actions to mitigate risks in high-risk areas.

Management and Audit Committee awareness: Delivered focused awareness sessions to senior management and the Audit Committee, highlighting bribery-related cases and enhancing governance and oversight. These actions contribute directly to achieving the objectives of Clariant's compliance policies, particularly in reducing corruption risks and fostering a culture of integrity. Future actions include refining risk assessments and expanding awareness initiatives across the organization.

Compliance incidents

Compliance with laws and regulations

In 2024, Clariant received no fines for material noncompliance

Trainings

In 2024, 41 different types of training were provided by Compliance and rolled out under a risk-based approach. In 2024, more than 97 % of Clariant employees completed all compliance training.

In 2024, Clariant had 116 reports through its Integrity Line. Of the reports, 54 were related to business integrity, 76 to the treatment of employees, six to health and safety or environmental concerns. Of the cases, 28 were partially or fully substantiated, and 56 cases were unsubstantiated.

In 2024, two allegations regarding bribery, corruption, and kick-backs were brought forward. According to the investigations conducted, all allegations turned out to be unsubstantiated. There were no legal proceedings against Clariant or its employees for alleged corruption. Clariant did terminate the relationship with two business partners (agents, distributors, or consultants).

Anti-competitive behavior

Two civil damages claims relating to the ethylene purchasing conduct (sanctioned by the European Commission in July 2020) were pending in 2024, two additional claims related to the same conducts were brought against Clariant and three other companies in 2025. All claims are disclosed in the financial report.

Independent Limited Assurance Report



Independent limited assurance report on selected Sustainability Information of Clariant AG

To the Board of Directors of Clariant AG, MuttENZ

We have undertaken a limited assurance engagement on Clariant AG's and its subsidiaries (hereinafter "Clariant") following selected Sustainability Information in Clariant's Management Report for the year 2024 (hereinafter "Sustainability Information"):

- European Sustainability Reporting Standards (ESRS) related KPIs, marked as "assured by KPMG" in the ESRS Index table.
- Global Reporting Initiative (GRI) related KPIs, marked as "assured by KPMG" in the GRI Index table.
- Clariant's internally developed KPIs marked as "assured by KPMG" in the Clariant-KPIs table.
- Non-financial disclosures prepared in accordance with article 964b of the Swiss Code of Obligation, as included in the index table of the Management Report, and the text marked accordingly with "✓ I" in Clariant's Management Report 2024.

Our Limited Assurance Conclusion

Based on the procedures we have performed as described under the "Summary of the work we Performed as the Basis for our Assurance Conclusion" and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Information is not prepared, in all material respects, in accordance with the Criteria described under the "Understanding how Clariant AG has Prepared the Sustainability Information".

Our assurance engagement does not extend to information in respect of earlier periods or future looking information included in the Sustainability Information, information included in the Integrated Report, information linked from the Integrated Report or any images, audio files or embedded videos.

Understanding how Clariant AG has Prepared the Sustainability Information

Clariant prepared the Sustainability Information using the following criteria (hereinafter referred to as the "Sustainability Reporting Criteria"):

- For European Sustainability Reporting Standards related KPIs – ESRS
- For Global Reporting Initiative (GRI) related KPIs – GRI Standards
- For Clariant's internally developed KPIs – criteria as described in Clariant's own KPIs table. As these are internally developed criteria, we specifically assess them against ISAE 3000 methodology, which requires criteria to be objective, measurable, complete, relevant, accurate and replicable.
- For the non-financial disclosures referenced in the index table of the Management Report – article 964b of the Swiss Code of Obligation

Consequently, the Sustainability Information needs to be read and understood together with these standards and criteria.

Inherent Limitations in Preparing the Sustainability Information

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur in disclosures of the Sustainability Information and not be detected. Our engagement is not designed to detect all internal control weaknesses in the preparation of the Sustainability Information because the engagement was not performed on a continuous basis throughout the period and the audit procedures performed were on a test basis.

Clariant's Responsibilities

The Board of Directors of Clariant is responsible for:

- Selecting or establishing suitable criteria for preparing the Sustainability Information, taking into account applicable law and regulations related to reporting the Sustainability Information;
- The preparation of the Sustainability Information in accordance with the Sustainability Reporting Criteria;
- Designing, implementing, and maintaining internal control over information relevant to the preparation of the Sustainability Information that is free from material misstatement, whether due to fraud or error.



Our Responsibilities

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the Sustainability Information is free from material misstatement, due to fraud or error;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- Reporting our independent conclusion to the Board of Directors of Clariant.

As we are engaged to form an independent conclusion on the Sustainability Information as prepared by the Board of Directors, we are not permitted to be involved in the preparation of the Sustainability Information as doing so may compromise our independence.

Professional Standards Applied

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board (IAASB).

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Our work was carried out by an independent and multidisciplinary team including assurance practitioners and sustainability experts. We remain solely responsible for our assurance conclusion.

Summary of the Work we Performed as the Basis for our Assurance Conclusion

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Sustainability Information is likely to arise. The procedures we performed were based on our professional judgment. Carrying out our limited assurance engagement on the Sustainability Information included, among others:

- Assessment of the design and implementation of systems, processes, and internal controls for determining, processing, and monitoring sustainability performance data, including the consolidation of data;
- Inquiries of employees responsible for the determination and consolidation as well as the implementation of internal control procedures regarding the selected disclosures;
- Inspection of selected internal and external documents to determine whether quantitative and qualitative information is supported by sufficient evidence and presented in an accurate and balanced manner;
- Assessment of the data collection, validation, and reporting processes as well as the reliability of the reported data on a test basis and through testing of selected calculations;
- Analytical assessment of the data and trends of the quantitative disclosures included in the scope of the limited assurance engagement;
- Assessment of the consistency of the disclosures applicable to Clariant with the other disclosures and key figures and of the overall presentation of the disclosures through critical reading of Clariant's Sustainability Information;
- Check that the Management Report contains the information required by article 964b (1) and (2) of the Swiss Code of Obligations to understand the business performance, the business results, the state of the undertaking, and the effects of its activity on material topics of environmental matters, social matters, employee-related matters, respect for human rights, and combating bribery and corruption.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would



have been obtained had we performed a reasonable assurance engagement.

KPMG AG

Cyrill Kaufmann
Licensed Audit Expert
Auditor in charge
Zurich, 27 February 2025

Martin Rohrbach
Licensed Audit Expert

Corporate Governance Report

Between structure and process

In the Corporate Governance Report, we explain the principles of corporate governance at Clariant. We provide information about Clariant's leadership, the organizational structure, and elections.

Structure

Process

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Principles of Corporate Governance

In defining the management structure, organization, and processes of the Clariant Group, the corporate governance principles aim to provide stakeholder value and transparency to promote sustainable long-term success. The Group is committed to Swiss and international standards of corporate governance by following the respective statutory provisions and the rules issued by the SIX Swiss Exchange and by implementing the principles of the Swiss Code of Best Practices for Corporate Governance. The principles

and regulations on corporate governance are described in the Swiss Code of Obligations, the Directive on Information relating to Corporate Governance by the SIX Swiss Exchange, the Articles of Association of Clariant Ltd, the Bylaws of the Board of Directors, the organizational Group regulations of the Clariant Group, and the Clariant Code of Ethics. The Board of Directors adapts the internal documents regularly. The Articles of Association, the Bylaws of the Board of Directors, and the Clariant Code of Ethics can be viewed at → www.clariant.com/en/Company/Corporate-Governance.

GROUP CHARTER HOUSE COMPRISES ALL MAIN GOVERNANCE ELEMENTS

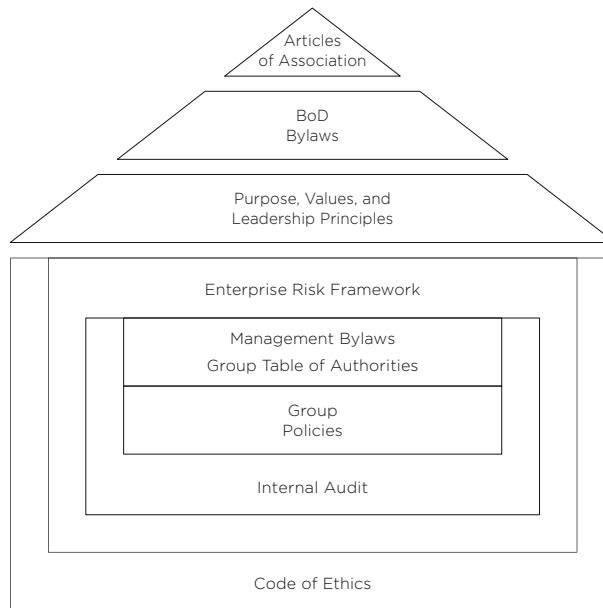
Articles of Association
govern the corporation

Purpose, Values, and Leadership Principles define why we exist, what we believe, and how we guide others

Management Bylaws define authorities and organizational accountabilities

Group Policies establish mandatory boundaries and link risks with related processes and controls

Code of Ethics guides our actions



BoD Bylaws govern the conduct of the Board of Directors

Enterprise Risk Framework establishes the risk appetite and the link to policies and authorizations

Group Table of Authorities documents approval authorization and limits

Internal Audit provides assurance that governance is effective

Group Structure and Shareholders

Group structure

The registered address of Clariant Ltd is Rothausstrasse 61, 4132 Muttenz, Switzerland. Please find the contact form at → www.clariant.com/en/Company.

The company's business operations are conducted through Clariant Group companies. Clariant Ltd, a holding company organized under Swiss law, directly or indirectly owns all Clariant Group companies worldwide. These companies' shares are not publicly traded.

The important subsidiaries of Clariant Ltd are listed in the chapter important subsidiaries.

The Group conducts its business through three business units: Care Chemicals, Catalysts, and Adsorbents & Additives (→ see chapter Business Units).

Significant shareholdings of 3% or more of total share capital

Based on the notifications received by Clariant and published by SIX Exchange Regulation, as of 31 December 2024, the following shareholders held 3% or more of the voting rights in Clariant Ltd:

Shareholders	Voting rights
SABIC International Holdings B.V., Sittard, The Netherlands, controlled by the Public Investment Fund of Saudi Arabia (PIF), Riyadh, Kingdom of Saudi Arabia ¹	31.50 %
Blue Beteiligungsgesellschaft mbH, Am Holzmaierfeld, Strasslach-Dingharting, Germany, and Maple Beteiligungsgesellschaft mbH, Icking, Germany and NOWI Beteiligungsgesellschaft mbH, 82064 Strasslach-Dingharting, Deutschland ²	5.16 %
UBS Fund Management (Switzerland) AG ³	5.01 %
BlackRock Inc., New York, United States	3.8 %

¹ SABIC acquired 24.99 % of the shares of Clariant Ltd on 17 September 2018 and increased its participation by 6.51 % to 31.5 % on 9 September 2020. SABIC has not changed its participation of 31.5 % since then.

² According to a disclosure notification published on September 5, 2024, the already existing group consisting of Blue Beteiligungsgesellschaft mbH (100% owned by Konstantin Winterstein, 80333 Munich, Germany) and Maple Beteiligungsgesellschaft mbH (100% owned by Elisabeth Prinzessin zu Sayn-Wittgenstein, 80333 Munich, Germany) was joined by NOWI Beteiligungsgesellschaft mbH, 82064 Strasslach-Dingharting, Deutschland; 100% jointly owned by Konstantin Winterstein and Elisabeth Prinzessin zu Sayn-Wittgenstein.

³ Disclosure triggered due to the absorption merger ("Absorptionsfusion") between Credit Suisse Funds AG and UBS Fund Management (Switzerland) AG and the aggregation of the relevant interest of both entities as upon merger Credit Suisse Funds AG ceased to exist and UBS Fund Management (Switzerland) AG was the surviving entity.

Disclosure notifications during the 2024 financial year reported to the Stock Exchange Disclosure Office pursuant to Article 120 of the Financial Markets Infrastructure Act (FMIA) as well as further information in relation to disclosure notifications can be found on the SIX Swiss Exchange reporting platform: → [www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/.](http://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/)

As of 31 December 2024, Clariant Ltd itself held 3 653 588 shares in treasury, corresponding to 1.10 % of the share capital.

Cross-Shareholdings

There are no cross-shareholdings.

Capital Structure

Capital

As of 31 December 2024, the fully paid-in nominal share capital of Clariant Ltd totaled CHF 584 212 990.24 and was divided into 331 939 199 registered shares, each with a par value of CHF 1.76. Clariant Ltd shares have been listed on the SIX Swiss Exchange since 1995 (symbol: CLN, ISIN CH0012142631). Clariant Ltd does not issue nonvoting equity securities (Genussscheine or Partizipationsscheine). Based on the closing price of the Clariant share of CHF 10.09 on 31 December 2024, the company's market capitalization at year end amounted to CHF 3 349 266 517.91. Except for the share capital reductions in 2022, 2023, and 2024 as a consequence of the distributions through capital reductions by way of par value reduction, there was no change in the capital structure of Clariant Ltd in the last three years (2022 to 2024).

Conditional capital

The company's share capital may be increased by no more than CHF 6 708 919.36 through the issuance of 3 811 886 registered shares, each with a par value of CHF 1.76, corresponding to 1.14837 % of the current share capital.

The details are set out in Article 5 of the Articles of Association. The Articles of Association can be found at → www.clariant.com/en/Company/Corporate-Governance/Articles-of-association.

Distribution through capital reduction by way of par value reduction

In 2024, the Annual General Meeting decided on a distribution in the amount of CHF 0.42 per share. The total amount of CHF 139 414 463.58 was paid out on 3 June 2024.

A table with additional information on the distribution of capital reserves can be found in the → chapter Reserves from capital distribution.

Transferability of shares

The transfer of registered shares requires the approval of the Board of Directors, which may delegate this function. Approval is granted if the acquirer discloses his/her identity and confirms that the shares have been acquired in his/her own name and for his/her own account.

Nominee registrations and voting rights

Each registered share entitles the holder to one vote at the General Meetings. Special rules according to Article 6 of the Articles of Association apply to nominees who fail to disclose the identity of the persons they represent and whose shareholding exceeds 2 %.

Details can be found at → www.clariant.com/en/Company/Corporate-Governance/Articles-of-association.

Options

There are no options or option rights.

Closed Periods

The periods during which information and data is prepared for publication («Closed Periods») are determined and expressly notified to all insiders each year. The Closed Periods cover the following periods:

- Before publication of the half-year and the full-year results;
- Before publication of the quarterly reporting;
- The periods shortly before the disclosure to the markets of inside information related to the Clariant business.

Upon receiving such inside information, the primary insiders (which include members of the Board of Directors, the Executive Management, and employees having access to inside information, e.g., in the Accounting, Finance, Investor Relations, Communications, and Legal Departments) are entered in a register, and the register generates an »Insider Trading Message« to these insiders. It is particularly stated that no transactions in Clariant securities shall be made during Closed Periods, and it is further made clear that the trading prohibition and the obligation of confidentiality will be in effect, irrespective of whether or not the publication of the inside information concerned is likely to have a significant effect on the value of Clariant securities. Noncompliance may not only entail disciplinary measures but also result in criminal charges. There have been no exceptions to the Closed Periods.

Board of Directors

General information

The Board of Directors of Clariant Ltd comprises at least six and no more than twelve members pursuant to Article 19 of the Articles of Association of Clariant Ltd.

The members of the Board of Directors, the chairperson of the Board of Directors, and the members of the Compensation Committee are elected individually for a term of one year by the Annual General Meeting. Only members of the Board of Directors are eligible to serve on the Compensation Committee.

In April 2024, Jens Lohmann was elected member of the Board of Directors and member of the Compensation Committee by the General Meeting, as proposed by the Board of Directors. Other than that, the composition of the Board of Directors and the Compensation Committee remained unchanged in 2024.

For the upcoming term 2025, the Board of Directors proposes Ben van Beurden as new chairperson of the Board of Directors since Günter von Au has decided not to stand for reelection. Ben van Beurden brings an extensive background in the energy and chemicals sectors and served most recently as CEO of Shell plc from 2014 to 2023, where he led the company through significant transformations. The CV of Ben van Beurden can be found in the invitation to the AGM. He will chair the Nomination Committee and join the Innovation & Sustainability Committee with his vast experience in energy transition.

Apart from the change of chairperson, the Board of Directors decided to propose to the Annual General Meeting to keep the board composition as is to ensure continuity and stability.

Ben van Beurden and all other members of the Board of Directors are considered independent in accordance with best-practice standards, in particular the »Swiss Code of Best Practice for Corporate Governance.« For Clariant Ltd, a candidate for the Board of Directors is considered independent if the candidate:

- is not, and has not been for the prior three years, employed as an Executive Steering Committee member in the company or by any parent or subsidiary,
- is not, and has not been for the prior three years, an employee of, or affiliated with, the elected external auditor or consultant,
- does not maintain a material direct or indirect business relationship with the company or any parent or subsidiary,
- is not a family member of an individual who is currently employed by the company or by any parent or subsidiary of the company as an executive officer,
- is not affiliated with a not-for-profit entity that receives significant contributions from the company.

No member of the Board of Directors exceeded any of the maximum number of mandates as set forth in Article 31 of the Articles of Association. Details on the mandates of the members of the Board of Directors can be found in the table below:

BOARD OF DIRECTORS – MEMBERSHIP IN OTHER BOARDS

Member	Listed companies	Private companies	Not-for-profit organizations	Location	Function
Günter von Au		Stada Arzneimittel AG		DE	Chairman of the Supervisory Board
		Gebr. Röchling KG		DE	Member of the Advisory Committee
		CeramTec GmbH		DE	Chairman of the Supervisory Board
		Tyczka GmbH		DE	Chairman of the Advisory Board
Ahmed Mohammed Al Umar		Saudi Methanol Company		SA	Chairman of the Board of Directors, Chairman of Business Committee
		Gulf Petrochemical Industries Co (GPIC)		BH	Member of the Board of Directors, Chairman of Audit, Finance and Risk Committee (AFRC)
			GCC Board Directors Institute (BDI)	UAE	Member of the Governors Board, Chairman Human Capital Committee
Roberto Gualdoni	Synthomer plc			UK	Member of the Board
		CABB		DE	Chairman of the Board of Directors
		Envalior GmbH		DE	Chairman of the Shareholders' Committee
		Arceegee Consulting		DE	Chairman of the Board of Directors
Jens Lohmann (since April 9, 2024)		no other mandates			
Thilo Mannhardt		Algar Telecom		BR	Member of the Board of Directors, Chairman of the Audit and Risk Committee
		BMI Holding (until March 2024)		BR	Member of the Advisory Council
		Logus Capital Financial Advisors		BR	Member of the Advisory Council
Geoffery Merszei		Zolenz AG in liquidation (liquidated 25.3.2024)		CH	Chairman of the Board of Directors
Eveline Saupper	Georg Fischer AG			CH	Vice Chairwoman of the Board of Directors, Independent Lead Director, Chairwoman of the Compensation Committee
	Forbo Holding AG			CH	Member of the Board of Directors
		Stäubli Holding AG		CH	Member of the Board of Directors
		Mentex Holding AG		CH	Chairwoman of the Board of Directors
	Tourismus Val Surses Savognin Bivio AG			CH	Vice Chairwoman of the Board of Directors
			UZH [University of Zurich] Foundation	CH	Member of the Foundation Board
			Foundation Piz Mitgel Val Surses	CH	Member of the Foundation Board
			University of St. Gallen	CH	Member of the Advisory Council
Naveena Shastri (until April 9, 2024)		No other mandates			
Peter Steiner	Wienerberger AG			AT	Chairman of the Supervisory Board, Chairman of the Nomination and Remuneration Committee
	Zeal Network SE			DE	Chairman of the Supervisory Board
Claudia Suessmuth Dyckerhoff	Roche Holding AG			CH	Member of the Board of Directors
	Ramsay Health Care Limited (Sydney)			AUS	Member of the Board of Directors
	Prudential plc			UK and HK	Member of the Board of Directors
		QuEST Global Services Pte. Ltd.		SG	Member of the Board of Directors
		IMA [International Market Assessment]		CN	Member of the Forum Advisory Board
			University of St. Gallen	CH	Member of the Advisory Council
			St. Galler Stiftung für Internationale Studien (SSIS)	CH	Member of the Foundation Board
			Buurtzorg Neighborhood Care Asia Ltd. (until December 1, 2024)	HK	Member of the Advisory Council
Susanne Wamsler	no other mandates		Empower underprivileged children Schweiz	CH	Chairwoman of the Foundation Board
			Kinderhilfe Kambodscha e.V.	DE	Member of the Foundation Board
Konstantin Winterstein	Ringmetall SE			DE	Member of the Board of Directors, Co-CEO
		GFT Holding GmbH		DE	Member of the Advisory Council

Members of the Board of Directors

Günter von Au, German citizen

Function at Clariant: Chairman of the Board of Directors and of the Nomination Committee (since 7 April 2021)

Born: 1951

Year of first election: 31 March 2011¹

Independency: Independent

Experience: CEO; Finance; Compliance; M&A; Capital Markets; Chemical Industry; Innovation; Strategy; Sustainability

Qualifications: PhD in chemistry from the University of Tübingen, Germany

Career highlights: Günter von Au joined Wacker-Chemie AG in 1980, holding different management positions, and became CEO at Wacker Systems GmbH & Co. KG in Burghausen, Germany. In 2001, he took over the position of President and CEO of Süd-Chemie Inc. From 2004, he was CEO of the Management Board of Süd-Chemie AG until 2012, when he joined Clariant's Board of Directors¹.

Apart from his board mandate with Clariant Ltd, Günter von Au currently holds four other board memberships in private chemical and pharmaceutical companies headquartered in Germany. He has no mandate in any listed company other than Clariant Ltd. More details can be found in the table above.

¹ The election at the Annual General Meeting in 2011 was subject to the condition that Günter von Au would step down from his position as the CEO of the Management Board of Süd-Chemie AG – which he did on 31 March 2012. Günter von Au actually joined the Board of Directors of Clariant Ltd on 1 April 2012, i.e., shortly after the 2012 Clariant Annual General Meeting, which took place on 27 March 2012.

Ahmed Mohammed Al Umar, Saudi Arabian citizen

Function at Clariant: Vice-Chairman of the Board of Directors

Born: 1964

Year of first election: 24 June 2022

Independency: Independent (nominated by SABIC International Holdings B.V.)

Experience: Chemical Industry; Finance; Regulatory; M&A; Operational; Innovation; Strategy; HR/Compensation;

Qualifications: Bachelor's degree in business administration from the King Abdulaziz University, Saudi Arabia; Executive Master of Business Administration (EMBA) degree from the King Fahad University of Petroleum and Minerals, Saudi Arabia; Certified Board Director of the GCC Board Directors Institute (BDI), United Arab Emirates

Career highlights: After joining SABIC in 1987 as an Operations & Information Analyst, he held several senior international management positions within SABIC between 2006 and 2015. From 2008 till 2011, Ahmed Mohammed Al Umar was posted in Singapore as the head of SABIC Asia Pacific, leading SABIC's operations in the region. From 2015-2020, he was Vice President of Joint Venture Affairs, followed by his current position as President of Joint Venture Affairs and M&A. In addition to this role, he became SABIC's Board Secretary in December 2022.

Apart from his board mandate with Clariant Ltd, Ahmed Mohammed Al Umar currently holds three other board memberships in private chemical companies headquartered in the Middle East and China. He has no mandate in any listed company other than Clariant Ltd. More details can be found in the table above.

Roberto Gualdoni, German and Italian citizen

Function at Clariant: Nonexecutive Member of the Board of Directors

Born: 1956

Year of first election: 24 June 2022

Independency: Independent (nominated by SABIC International Holdings B.V.)

Experience: CEO; Finance; Chemical Industry; M&A; Capital Markets; Strategy; Sustainability

Qualifications: Master's degree in industrial engineering from the University of Buenos Aires, Argentina; MBA from INSEAD, France

Career highlights: Roberto Gualdoni started his professional career in 1983 as a Commercial Coordinator at Tenaris in Buenos Aires, Argentina. After joining BASF in 1987 and holding different senior management positions in, among others, marketing, sales, finance, and procurement in both specialty and commodity business, he became President of BASF's Styrenics business unit in 2010, which merged with INEOS units to form the Styrolution Group, where he served as CEO from 2011 to 2014.

Apart from his board mandate with Clariant Ltd, Roberto Gualdoni currently holds three other board memberships in private chemical companies headquartered in Germany. In addition, he has one other mandate in a listed company (Synthomer plc, UK). More details can be found in the table above.

Jens Lohmann, German citizen

Function at Clariant: Nonexecutive Member of the Board of Directors

Born: 1968

Year of first election: 9 April 2024

Independency: Independent (nominated by SABIC International Holdings B.V.)

Experience: Finance; Chemical Industry; M&A; Capital Markets; Regulatory

Qualifications: Master's degree in economy and business from the University of Hannover, Germany

Career highlights: In 1998, Jens Lohmann started his career as Project Manager Finance and Accounting at Bayer AG in Leverkusen, Germany, and subsequently held various management positions in the finance department of Bayer AG. From 2009 to 2011, he was Chief Accounting Officer for Bayer Corp. in Pittsburgh, USA. From 2012 to 2017, he was responsible for Controlling and Performance Management of the global production and supply chain network of the Bayer Health Care division. Jens Lohmann then held the position of Senior Vice President, Head of Functional Controlling, at Bayer AG, Leverkusen, Germany. In May 2021, Jens Lohman started as Vice President, Head of Governance & Global Financial Controllershship, at SABIC Corp., Riyadh, Saudi Arabia. He has no other mandates in listed or unlisted companies.

Thilo Mannhardt, German citizen

Function at Clariant: Nonexecutive Member of the Board of Directors, Chair of the Innovation & Sustainability Committee (since 7 April 2021)

Born: 1954

Year of first election: 29 June 2020

Independency: Independent

Experience: CEO; Finance; Chemical Industry; Capital Markets; Innovation; Strategy; Sustainability

Qualifications: Master's degree and PhD in aeronautical and space engineering from the Technical University of Berlin, Germany; postgraduate certificate in business administration from the University of Hagen, Germany

Career highlights: After several years in academia and research, Thilo Mannhardt joined McKinsey & Co., Inc. in 1985, where he held various leadership roles in Europe, Latin America, and Africa for 28 years until he joined Ultrapar SA in São Paulo. There, he served as Member of the Board of Directors and CEO from 2011 until 2018. Apart from his board mandate with Clariant Ltd, Thilo Mannhardt currently holds three other board memberships in private companies headquartered in Brazil. Until April 2024, he was a member of the Board of Directors of CA Modas S.A., a listed company in Brazil. More details can be found in the table above.

Geoffery Merszei, Canadian and Swiss citizen

Function at Clariant: Nonexecutive Member of the Board of Directors

Born: 1951

Year of first election: 16 October 2018

Independency: Independent (nominated by SABIC International Holdings B.V.)

Experience: CEO; CFO/Audit; M&A; Capital Markets; Chemical Industry; Regulatory/Compliance; Strategy

Qualifications: Bachelor of science in economics from Albion College, Michigan, USA

Career highlights: Geoffery Merszei served at Alcan Inc. as Executive Vice President and Chief Financial Officer and afterwards joined The Dow Chemical Company as Executive Vice President and Chief Financial Officer. He served on Dow's board from 2005 until 2009 and was the Lead Director on the board of Dow Corning Corporation. Before retiring in 2013, he held the position of Executive Vice President of The Dow Chemical Company, President of Dow Europe, the Middle East, and Africa, and Chairman of Dow Europe. Zolenz AG, where Geoffery Merszei was Chairman of the Board, was liquidated on 25 March 2024.

Eveline Saupper, Swiss citizen

Function at Clariant: Nonexecutive Member of the Board of Directors, Chair of the Compensation Committee (since 16 October 2018)

Born: 1958

Year of first election: 21 April 2016

Independency: Independent

Experience: Legal; Tax; M&A; and HR/Compensation

Qualifications: PhD in Law from the University of St. Gallen, Switzerland (HSG); attorney-at-law, Zurich, Switzerland; certified tax expert

Career highlights: Eveline Saupper was a partner at the law firm Homburger AG, Zurich, Switzerland, until 2014 and Off Counsel of said law firm until March 2017. Before joining Homburger in 1985, she worked as a tax specialist with Peat Marwick Mitchell (today KPMG) in Zurich. Apart from her board mandate with Clariant Ltd, Eveline Saupper currently holds three other board memberships in private companies and two other mandates in listed companies (Forbo Holding AG and Georg Fischer AG), all with headquarters in Switzerland. More details can be found in the table above.

Naveena Shastri, American citizen

Function at Clariant: Nonexecutive Member of the Board of Directors

Born: 1964

Year of first election: 24 June 2022 (until 9 April 2024)

Independency: Independent (nominated by SABIC International Holdings B.V.)

Experience: Legal; M&A; Capital Markets; Chemical Industry; HR/Compensation

Qualifications: Bachelor's degree in history and political science from Bangalore University, India; law degree from Cambridge University, England; LL.M. from Harvard University

Career highlights: Since 1 January 2017, Naveena Shastri has been the Vice President & General Counsel of SABIC Corp. In addition to this role, she leads SHE, SABIC's global Women's Network, and is an active champion of SABIC's diversity and inclusion initiatives. Prior to becoming SABIC's General Counsel, Naveena Shastri was the Chief Regional Counsel for the Americas region as well as the legal business partner for SABIC's specialties strategic business unit. Apart from her board mandate with Clariant Ltd, Naveena Shastri has no other board memberships.

Peter Steiner, German citizen

Function at Clariant: Nonexecutive Member of the Board of Directors, Chair of the Audit Committee

Born: 1959

Year of first election: 21 April 2016

Independency: Independent

Experience: CEO; CFO; Auditor; Capital Markets; M&A; Regulatory/Compliance; Chemical Industry; Innovation and Digitalization; Compensation; Sustainability

Qualifications: Master of Business Administration from the University of Mannheim and Cologne, Germany; certified public accountant

Career highlights: Starting in 2004, Peter Steiner worked for MG Technologies AG as its Chief Financial Officer. From 2005 to 2011, Peter Steiner was a partner at OEP, JPMorgan's private equity investment arm. At Dyckerhoff AG, he was successively Chief Financial Officer, Chief Operating Officer, and finally Chief Executive Officer. Following his many years as an auditor with Arthur Andersen & Co., he was also Chief Financial Officer of Süba Bau AG. Since 2012, Peter Steiner has served as chair or member of various company boards, for example, of Xella International SARL, ASK Chemicals GmbH, and JM Holding GmbH. Apart from his board mandate with Clariant AG, Peter Steiner currently holds two other board memberships in listed companies (Wienerberger AG, Austria; Zeal Network SE, Germany – announced to resign in May 2025). More details can be found in the table above.

Claudia Suessmuth Dyckerhoff, German citizen

Function at Clariant: Nonexecutive Member of the Board of Directors

Born: 1967

Year of first election: 21 April 2016

Independency: Independent

Experience: Finance; Regulatory/Compliance; M&A; Strategy; Innovation and Digitalization; HR/Compensation

Qualifications: PhD in business administration from the University of St. Gallen, Switzerland, and the University of Michigan, Ann Arbor, USA; MBA from CEMS/ESADE

Career highlights: Claudia Suessmuth Dyckerhoff joined McKinsey & Company in Switzerland in 1995 and thereafter focused on advising mainly healthcare companies in Europe, the United States, Greater China, and across Asia. She was a Senior Partner at McKinsey and led the Asia Health Services and Systems sector within McKinsey until March 2016, when she became a Senior External Advisor to McKinsey. Apart from her board mandate with Clariant Ltd, Claudia Suessmuth Dyckerhoff currently holds two other board memberships in private companies and three other mandates in listed companies (Roche Holding AG, Switzerland; Ramsay Health Care Limited, Australia; Prudential plc, Hong Kong). More details can be found in the table above.

Susanne Wamsler, American citizen

Function at Clariant: Nonexecutive Member of the Board of Directors

Born: 1961

Year of first election: 31 March 2015

Independency: Independent

Experience: Strategy; Innovation and Digitalization; Sustainability; Chemical Industry

Qualifications: Degree in political economy from Princeton University, USA; MBA from INSEAD, France

Career highlights: Susanne Wamsler held various positions with Deutsche Bank AG in Munich and New York from 1984 until 1988. Since then, she has been a successful entrepreneur in different fields, including retail, real estate, telecommunications, and wealth management. She complemented her education with certificates in board membership and corporate governance and held mandates and officer positions in different businesses, as well as nonprofit organizations, before joining the Clariant Board. Apart from her mandate with Clariant Ltd, she has no other board mandates.

Konstantin Winterstein, German citizen

Function at Clariant: Nonexecutive Member of the Board of Directors

Born: 1969

Year of first election: 31 March 2011

Independency: Independent

Experience: CEO; Finance; Strategy; HR/Compensation

Qualifications: Degree in production engineering from the technical universities of Darmstadt and Berlin, Germany; MBA from INSEAD, France and Singapore.

Career highlights: Konstantin Winterstein held various positions with the BMW Group from 1997 until 2014. From 2006 to 2011, he served on the Supervisory Board of Süd-Chemie AG. Since 2014, he has been a Member of the Management Board of Ringmetall SE in Munich, and Co-CEO since 2017. Apart from his board mandate with Clariant Ltd, Konstantin Winterstein currently holds one other board membership in a private company and one other mandate in a listed company (Ringmetall SE, Germany). More details can be found in the table above.

Board of Directors' competence matrix and corresponding Board Committee memberships:

BOARD OF DIRECTORS: COMPETENCE MATRIX

Member	Executive Experience	Finance, audit, risk management	Compliance, regulatory, legal	Capital markets, M&A	Chemical industry experience	International business experience	Innovation, digitalization	Strategy, business transformation	HR, compensation	Sustainability	BoD Committee ¹
Günter von Au	✓		✓	✓	✓	✓	✓	✓		✓	NC (Chair), ISC
Ahmed Mohammed Al Umar	✓	✓	✓	✓	✓	✓		✓	✓		NC
Roberto C. Gualdoni	✓	✓		✓	✓	✓		✓		✓	ISC
Jens Lohmann (since April 9, 2024)		✓	✓	✓	✓	✓		✓			CoC
Thilo Mannhardt	✓	✓		✓	✓	✓	✓	✓		✓	ISC (Chair)
Geoffery Merszei	✓	✓	✓	✓	✓	✓		✓			AC
Eveline Saupper			✓	✓					✓		CoC (Chair)
Naveena Shastri (until April 9, 2024)	✓	✓	✓	✓	✓				✓		CoC
Peter Steiner	✓	✓	✓	✓		✓	✓	✓	✓	✓	AC (Chair), NC
Claudia Suessmuth Dyckerhoff		✓	✓	✓		✓	✓	✓	✓		AC, CoC
Susanne Wamsler					✓	✓	✓	✓		✓	ISC, NC
Konstantin Winterstein	✓	✓				✓		✓	✓		AC, CoC

¹ AC: Audit Committee; CoC: Compensation Committee; ISC: Innovation & Sustainability Committee; NC: Nomination Committee

Cross-involvement

There are no cross-involvements.

- Audit Committee
- Innovation and Sustainability Committee

Internal Organizational Structure

The Board of Directors and its committees

The **Board of Directors** consists of the Chairperson, the Vice-Chairperson, and the other members. No member of the Board of Directors has held a senior management position at Clariant Ltd or any current or former Clariant Group company in the last five years or has had any significant business relationship with Clariant Ltd or any other Clariant Group company.

The members of the Board of Directors constitute the following committees:

- Nomination Committee
- Compensation Committee¹

The Board of Directors appoints the members of the committees, except for the members of the Compensation Committee, who are elected by the Annual General Meeting. The Board of Directors meets at least once a quarter. At the Chairperson's invitation, the CEO, the CFO, and other members of the Executive Leadership Team and/or other employees and third parties attend the meetings of the Board of Directors for the purpose of reporting or imparting information. Each committee has a written charter outlining its duties and responsibilities. The committees' charters are published on Clariant's website (→ www.clariant.com/en/Company/Corporate-Governance/Committees). The committees report on their activities and results to the Board of Directors after each Committee meeting. They prepare the business of the Board of Directors in their respective areas.

¹ As elected by the Annual General Meeting

BOARD OF DIRECTORS - COMMITTEE RESPONSIBILITIES AND MEETINGS

Member of the Board of Directors	Nomination Committee	Audit Committee	Compensation Committee	Innovation and Sustainability Committee
Günter von Au	C since 7 April 2021			C since 7 April 2021
Ahmed M. Al Umar	M since 24 June 2022			
Roberto Gualdoni				M since 24 June 2022
Jens Lohmann			M since 9 April 2024	
Thilo Mannhardt				C since 7 April 2021
Geoffery Merszei		M since 16 October 2018		
Eveline Saupper			C since 16 October 2018	
Naveena Shastri			M since 24 June 2022 until April 9, 2024	
Peter Steiner	M since 21 April 2016	C since 21 April 2016		
Claudia Suessmuth Dyckerhoff		M since 24 June 2022	M since 16 October 2018	
Susanne Wamsler	M since 7 April 2021			M since 7 April 2021
Konstantin Winterstein		M from 2012 until 21 April 2016 and since 20 March 2017	M since 7 April 2021	

C = Chairperson
M = Member

The **Nomination Committee (NC)** comprises the Chairperson, the Vice-Chairperson, and other members of the Board of Directors, as elected by the Board of Directors. The NC meets as needed. The NC draws up principles for the selection of candidates for election and reelection to the Board of Directors, as well as for the position of CEO and for the other members of the Executive Steering Committee, and prepares the corresponding recommendations. The NC considers and submits to the Board of Directors the CEO's proposals concerning candidates for Executive Steering Committee positions. For 2024, the Executive Steering Committee fulfills the gender requirements of Article 734f of the Swiss Code of Obligations. The female representation of the Board of Directors is 27%. Equal gender representation is an important KPI of succession planning going forward, and the Board of Directors is firmly committed to achieving the statutory requirements in the context of future appointments to the Board of Directors.

The NC also reviews the independence of all members of the Board of Directors, as well as the membership and structure of its committees, and presents its assessment to the Board of Directors for final determination. More information can be found at → www.clariant.com/en/Company/Corporate-Governance/Committees.

The **Compensation Committee (CoC)** comprises at least three members of the Board of Directors, elected by the Annual General Meeting. The majority of the members are nonexecutive members of the Board of Directors. The CoC meets at least twice a year. The CoC reviews and proposes to the Board of Directors the compensation and benefits policies and programs, reviews the performance criteria relevant to compensation, and determines individual executive compensation and benefits of the members of the Board of Directors and the Executive Steering Committee, subject to the approvals of the total compensations by the Annual General Meeting. The CoC also adjusts the development of the compensation structures to changing conditions, as necessary. In this context, the long-term incentive program for the Executive Steering Committee and the senior management team is also aligned with current market and business developments, and corresponding adjustments are made, if required. Furthermore, the CoC reviews fringe benefit regulations and dismissal regulations of the CEO, the CFO and the other members of the Executive Steering Committee and takes note of the planned direct and indirect compensation packages of the heads of global functions reporting to the CEO, always in accordance with the Articles of Association and the Code of Obligations. More information can be found in the Compensation Report 2024 and at → www.clariant.com/en/Company/Corporate-Governance/Committees.

The **Audit Committee (AC)** comprises two to four members of the Board of Directors, all of whom must be independent and nonexecutive members of the Board of Directors. A majority of the members of the AC, including the chair, should have financial and accounting experience. The AC meets at least four times a year. The CFO and representatives of the external auditor are invited to Audit Committee meetings. The Audit Committee reviews the financial reporting processes on behalf of the Board of Directors. For each quarterly and annual reporting of financial information, an internal team reviews the information for accuracy and completeness of disclosures, reporting to the Audit Committee before publication. The AC reviews and recommends the Group's financial statements for the first three quarters of each year and the annual financial results as well as the report on nonfinancial matters pursuant to Article 964c of the Swiss Code of Obligations to the Board of Directors for approval. Further, the AC reviews the activities of the external auditors, their collaboration with the internal auditors, and their organizational adequacy. It also reviews the performance, compensation, and independence of the external auditors, as well as the performance of the internal auditors, and reports back to the Board of Directors. Furthermore, the AC reviews the company's internal control and risk management systems and reviews compliance with the law and internal regulations – in particular with the Code of Ethics. In collaboration with the Group's external and internal auditors and financial and accounting management, the AC reviews the appropriateness, effectiveness, and the compliance of accounting policies and financial controls with applicable accounting standards. Furthermore, the Head of Internal Audit, along with the Head of Risk Management, the Group Compliance Officer, and Clariant's General Counsel report on a regular basis to the Audit Committee. More information can be found at → www.clariant.com/en/Company/Corporate-Governance/Committees.

The **Innovation and Sustainability Committee (ISC)** comprises two to four members of the Board of Directors, ideally with professional experience in the domains of technology and innovation management, research and development, and sustainability, including climate risk management. The ISC supports the Board of Directors and the CEO in matters of innovation and sustainability strategy, climate risk management, growth fields, innovation processes, innovation pipeline, enabling technology platforms, relevant intellectual property, and capability-related decisions. Furthermore, the ISC supports the AC in preparing the report on nonfinancial matters. The ISC meets as often as necessary for the company's business or at the request of any of its members, but at least four times per year. The Chair of the ISC reports regularly to the Board of Directors on the activities and findings of the ISC and provides updates on Clariant's Scope 1, 2, and 3 emissions as well as measures implemented to further reduce Clariant's emissions. More information can be found at → www.clariant.com/en/Company/Corporate-Governance/Committees.

Definition of working methods and areas of responsibility

In accordance with the law and the Articles of Association, the Board of Directors is the ultimate decision-making authority for Clariant Ltd in all matters, except those decisions reserved by law or the Articles of Association for the shareholders. In accordance with and supplementary to Article 716a of the Swiss Code of Obligations and Article 22 of the Articles of Association (→ www.clariant.com/en/Company/Corporate-Governance/Articles-of-association), the Board of Directors has in particular the following nontransferable and inalienable duties:

- Providing the strategic direction of the Group;
- Approving the basic outline of the Group's organization and its corporate governance;
- Supervising the overall business operations;
- Evaluating the performance of the CEO and members of the Executive Steering Committee;
- Appointing and dismissing the CEO and members of the Executive Steering Committee, the Head of Internal Audit, and other key executives;
- Approving the basic accounting system and financial planning and control of the Group;
- Approving the Group's annual budget;
- Reviewing and approving the quarterly financial statements and results release for Clariant Ltd and the Group;
- Approving the Group's consolidated financial statements at the end of the financial year for submission to the Annual General Meeting;
- Approving and reviewing ESG-related reporting;
- Approving major M&A transactions and financial transactions of considerable scope or those involving special risks, particularly capital market transactions and other financing transactions (e.g., large loans), as well as changes in conditions associated therewith;

- Ensuring a management and corporate culture that is appropriate for the company's objectives;
- Ensuring an internal control system and adequate risk and compliance management, particularly with regard to financial, corporate governance and citizenship, personnel, and environmental protection matters;
- Ensuring succession planning and management development;
- Convening the Annual General Meeting (AGM) and determining the items on the agenda and the proposals to be made to the AGM.

Working methods

In 2024, the Board of Directors held seven meetings in person and one meeting by videoconference/phone. The overall attendance rate for the eight meetings was 97.9%. Details on individual attendance by board member can be found in the table below. The Group's strategy is reviewed and developed once a year in a two-day meeting (included in the eight meetings as shown in the table below).

Members of the Executive Steering Committee and the General Counsel are invited to attend the meetings of the Board of Directors. Members of the Executive Leadership Team are also invited to these meetings, depending on the agenda topics. The views of external and internal consultants are heard, if necessary, in the case of projects of considerable scope.

Further, in each Board meeting, the Board of Directors receives updates regarding the economy, the environment, and people so that it can review the effectiveness of Clariant's processes and identify and manage its impact in these three areas. The Board also receives monthly reports regarding Clariant's performance, key projects, and DART (Days Away, Restricted, or Transferred) rate. The Board of Directors also directly engages with stakeholders by providing feedback during Board meetings and follows up with stakeholders if questions arose during the Board meeting.

BOARD OF DIRECTORS MEETINGS

	BoD		NC		AC		CoC		ISC	
Number of meetings in 2024	8		10		6		4		6	
	(average duration 6.5h)		(average duration 1.5h)		(average duration 3h)		(average duration 2h)		(average duration 4h)	
Directors										
Günter von Au	8	100.0%	10	100.0%					6	100.0%
Ahmed M. Al Umar	8	100.0%	10	100.0%						
Roberto Gualdoni	8	100.0%							6	100.0%
Jens Lohmann (as of April 2024)	7	100.0%					2	100.0%		
Thilo Mannhardt	8	100.0%							6	100.0%
Geoffery Merszei	8	100.0%			5	83.3%				
Eveline Saupper	8	100.0%					4	100.0%		
Naveena Shastri (until April 9, 2024)	1	100.0%					2	100.0%		
Peter Steiner	8	100.0%	10	100.0%	6	100.0%				
Claudia Suessmuth Dyckerhoff	7	87.5%			5	83.3%	3	75.0%		
Susanne Wamsler	8	100.0%	10	100.0%					6	100.0%
Konstantin Winterstein	7	87.5%			6	100.0%	4	100.0%		
Average Attendance rate		97.9%		100.0%		91.7%		93.8%		100.0%

Management of the Group

The Board of Directors has delegated the executive management of the Clariant Group to the CEO and the other members of the Executive Steering Committee. The Executive Steering Committee is mainly responsible for implementing and monitoring the Group strategy, for the financial and operational management of the Group, and for the Group structure and organization. The members of the Executive Steering Committee are appointed by the Board of Directors on the recommendation of the Nomination Committee. Subject to the responsibility of the Board of Directors and the Annual General Meeting, the CEO and, under his supervision, the Executive Steering Committee are responsible for:

- Drawing up strategic plans and policies for approval by the Board of Directors;
- Implementing Group strategies and policies as well as strategies and action programs for individual business units and subsidiaries;
- Managing the business units and functions to ensure efficient operations, including regularly assessing the achievement of goals;
- Regularly informing the Board of Directors and its committees of all matters of fundamental significance to the Group and its businesses;
- Ensuring compliance with legal requirements and internal regulations;
- Establishing a management and corporate culture in line with the company's objectives;
- Promoting an active internal and external communications policy;
- Appointing and dismissing senior management, including appropriate succession planning.

The Executive Steering Committee is supported by the Executive Leadership Team, consisting of the members of the Executive Steering Committee, as well as the heads of global functions appointed by the CEO as permanent members.

The role of the Executive Leadership Team is to support the Executive Steering Committee in its decision-making process by promoting dialogue among its members, enabling information to be exchanged, and creating awareness of the Group's environment. The Group operates and reports in the three Business Units Care Chemicals, Catalysts, and Adsorbents & Additives, each one headed by a Business President (more details can be found in the → **chapter Business Units**). They have global responsibility for the activities assigned to them, particularly sales, marketing, product management, and production. The business units also have global responsibility for short- and long-term revenue and earnings generated from the operations and assets assigned to them. This includes fully exploiting existing business potential, identifying

new business opportunities, and pursuing the active management of their products and services portfolio. The business units' activities are complemented and supported by global functions (e.g., Procurement, Finance, Information Technology, Legal, Human Resources, Communications, and Group Technology & Sustainability).

Information and control instruments vis-à-vis the Executive Steering Committee

The Board of Directors ensures that it receives sufficient information from the Executive Steering Committee to perform its supervisory duties and make decisions that are reserved for the Board of Directors. The Board of Directors obtains the information required to perform its duties in various ways:

- The CEO and the CFO inform the Board of Directors regularly about current developments, including through the regular submission of written reports, such as key performance indicators for each business;
- The minutes of the meetings of the Executive Steering Committee are made available to the Chairperson of the Board of Directors;
- Informal meetings and teleconferences are held, as required, between the CEO and the members of the Board of Directors;
- The members of the Executive Steering Committee are invited to attend meetings of the Board of Directors to report on the business units under their responsibility;
- The members of the Board of Directors are entitled to request information from members of the Executive Steering Committee or any other Clariant senior manager.

Internal Audit

The purpose of Internal Audit is to provide independent, objective assurance and consulting services guided by a philosophy of adding value to improve Clariant. It assists Clariant in accomplishing its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness and efficiency of the organization's governance, risk management, and controls. Internal Audit carries out its audits in accordance with a plan approved by the Audit Committee. Internal Audit prepares reports on the audits it has performed and reports actual or suspected deficiencies and irregularities to the Audit Committee and Management. The Audit Committee regularly reviews the scope, plans, and results of Internal Audit. The Group pursues a risk-oriented approach to auditing and coordinates internal audit activities with the external auditors. The quality of Internal Audit is regularly assessed in accordance with the requirements of The Institute of Internal Auditors (IIA). More information on Clariant's risk management system can be found in the chapter → **Enterprise Risk Management**.

Group Management

The Executive Steering Committee (ESC)

The ESC consists of the CEO, the CFO, and the three Business Presidents. The ESC regularly holds meetings mainly at the Clariant Global Headquarters in Pratteln and sometimes at other Clariant sites worldwide. It uses such external meetings to discuss business performance with the management of the local companies in person.

Members of the Executive Steering Committee

The ESC comprised the following members in 2024:

Conrad Keijzer, Dutch citizen

Function at Clariant: Chief Executive Officer (CEO) and Member of the ESC since 1 January 2021

Qualifications: MSc in industrial engineering from the Twente University of Technology; Advanced Management Program at Harvard Business School, USA

Career highlights: Prior to joining Clariant, Conrad Keijzer was CEO of the French listed specialty materials company Imerys, where he set the strategic direction for organic growth and profitability improvement. From 2013 to 2018, Conrad Keijzer was an Executive Committee Member at AkzoNobel and CEO of Performance Coatings, its largest division. Previously, he had held leadership roles at AkzoNobel in the Netherlands, Germany, Spain, the United States, and Mexico.

Other activities: Member of the Board and the Executive Committee and Chairman of the Nomination Committee of the European Chemical Industry Council (Cefic); Member of the Board of Directors at the American Chemistry Council (ACC); Member of the Board of Directors and Member of the Audit Committee of NESTE Corporation since 27 March 2024.

Bill Collins, US citizen

Function at Clariant: Chief Financial Officer (CFO) and Member of the ESC since 1 July 2022

Qualifications: MBA from Kellogg Graduate School of Management; Master of Science in Finance from the University of Illinois; certified public accountant from the State of Illinois

Career highlights: Bill Collins has a strong track record in driving performance and large-scale transformation in complex global businesses, including AkzoNobel, Eaton Corporation, and Schneider Electric. He joined Clariant's ESC from ENGIE, where he served as the North American CEO as well as CFO. Prior to this, he held the position of ENGIE's Group Deputy CFO in Paris.

Other activities: none

Angela Cackovich, German citizen

Function at Clariant: Business President of the Business Unit Adsorbents & Additives and the region EMEA and Member of the ESC since 1 July 2022

Qualifications: Master's degrees in chemical engineering from the Fachhochschule Fresenius Wiesbaden, Germany; a Master's in International Finance and Management and a Master's in Business Administration from London Business School, UK.

Career highlights: Angela Cackovich joined Clariant's ESC from tesa SE, where she was a member of the Executive Board. Previously, she held various management positions with P&L responsibility at Henkel, e.g., as Head of Global Building & Construction Business, Head of Adhesives Automotive/Aviation Americas, and Head of Adhesives Automotive/Aviation Europe. Prior to this, she gained significant industry experience in several leadership positions at Celanese, Rohm & Haas, Dow Corning, and Hoechst.

Other activities: Member of the Advisory Board of Lehmann & Voss & Co. KG, Germany

Jens Cuntze, German citizen

Function at Clariant: Business President of the Business Unit Catalysts and the region APAC and Member of the ESC since 1 July 2022

Qualifications: PhD in chemistry from the Swiss Federal Institute of Technology (ETH Zurich).

Career highlights: In 1997, Jens Cuntze started his career as a consultant and later Associate Principal at McKinsey, with a focus on the chemical industry. In 2003, Jens Cuntze joined Clariant as Head of Strategic Planning Division Life Science & Electronic Chemicals. He then held several management positions in the business and in corporate functions, e.g., as Head of New Business Development Business Unit Custom Synthesis, Head of Corporate Strategy, Head of Business Line Industrial Applications Business Unit Industrial & Consumer Specialties as well as Vice President and Head of Group Procurement. From 2013 until 2018, he held the positions of Vice President and Head of Business Segment Petrochemical Catalysts. Then he served as Head of Corporate Planning & Strategy at Clariant until June 2022.

Other activities: Executive Board Member and Vice Chairman of the Committee of Multinationals, China Petroleum and Chemical Industry Federation (CPCIF.MNC); Member of the Advisory Board of Association of International Chemical Manufacturers Co. LTD, China (AICM)

Christian Vang, Danish citizen

Function at Clariant: Business President of the Business Unit Care Chemicals and the region Americas and Member of the ESC since 1 July 2022

Qualification: Bachelor's degree in international business and macroeconomics from the Schiller International University; Executive General Management Program at INSEAD (CEDEP); various executive degrees from institutions such as London Business School, Harvard, and INSEAD

Career highlights: Christian Vang launched his career at Clariant in 2008 as Head of Region Asia-Pacific for the Pigments & Additives Division based in Singapore. He then became Regional Head of Business Unit Industrial & Consumer Specialties (ICS) based in Shanghai, China, followed by Head of Corporate Planning & Strategy. Before joining Clariant, Christian Vang was Regional Head for Siegwirk Group in Asia-Pacific until 2008. For the 20 years before this, Christian had been assigned by the Hempel Group to various growth regions in EMEA, including Egypt, Eastern Europe, Greece, Malaysia, and Singapore, where he was Group Vice President and Managing Director for Hempel Group in South-east Asia.

Other activities: none

Other activities and functions

None of the members of the ESC undertake other activities or hold consultancy functions or other offices except for the ones disclosed above.

Management contracts with third parties

There are no management contracts with third parties.

Contractual arrangements for members of the Executive Steering Committee

All members of the ESC hold employment contracts with Clariant International Ltd, Clariant Group's management company. The contractual provisions are governed by Swiss law. Contracts of the members of the ESC are subject to a standard notice period of twelve months.

Remuneration, Shareholdings, and Loans

All information on the remuneration of the Board of Directors and the Executive Steering Committee of Clariant Ltd can be found in the → Compensation Report 2024.

Shareholders' Participation Rights

Subject to Article 6 para. 2 of the Articles of Association (→ www.clariant.com/en/Company/Corporate-Governance/Articles-of-association), providing certain limitations on voting by nominees, each registered share entitles the holder to one vote at the Annual General Meeting. Shareholders have the right to receive dividends and such other rights as are granted by the Swiss Code of Obligations. However, only shareholders entered in the Clariant share register may exercise their voting rights.

Voting right restrictions and representation

A registered shareholder may be represented at the Annual General Meeting by another person with the right to vote, or by the independent proxy (unabhängiger Stimmrechtsvertreter). The shares held by any one shareholder may be represented by only

one representative. There are no special rules for waiving any voting rights restrictions laid down in the Articles of Association. The Articles of Association also do not contain any rules on participation in the Annual General Meeting that differ from the standard terms proposed by law.

Statutory quorums

The quorums laid down in the Articles of Association correspond to those in Article 704 of the Swiss Code of Obligations.

Convocation of the Annual General Meeting

The Articles of Association do not contain any rules that differ from the standard terms proposed by law.

Proposal of agenda items for the 2026 Annual General Meeting

The Articles of Association do not contain any rules that differ from the standard terms proposed by law. Shareholders holding at least 0.5% of the share capital may request that an item be included on the agenda at least 45 days prior to the 31st Annual General Meeting on 1 April 2026. Items to be included on the agenda – with regard to the 2025 financial year – must be submitted no later than 13 February 2026. Such requests must be made in writing and specify the item(s) to be included on the agenda and must contain a proposal on which the shareholder requests a vote.

Entries in the share register

There are no statutory rules concerning deadlines for entry in the share register. However, for practical reasons, the share register will be closed to entries several days before a shareholder meeting. With regard to the 2026 Annual General Meeting concerning the financial year 2025, this applies as of 27 March 2026. Shareholders who have been entered into the share register by 26 March 2026 may exercise their right to vote at the Annual General Meeting on 1 April 2026. There are no voting rights restrictions except those mentioned above.

Change of Control and Defense Measures

The limit beyond which the duty to make an offer applies is the same as the statutory minimum, 33 1/3%. There are no clauses on changes of control in agreements with members of the Board of Directors or the Executive Steering Committee other than with regard to the Clariant Long-Term Incentive Plan (CLIP). Unvested Performance Stock Units will be settled as follows: Grants in 2019-2022: Immediate pro-rata cash out based on 80% performance. Grants since 2023: Immediate vesting settled in cash based on 100% performance.

Information Policy

Notices; dates

Notices are published, in accordance with Article 35 of the Articles of Association (→ www.clariant.com/en/Company/Corporate-Governance/Articles-of-association), in the Swiss Official Gazette of Commerce. Clariant releases its annual financial results in the form of financial statements and publishes further information in the form of an Integrated Report in electronic form. In addition, business figures for the first quarter, half year, nine months, and full year are published in electronic form in April/May, July, October, and February/March of the following year, respectively. Current publication dates can be found online in English on Clariant's website (→ www.clariant.com/en/Investors/Financial-Calendar). All information pertaining to investor updates, as well as presentations at analyst and investor conferences, can be obtained online (→ www.clariant.com/en/Investors/Results-Reports-and-Publications) or at the following address:

Clariant International Ltd, Investor Relations, Hardstrasse 61, 4133 Pratteln, Switzerland, investor-relations@clariant.com, Phone +41614696373.

The results for the 2025 financial year will be published as follows:

- First Quarter Reporting 29 April 2025
- Second Quarter/First Half Year Reporting 31 July 2025
- Third Quarter/Nine Months Reporting 30 October 2025
- Fourth Quarter/Full Year Reporting 26 February 2026

Annual General Meeting 2025

The Annual General Meeting for the 2025 financial year will take place on 1 April 2026.

Weblinks

Clariant website

www.clariant.com

Email distribution list (push system)

www.clariant.com/en/Investors/Ad-Hoc-Announcements-and-Investor-News/Subscribe-to-Ad-hoc-and-Investor-News

Ad hoc messages (pull system)

www.clariant.com/en/Investors/Ad-Hoc-Announcements-and-Investor-News

Financial reports

www.clariant.com/en/Investors/Results-Reports-and-Publications

Corporate calendar

www.clariant.com/en/Investors/Financial-Calendar

Auditors

Duration of the mandate and term of office of the lead auditor

KPMG was first elected auditor for the 2022 financial year at the Annual General Meeting dated 24 June 2022 and confirmed for the 2024 financial year at the Annual General Meeting dated 4 April 2024. The Audit Committee ensures that the position of lead auditor is changed at least every seven years. The current lead auditor took office on 24 June 2022.

Auditing fees

KPMG received a fee of CHF 3.9 million for auditing the 2024 financial statements. For auditing the 2023 financial statements, KPMG received a total fee of CHF 4.0 million.

Additional fees

KPMG received a total fee of CHF 0.6 million for other assurance services in the 2024 financial year.

Supervisory and control instruments vis-à-vis the auditors

The Audit Committee of the Board of Directors is responsible for overseeing and evaluating the performance of the external auditors on behalf of the Board of Directors and recommends to the Board of Directors whether KPMG should be proposed to the Annual General Meeting for reelection. Criteria applied for the performance assessment of KPMG include technical and operational competence, independent and objective views, employment of sufficient resources, focus on areas of significant risk to Clariant, ability to provide effective and practical recommendations, and open and effective communication and coordination with the Audit Committee, Internal Audit, and Management. In 2024, the external auditor's representatives joined all six meetings in parts. These meetings were attended by members of the Audit Committee, the partner and senior manager of the audit firm, Clariant's CFO, the Head of Corporate Accounting, the Head of Internal Audit, the General Counsel, and, as of June 2024, the Group Controller. Depending on the topics to be discussed, the meetings were also attended by the Group Risk Manager. The auditors communicate audit plans and findings to the Audit Committee and issue reports to the Board of Directors in accordance with Article 728b of the Swiss Code of Obligations. The Audit Committee's approval is required for all services provided by KPMG. These services may include audit and audit-related services as well as tax and other services. KPMG and the Executive Steering Committee report to the Audit Committee on a regular basis regarding the extent of services provided in connection with this approval.

Enterprise Risk Management (ERM)

Within the framework of the Enterprise Risk Management Policy, risk assessments are prepared by business units and global functions to assess threats that will impact the achievement of the objectives set for Clariant overall. These objectives are a result of the overall strategy of the Group as set by the Board of Directors and implemented by the Executive Steering Committee. The Executive Steering Committee is responsible for monitoring the risk assessments for relevance and consistency. The Executive Steering Committee has formed an »Ethics and Risk Management« subcommittee, which maintains an up-to-date understanding of areas where Clariant is, or may be, exposed to risk issues and seeks to ensure that management is effectively addressing those issues.

The short- and long-term objectives are set in the fourth quarter of the year. These objectives and threats are subject to scrutiny by the Executive Steering Committee during meetings with each business unit. Also reviewed and discussed are proposed measures to reduce or contain threats. In that context, responsibilities are assigned. All stakeholders are required to report significant changes to existing identified risks and new threats as they arise.

Risk registers are maintained using financial and reputational impact and probability assessments to score and rank all identified risks. The assessment also addresses the measures in place to manage the risk identified.

When threats have been identified and quantified, they are delegated to qualified individuals who are required to deliver effective risk management. Depending on the nature of the risk identified, specific skill sets may be required for the management of those particular risks.

A summary risk assessment is submitted annually to the Executive Steering Committee, the Audit Committee, and the Board of Directors for review. In the case of new or changed risks, reporting is accelerated.

To support functional responsibility, certain functions have access to risk assessments to assist them in their roles. Examples of such functions are Environmental Safety and Health Affairs (ESHA), to identify key sites for their property risk survey program, and Global Function Procurement, to ensure reliable and compliant supply of raw materials.

Compensation Report

Between strategy and reward

In the Compensation Report, we outline the governance, design, and results of the compensation programs for the Board of Directors and the Executive Steering Committee.

Strategy

Reward

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Message from the Chair of the Compensation Committee

Dear Stakeholders,

In the name of the Board of Directors and the Compensation Committee, I am pleased to introduce the 2024 Compensation Report.

After the publication of the 2023 Compensation Report and during the Annual General Meeting in April 2024 we have received valuable feedback on the Compensation Report. In that AGM, all compensation related motions were passed, thanks to the continued support of Clariant's compensation philosophy. However, your feedback and the decline in the approval rate on the consultative vote on the Compensation Report of 83.28 % vs. 89.09 % in the prior year have not gone unnoticed.

Over the course of 2024 we continued our engagement with stakeholders to gather additional feedback, answering questions and addressing concerns and we are thankful for the transparent exchanges.

During the conversations we received a lot of feedback on the discretionary adjustments, especially as these were initially not explained in the published Compensation Report. Based on this feedback, we thoroughly reassessed our approach to these adjustments and tightened our guidelines on when to consider such adjustments for any future cases. In case discretionary adjustments are applied in the future, these will be addressed in the Compensation Report as they are addressed in this year's report.

A second point often raised was the imbalance between the achievements of the financial KPIs and the non-financial KPIs in the short-term incentive plan. The new short-term incentive plan design was introduced effective 1 January 2023. After two cycles of the plan, and considering the feedback we received, we took the opportunity to review the plan design. The 2025 design will see a strengthening of the financial KPIs while continuing to incentivize all elements of Clariant's strategy including our sustainability ambitions and driving a zero-accident culture.

2024 Performance

For 2024, Clariant expected a modest economic recovery, allowing growth for BU Care Chemicals and BU Adsorbents & Additives. Our expectations for BU Catalysts were more pessimistic. We started the year with a 15.0 % EBITDA margin guidance, but the results turned out to be stronger at a 15.8 % EBITDA margin. During the year, we updated the guidance to around 16.0 %. This was driven by effective margin management and the rigorous



Eveline Saupper
Chair Compensation Committee

performance programs delivering savings ahead of the anticipated timing. The accelerated closing of the bioethanol plant and savings from performance programs ahead of time also contributed positively to the Free Cash Flow results.

Clariant made significant improvements on greenhouse gas emissions (Scope 1+2 and Scope 3) as well as safety, underpinning Clariant's leadership and commitment to a sustainable future. The development toward a zero-accident culture is particularly noteworthy: for the first time in the company's history, Clariant had two accident-free months. These results are reflected in the overall achievement of the short-term incentive plan (Scope 3 and safety) as well as the long-term incentive plan (Scope 1+2).

Remarkable improvements were also achieved towards being a top-quartile employer. Activities related to diversity, equity and inclusion are well on track or even ahead of plan. In addition, the results from the 2024 engagement survey showed an improvement of 9 points on the employee Net Promoter Score. Since the annual survey was launched in 2021, this score improved by a total of 41 points and moving Clariant into a good position towards reaching the top quartile.

Within the performance management process, the members of the ESC were measured against their individual goals and behaviors. Overall, they performed as expected. This is reflected in the short-term incentive plan through the individual performance multipliers. With an average rating of 3.03 (on a scale from 1 to 5), the resulting average individual multiplier of 101% is significantly lower than in the prior year.

Further details on the achievements under the KPIs in the short-term and long-term incentive plans as well as the individual achievements are outlined in the respective sections in this report.

Compensation Committee Activities

In 2024, the Compensation Committee met four times. At the AGM 2024, Jens Lohmann was elected as a member of the Compensation Committee. At the same time, Naveena Shastri decided to step down as a member of the Board of Directors. I would like to take the opportunity to thank Naveena for her valuable contributions while serving as a member of the Board.

The January and February meetings were focused on the determination of the achievements under the short- and long-term incentive plan, the target setting and plan designs for the current year as well as the preparation of the Compensation Report and the say-on-pay votes for the AGM. We also performed the annual self-assessment of the effectiveness of the Compensation Committee and took actions to improve the way we work together.

We discussed the results of benchmark studies on the compensation mix and levels for the Board of Directors and the ESC members. You can find details on the peer groups used in this Compensation Report. As result of the benchmarking exercise, the Compensation Committee decided to not make any adjustments to the compensation frameworks for the BoD or the ESC.

Preparations for 2025 were done in the December meeting, including reviews on target achievements for 2024, targets for 2025 as well as reflection on feedback from meetings with stakeholders.

Changes to the Compensation System

The Clariant compensation system has seen selected changes in 2024. The general plan design of the short-term incentive plan introduced for 2023 remained unchanged for 2024. However, the measure used for the Business Units EBITDA KPI was changed from an absolute value to EBITDA Margin and the KPI BU Cash Flow was changed to BU Cash Flow Clariant to ensure a closer alignment with the KPI Free Cash Flow used for the Group.

In the long-term incentive plan, the index used to measure the relative Total Shareholder Return was changed from the MSCI World Chemicals Index to the MSCI Europe Chemicals Index. This will enable a comparison to companies that are, like Clariant, headquartered in Europe.

In 2025, we will continue to review our compensation philosophy and design of our incentive plans. We will also continue to maintain a frequent and open dialogue with our stakeholders over the course of 2025. We appreciate your ongoing feedback and support.

Sincerely,



Eveline Saupper
Chair Compensation Committee

Compensation Summary 2024

Board of Directors

To ensure their independence, members of the Board of Directors (BoD) receive a fixed compensation only, partially provided in cash and partially provided via restricted shares. The restricted shares are blocked for a period of three years.

BoD COMPENSATION STRUCTURE

	Chair	Vice-Chair	Member
Board fee	450 000	180 000	150 000
Committee fees		Based on individual activities	Based on individual activities
Share-based compensation	300 000	120 000	100 000
Social security contributions	Based on individual situation	Based on individual situation	Based on individual situation

For chairing one of the four committees, BoD members receive a cash payment of CHF 50 000 (CHF 80 000 for chairing the Audit Committee). For regular membership in a committee, BoD members receive a cash payment of CHF 30 000 (CHF 40 000 for the Audit Committee). The chairperson of the BoD is not entitled to committee membership fees.

The following shareholding requirements apply to BoD members:

- Chairperson: 30 000 shares
- Vice-Chairperson: 15 000 shares
- Member: 12 000 shares

For the mandate year 2023/2024, total compensation for BoD members was within the approved budget:

Mandate year	Actual	Approved
2024/2025 ¹	CHF 4.0m	CHF 5.0m
2023/2024	CHF 4.0m	CHF 5.0m

¹ Estimation, mandate year not yet ended

For the mandate year 2024/2025, the actual total amount of compensation paid out to the BoD members is estimated to amount to CHF 4.0 million, and therefore, the total amount is estimated to stay within the amount of CHF 5.0 million approved by the Annual General Meeting (AGM) in 2024.

Executive Steering Committee (ESC)

The compensation for the ESC comprises the following elements:

- A fixed compensation payable in twelve installments
- A variable cash bonus payable once a year
- A long-term incentive plan settled in shares after a three-year vesting period
- Benefits in line with local practice

ESC COMPENSATION STRUCTURE

	CEO	Paymix	Other ESC members	Paymix
Fixed compensation	1 200 000	30.0 %	500 000 – 630 000	37.0 %
Short-term incentive (STI)	108 % of fixed compensation	32.5 %	80 % of fixed compensation	30.0 %
Long-term incentive (LTI)	125 % of fixed compensation	37.5 %	90 % of fixed compensation	33.0 %
Other benefits ¹	Based on individual situation	Based on individual situation	Based on individual situation	Based on individual situation

¹ Other benefits include pension contributions, social security contributions, benefits related to international assignments, and other benefits.

The following shareholding requirements apply to the ESC:

- CEO: 150 000 shares
- Other ESC members: 80 000 shares

For the 2024 financial year, total compensation for the ESC was within the approved budget:

Performance year	Actual	Approved
2024	CHF 13.5m	CHF 16.0m
2023	CHF 14.4m	CHF 16.0m

The total amount paid to members of the ESC in the 2024 business year was CHF 13.5 million, after CHF 14.4 million in the prior year. The decrease in the total amount from 2023 to 2024 is mainly driven by the discontinuation of salary as of June 2023 to EC members whose term ended in 2022 as well as a slightly lower amount of benefits.

Since July 2022, the ESC comprises:

- Conrad Keijzer, CEO
- Bill Collins, CFO
- Angela Cackovich, Business President Adsorbents & Additives and EMEA
- Jens Cuntze, Business President Catalysts and APAC
- Christian Vang, Business President Care Chemicals and Americas

Compensation Governance

Clariant's Articles of Association, in combination with the Bylaws of the BoD and the Charter of the Compensation Committee (CoC), include regulations on compensation principles and the governance framework for compensation-related decisions. These documents can be found here:

- Articles of Association and Bylaws of the Board of Directors: <https://www.clariant.com/en/Company/Corporate-Governance/Articles-of-association>
- Charter of the Compensation Committee: <https://www.clariant.com/en/Company/Corporate-Governance/Committees>
- The Articles of Association include, among others, the following compensation-related items:
 - Stakeholder involvement: Articles 16 and 17
 - Setup and responsibilities of the Compensation Committee: Article 24
 - Compensation principles for the BoD and the ESC, including rules on the allocation of equity securities to members of the BoD and the ESC, and rules on performance-related payments to the members of the ESC: Articles 26 and 27
 - Additional amount payable due to ESC changes: Article 28
 - No grant of loans, credits, or securities to members of the BoD or the ESC: Article 29

Compensation Committee

The roles and responsibilities of the Compensation Committee are defined in Article 24 of the Articles of Association and Article 3.2.2 of the Bylaws of the BoD, in combination with the Compensation Committee Charter.

According to Article 24 of the Articles of Association, the Compensation Committee comprises at least three members, who are elected by the AGM. At the AGM 2024, Naveena Shastri left the BoD, and Jens Lohmann was elected as a new member of the BoD and also a new member of the Compensation Committee.

During the 2024 reporting year, the Compensation Committee comprised four nonexecutive members of the BoD:

- From 1 January 2024 to the AGM: Eveline Saupper (Chair), Naveena Shastri, Claudia Suessmuth Dyckerhoff, and Konstantin Winterstein.
- From the AGM to 31 December 2024: Eveline Saupper (Chair), Jens Lohmann, Claudia Suessmuth Dyckerhoff, and Konstantin Winterstein

The Compensation Committee's main responsibilities are to:

- Propose to the BoD the maximum total compensation for the BoD and the ESC to be submitted to the AGM for approval;
- Propose to the BoD the actual compensation to be paid to the BoD and the ESC members (including the performance under the company's short- and long-term incentive plans), subject to the limits approved by the AGM;
- Review and propose to the BoD general compensation policies and programs;
- Propose key terms of the employment contracts and compensation packages for newly appointed ESC members or any updates to employment contracts and compensation packages of existing ESC members;
- Propose the Compensation Report to the BoD.

The Compensation Committee convenes at least twice a year; however, it is regular practice to hold four meetings a year, or more if required. In 2024, the Compensation Committee met four times. Each meeting lasted between 90 and 120 minutes.

In those meetings, among others, the following topics were discussed:

Meeting	Topics
January	<ul style="list-style-type: none"> - Target setting for the short- and long-term incentive plans for 2024 (continued from December 2023 meeting) - Company and individual performance 2023 and resulting payouts/vesting under short- and long-term incentive plans - Individual goal setting for CEO and other ESC members for 2024
February	<ul style="list-style-type: none"> - Target setting for the short- and long-term incentive plans for 2024 (continued from January 2024 meeting) - Approval of the Compensation Report - Preparation of compensation-related resolutions for the AGM
July	<ul style="list-style-type: none"> - Benchmark of BoD and ESC compensation - Improvements of the Compensation Report, based on proxy advisor and stakeholder feedback - Self-assessment of the performance of the Compensation Committee
December	<ul style="list-style-type: none"> - Individual goal setting for CEO and other ESC members for 2025 - Consideration of potential adjustments to short- and long-term incentive plan KPIs and performance - Target setting for the short- and long-term incentive plans for 2025 - Improvements of the Compensation Report, based on proxy advisor and stakeholder feedback - Implementation of changes based on the self-evaluation of the performance of the Compensation Committee

The Corporate Secretary acts as Secretary to the Compensation Committee. The Chief Human Resources Officer (CHRO) regularly attends the meetings to share information, present proposals, and consult on relevant compensation-related topics. The Chairperson of the Compensation Committee may invite the CEO to attend the Compensation Committee meetings, except when his own compensation is discussed or when there are other conflicts of interest.

Where deemed appropriate, external compensation advisors as well as other members of management are asked to provide consulting services and to join the committee meetings.

The following table summarizes the authority levels on compensation-related matters:

	CHRO	NoC	CoC	BoD	AGM
Compensation policy for ESC members	P		R	A	
Short-term and long-term incentive plans	P		R	A	
CEO compensation	P		R	A	
ESC members compensation	P		R	A	
CEO - individual performance goal setting and target achievement	P	R		A	
ESC members - individual performance goal setting and target achievement	P	R		A	
Shareholding requirements - BoD, CEO, and other ESC members	P		R	A	
Maximum aggregate compensation for ESC			P	R	A
Compensation policy for BoD members	P		R	A	
Board of Directors - maximum aggregate compensation			P	R	A
Compensation Report			P	R	V
Compensation-related changes to Articles of Association			P	R	A

P=Proposes, R=Recommends, A=Approves, V=Consultative Vote

Stakeholder Involvement

According to Articles 16 and 17 of the Articles of Association, the AGM approves the maximum aggregate compensation to be paid to the members of the BoD for the period up to the next AGM. For the members of the ESC, the AGM approves the maximum aggregate amount to be paid for the business year following the AGM. Finally, the Compensation Report is submitted to the AGM for a consultative vote.

During 2024, the Chairman of the Board and the Chair of the Compensation Committee engaged with stakeholders and their advisors in several meetings. In addition to addressing elements around compensation, these meetings also covered Clariant's strategy, corporate governance and ESG topics.

Benchmarking

The compensation structure and levels for the BoD as well as the ESC are reviewed against market practice and developments on a periodic basis (typically every three to four years). The basis for the evaluations is benchmarking information and support from well-known external compensation consultants, as well as input from publicly available information, such as annual reports, compensation reports, and other compensation disclosures.

The Compensation Committee conducted a benchmark on the BoD and ESC compensation in July 2024 with the support of Mercer. The Committee concluded that the compensation levels and structure for both the BoD and the ESC are well-aligned with the market. As a result, no changes were made to the compensation structure or levels of the BoD or the ESC. The next compensation benchmark is planned for 2027.

While the peer group may differ for each evaluation, the following principles apply to the peer group setting:

- Listed and globally operating companies,
- A mix of Swiss and international companies from within and outside of the chemical industry,
- All companies of the peer group have a similar size in terms of market capitalization, revenue, and number of employees.

The complete list of peer companies used in the two benchmarking exercises are disclosed in the sections → **BoD Compensation Benchmarking** and → **ESC compensation Benchmarking** below.

Clariant also engaged Mercer for additional work during 2024. The services Mercer provided include a valuation of the CLIP PSUs; benchmark data for the wider Clariant employee population; and consulting on engagement strategy, sales incentive design, and other HR topics.

Performance Management

Performance management for the ESC follows the same approach as for all Clariant employees. The performance management cycle starts in November of each year with discussions on objectives for the following business year, including financial KPIs on the Group and BU level, projects, and priorities. In December and January, these targets are cascaded down to managers and employees. These meetings also include the target setting for individual goals for each employee. The Board of Directors, supported by the Nomination Committee, sets the individual goals for the CEO and the other members of the ESC for the business year.

As part of the performance management process, progress is measured against defined goals on a continuous basis. The performance ratings are determined based on a combined evaluation of achievement of individual goals related to Clariant's strategic pillars (70 % weight) and behaviors (30 % weight). The final performance evaluation takes place in December. The Board of Directors, supported by the Nomination Committee, assesses the performance of the CEO and the other members of the ESC against their individual goals and behaviors and sets a final performance rating for the year.

Since 2023, individual performance has been used as a modifier to the individual STI payout. Please refer to → **Compensation Principles and Structure/Executive Steering Committee**.

Compensation Principles and Structures

Board of Directors (BoD)

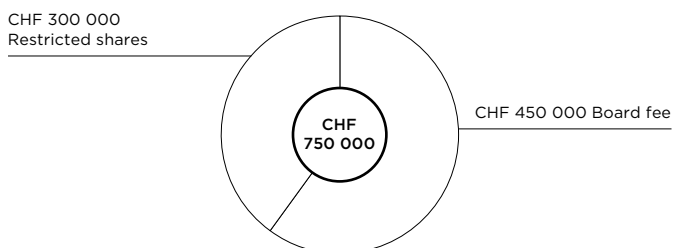
To ensure the independence of the BoD members in their supervisory duties, the members only receive a fixed compensation based on their responsibilities and committee memberships. The compensation is partially provided in cash and partially provided via restricted shares to ensure the alignment to stakeholders' interests.

The cash component covers the annual fee and committee membership fees and is provided retroactively on a quarterly basis. Payments are made in March, June, September, and December of each year.

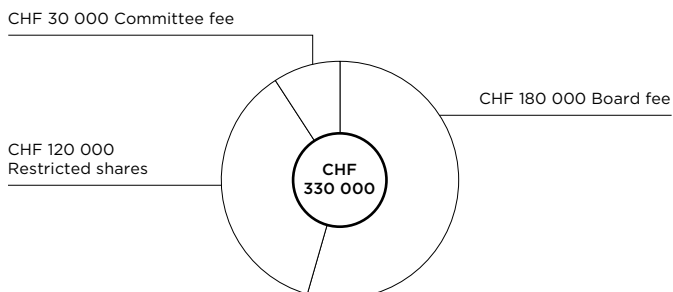
The restricted shares are granted retroactively for the past mandate year on the last trading day four weeks prior to the AGM, based on the average share price of the last ten trading days prior to the grant date. Once granted, the shares are subject to a blocking period of three years, which also remains in place if a BoD member leaves the Board.

The following outlines the structure of the Board of Directors compensation:

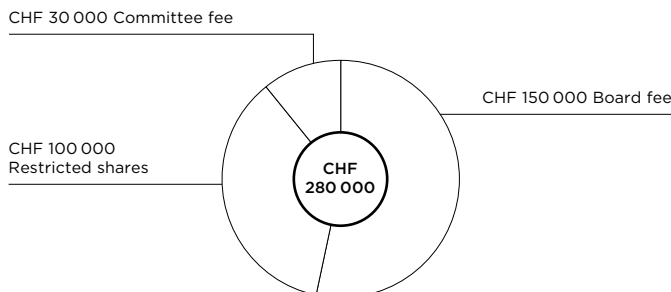
BoD CHAIR



BoD VICE-CHAIR



BoD MEMBER



The assumption for committee fees is a minimum of CHF 30 000.

The Chairperson of the Board is not entitled to receive committee fees when serving as a member of a committee. The following table illustrates the fees applicable to committee membership:

COMMITTEE FEES IN CHF PER MANDATE YEAR

	Chair	Member
Nomination Committee	50 000	30 000
Audit Committee	80 000	40 000
Compensation Committee	50 000	30 000
Innovation and Sustainability Committee	50 000	30 000

The compensation for BoD members is subject to taxation and social security, depending on the individual's situation, with Clariant paying the employer contributions as required. The BoD members do not receive any lump-sum reimbursement of entertainment expenses above and beyond actual expenditure on business trips.

All BoD members are asked to build up a defined minimum shareholding within three years of becoming a member of the Board. The shareholding requirements are:

BoD SHARE OWNERSHIP REQUIREMENTS

Chairman of the Board of Directors	30 000 shares
Vice-Chairman of the Board of Directors	15 000 shares
Members of the Board of Directors	12 000 shares

All members of the BoD have either reached the share ownership requirements or are expected to reach the requirements in the given timeline.

BoD Compensation Benchmarking

The Compensation Committee conducted a compensation benchmarking exercise in 2024 to review the compensation levels and structure of BoD. The following 14 companies comprised the peer group for the BoD benchmark. They were selected among multi-national companies listed in Switzerland, excluding financial services and real estate, based on criteria such as market cap, revenue and number of employees.



BOD BENCHMARKING PEER GROUP

BKW AG	Givaudan SA
Barry Callebaut AG	Lonza Group AG
Bucher Industries AG	SFS Group AG
Emmi AG	SIG Group AG
EMS-Chemie Holding AG	Sika AG
Galenica AG	Stadler Rail AG
Georg Fischer AG	Sulzer AG

The benchmark showed that the compensation of the Chair, the Vice-Chair and the Members of the Board is positioned around the 75th percentile of the peer group. Based on this result, the Compensation Committee decided to leave BoD compensation levels and structures unchanged.

Executive Steering Committee
Compensation Principles

Clariant’s compensation philosophy is built around six fundamental principles, as outlined below. They apply to the entire Clariant workforce, including the ESC. These principles were updated in 2023 to strengthen the focus on equal pay.

COMPENSATION PRINCIPLES

Alignment to company strategy and shareholders’ interests

Remuneration programs are designed to support the execution of Clariant’s Business Strategy, both in terms of financial and non-financial focus. With a mix of fixed and variable components as well as a strong component of long-term oriented remuneration for top management, remuneration programs and levels are aligned to the interests of the company’s stakeholders.

Competitiveness

Clariant offers competitive remuneration programs to ensure the attraction and retention of talent. Clariant conducts regular benchmarking studies on remuneration programs and levels against the chemical and general industry. In terms of Total Target Cash, Clariant aims at a pay position between median and third quartile of the market.

Compliance

Clariant’s remuneration practices always follow local regulations, practices and agreements with employee representative bodies.

Fairness and Equity

The remuneration programs and practices ensure consistency and a fair treatment of all Clariant employees. While there may be differences on remuneration elements and amounts based on e.g., grade, location and performance, the following should never be a differentiating factor: Age, gender, cultural background, religious and sexual orientation.

Pay for Performance

Clariant’s remuneration programs incentivize business results as well as individual performance and contributions. They allow and expect a differentiation of remuneration components for high-performing employees and where applicable, are linked to the Performance Management process.

Transparency

Individual remuneration elements are being made transparent to the respective employees. Targets and achievements for the Key Performance Indicators under the incentive plans are regularly shared with the organization.

2024 Structure and Elements

The total compensation structure for the ESC is highly performance- and success-oriented. A mix of fixed compensation and short- and long-term incentives ensures an alignment of stakeholder and management interests.

The following table outlines details of the different compensation elements:

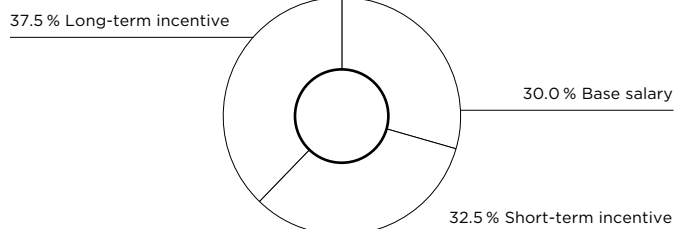
ESC COMPENSATION ELEMENTS

Element	Delivery	Purpose	Criteria	Performance Indicators	Rationale for Choice of KPIs
Base salary	Monthly, in cash	Attract and retain	Position, responsibilities, experience, and market practice		
Short-term incentive	Annually, in cash	Reward for annual performance	Annual company and individual performance	Group KPIs (for CEO and CFO): EBITDA margin, Free Cash Flow, Scope 3 emissions, DART. BU Presidents: Group EBITDA margin, Group Free Cash Flow, BU EBITDA margin, BU Cash Flow Clariant, BU Scope 3 emissions, BU DART. Individual performance multiplier based on achievement against goals and behaviors.	Group targets focus the work of the CEO and CFO on overall company performance, while BU targets help the BU Presidents focus on their area of responsibility. The combination of KPIs is aligned with the company's business and sustainability strategy. The individual performance multiplier incentivizes focus on goals and behaviors.
Long-term incentive	Annually, subject to a three-year vesting period, Performance Share Units, settled in shares	Reward for long-term company performance; align to strategy and stakeholder interest	Company performance over a three-year performance period	Relative TSR ROIC CO ₂ reduction eNPS improvement	rTSR aligns well with the experience of stakeholders investing in Clariant, while ROIC supports focus on increasing returns. CO ₂ reduction and eNPS support Clariant's sustainability and people agenda.
Benefits	Contributions to pension and other insurances, international assignment benefits, allowances	Life events support; attract and retain	Local regulations and market practice		

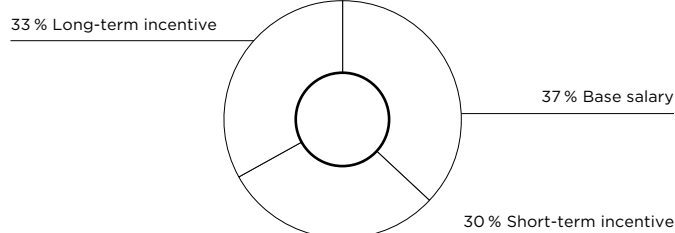
EBITDA: Earnings Before Interest, Taxes, Depreciation, and Amortization, TSR: Total Shareholder Return, eNPS: Employee Net Promoter Score, DART: Days Away from Work, Job Restriction, or Job Transfer

The illustrations below show the compensation mix for the CEO and the other ESC members based on target compensation and excluding benefits:

STRUCTURE AND ELEMENTS CEO



STRUCTURE AND ELEMENTS ESC MEMBERS



The target compensation levels are summarized below:

COMPENSATION STRUCTURE OF THE CLARIANT EXECUTIVE STEERING COMMITTEE¹ IN CHF

	CEO compensation	as % of base salary	CFO & Business Presidents compensation	as % of base salary
Base salary	1 200 000	100	500 000-630 000	100
Short-term incentives ²	1 300 000	108	400 000-504 000	80
Long-term incentives ³	1 500 000	125	450 000-567 000	90
Total annual target	4 000 000	-	1 350 000-1 701 000	-

¹ Excluding other benefits

² Target cash bonus under the Global Bonus Plan (GBP); annual payout capped at 200 % target achievement

³ Annual grant volume; Performance Share Units with three-year vesting and defined performance hurdle; vesting capped at 200% target achievement

Base Salary

The base salary is determined and reviewed on a regular basis, considering the size, scope, responsibilities, and complexity of the role. In addition, the required experience for the role and individual contributions, as well as market data and market practice in the industry, are considered.

Benefits

Benefits granted to the members of the ESC include employer contributions to the company's pension plans; employer contributions to health, life, disability, and accident insurances; and customary allowances, such as relocation, car, family, and education allowances. The benefits are granted in alignment with practices in Switzerland.

The ESC members participate in the pension plans of the Clariant Group in Switzerland, notably the Clariant pension fund, with an insured income of up to CHF 200 000 per annum, and the management pension fund, with an insured income of up to an additional CHF 682 000 per annum. The maximum insured income under the pension plans therefore stands at CHF 882 000 per annum.

Clariant's pension plans comply with the legal framework of the Swiss Occupational Pension Scheme Act (BVG), and the maximum contribution will be dynamically aligned in accordance with Article 79c BVG. For ESC members and all other Clariant employees, the insured income is defined as the base salary plus 50 % of the target cash bonus. Equity-linked income components are not subject to pensionable income. Usual policies for death and disability are part of Clariant's pension plans. The total employer contribution is approximately 11% of the insured income in the case of the Clariant pension fund and 22% of the insured income in the case of the Clariant management pension fund.

These contributions cover both the contributions to the formation of retirement capital and the risk components. Under IFRS, the Clariant pension fund is a defined benefit plan. The management pension fund provides the members with retirement capital upon retirement. Pension payments are only accepted in exceptional cases.

Short-Term Incentive

Like all senior managers at Clariant, the ESC members are eligible to participate in one of the annual short-term incentive plans, the Global Bonus Plan (GBP).

SHORT-TERM INCENTIVE PLAN 2024

	Category	CEO and CFO	Business Presidents
Group Results			
EBITDA margin	Financial	35 %	10 %
Free Cash Flow	Financial	35 %	10 %
CO ₂ Emissions (Scope 3)	ESG	15 %	
DART ¹	ESG	15 %	
Business Unit Results			
BU EBITDA Margin	Financial		25 %
BU Cash Flow Clariant	Financial		25 %
BU CO ₂ Emissions (Scope 3)	ESG		15 %
BU DART ¹	ESG		15 %
TOTAL		100 %	100 %

¹ Days Away from Work, Job Restriction, or Job Transfer

For each KPI, a bonus curve is defined with a target (stretched goal), a threshold (minimum performance required for a payout), and a maximum (maximum performance/payout cap). The payout is determined based on a straight line between threshold and target and target and maximum. Prior to the performance year, the Compensation Committee reviews these targets and provides a recommendation to the BoD for approval.

The development of the company's target proposal follows a well-defined process subject to several rounds of discussions between the ESC and business leaders as well as the BoD. This process ensures that defined targets support the company's financial and growth ambitions and are challenging, yet achievable. The exact actual targets are not being disclosed prospectively, as these are considered commercially sensitive. However, the Group and Business Unit targets, as well as achievement levels, are disclosed retrospectively (see the chart → **2024 STI Performance Summary** below).

The annual evaluation of the achievement of objectives is conducted by the Compensation Committee following the respective financial year and approved by the BoD. This system ensures that the bonus payments granted to employees are closely aligned with the company's overall results.

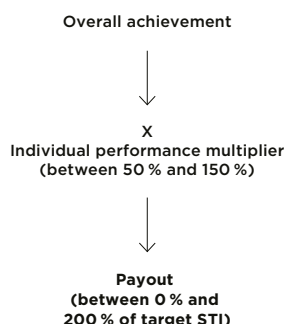
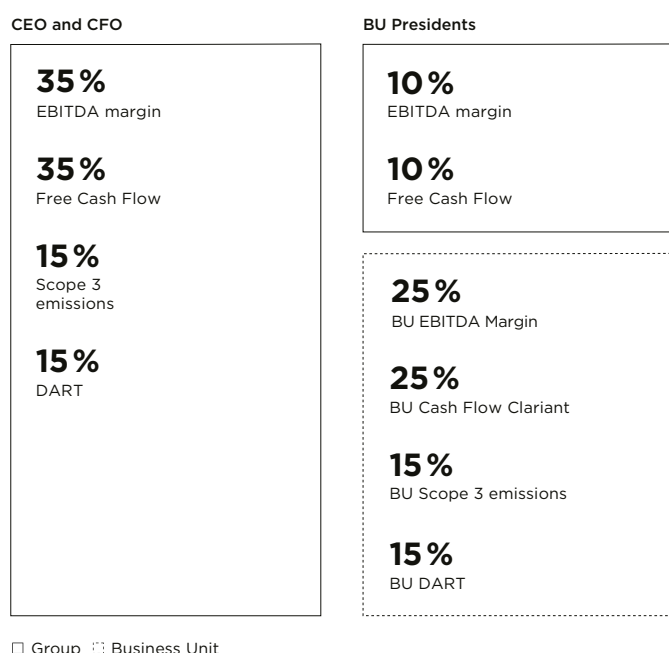
Depending on individual performance assessed by the BoD, the payout under the short-term incentive plan may decrease or increase in a corridor from 50 % to 150 % of the achievement based on Group and BU targets. In this assessment, performance against defined individual goals is weighted at 70 %, and behaviors are weighted at 30 %. The respective goals for the CEO for 2024 are outlined in the table → **CEO Goals 2024** below. In any case, the payout under the short-term incentive plan is capped at 200 % of the individual target bonus.

Except for the individual multiplier, all KPIs are quantitative in nature. They are directly audited (financial KPIs), or Clariant obtains limited assurance over the actual outcome (Scope 3 and DART).

The Compensation Committee may propose that the BoD approve adjustments to the payout factors for each KPI in the event of extraordinary and nonrecurring events during the performance period. The Compensation Committee has adopted a policy on which types of adjustment can be considered, including thresholds. Based on feedback from stakeholders, the policy was strengthened in 2024 by reducing the types of extraordinary events for which an adjustment could be considered, and by increasing the respective thresholds. The details about such adjustments are disclosed in the section → **GBP Results** below.

The plan design is consistently applied for the ESC members as well as other Clariant employees eligible to participate in the GBP.

KPI STRUCTURE 2024



The GBP contains both a malus and a clawback provision. This enables the BoD or the company to not only decide on a reduction or forfeiture of not-yet-paid entitlements (malus), but also to claim back already-paid entitlements (clawback) from the plan participants in defined and justified cases of misconduct. Examples include misconduct leading to a restatement of financial statements or financial or reputational damage, or in cases of a substantial breach of legal, regulatory, or contractual require-

ments, or a substantial breach of internal policies, such as the Clariant Code of Ethics. Under the malus provision, the entitlement may be reduced to zero. Under the clawback provision, the full amounts paid out may be reclaimed by the company.

Long-Term Incentive

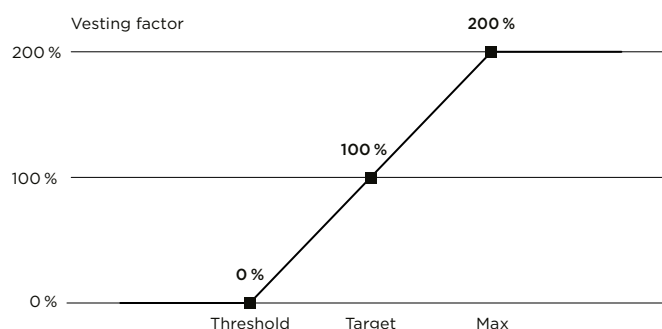
Along with employees in senior management positions, the ESC members are eligible to participate in the Clariant Long-Term Incentive Plan (CLIP). Implemented in 2019, the CLIP was designed to align compensation with long-term stakeholder interests and to have eligible employees drive the company's long-term strategy. In 2022, the CLIP was redesigned to ensure continued alignment with the company's updated strategy and to ensure that the CLIP contributes to an overall attractive and competitive compensation package.

The CLIP represents an equity-based award in the form of Performance Share Units (PSUs) with a three-year vesting period. The CLIP grant per individual is defined as a fixed percentage of the annual base salary. The vesting is conditional upon achievement of defined performance targets, and a vesting will only occur if at least a threshold performance level as defined by the BoD has been achieved. The KPIs in the CLIP are purely quantitative in nature. For each KPI, the BoD determines a threshold, a target, and a maximum performance level prior to each grant date, and the grant details are communicated to participants accordingly.

CLIP STRUCTURE 2024

Item	Details	Weighting
KPIs	Relative TSR (measured against the MSCI Europe Chemicals Index)	33 %
	ROIC	33 %
	CO ₂ (Scope 1+2) reduction	17 %
	Employee Net Promoter Score (eNPS)	17 %
Vesting Period	3 years	
Delivery	Performance Share Units	
Settlement	Equity	
Grant Value	% of base salary	
# of PSUs	Grant value divided by 30-day average share price	
Clawback / Malus	Malus and clawback	
Vesting Levels	0 % to 200 %	

VESTING CURVE



The vesting curve illustrated above applies equally to each KPI in the CLIP. For the relative total shareholder return (TSR), the target is met if the performance of the Clariant share is equal to the performance of the MSCI Europe Chemicals Index. Threshold and maximum are determined by one standard deviation down and up from the target. For the internal targets, exact actual targets are not being disclosed prospectively, as these are considered commercially sensitive.

However, both the targets and the achievements of CLIP grants are disclosed after the performance period has ended. For the CLIP grant in 2022, this information is displayed in the section → **Vesting of Previous Plans** below.

Each PSU is converted to up to two Clariant shares. The vesting factor for each KPI is determined by the BoD at the end of the vesting period upon proposal of the Compensation Committee. As for the GBP, the Compensation Committee may propose that the BoD approve adjustments to the vesting factors for each KPI in the event of extraordinary and nonrecurring events during the vesting period. The details of such adjustments are disclosed in the section → **Vesting of Previous Long-term Incentive Plans** below.

Like the GBP, the CLIP also includes both malus and clawback provisions. The conditions under which malus or clawback can be applied are fully aligned between the GBP and the CLIP.

The procedures upon termination of employment during the vesting period are:

- Retirement: Pro-rata vesting at the regular vesting date based on actual performance
- Disability and death: Immediate pro-rata cash-out based on 100 % performance
- Sale of a business and redundancy: Grants in 2019-2022: Immediate pro-rata cash-out based on 80 % performance for the grants. Grants since 2023: Pro-rata vesting at the regular vesting date based on actual performance
- Change of control: Grants in 2019-2022: Immediate pro-rata cash-out based on 80 % performance for the grants. Grants since 2023: Immediate vesting settled in cash based on 100 % performance
- Voluntary termination and termination for cause: Full forfeiture

Participation in the CLIP is tied to share ownership targets that must be achieved within five years of the first participation:

- CEO: 150 000 shares
- Other ESC members: 80 000 shares
- Other participants: Up to 30 000 shares, depending on management level

The ESC members are still building up the share ownership within the allowed time frame. Two members of the ESC have not yet received any vesting under the CLIP, and two members have only received shares from the vesting of CLIP grants made before they were ESC members.

Other Contractual Terms

As per Article 32 of the Articles of Association, employment contracts of the ESC members may have a definite or indefinite term. All current ESC members have a contract with an indefinite term. The notice period is twelve months followed by a noncompete period of twelve months. The contracts do not allow for any severance packages.

ESC Compensation Benchmarking

The Compensation Committee conducted a compensation benchmarking exercise in 2024 to review the compensation levels and compensation structure of the ESC members. The following 18 companies comprised the peer group for the ESC compensation levels. They were initially selected from two groups of companies. Firstly, multinational companies that are part of the MSCI Europe Chemicals Index. Secondly, specific companies considered direct peer companies. From this, a further selection was made for companies with a comparable market cap, revenue and number of employees.

ESC BENCHMARKING PEER GROUP

Arkema SA	Lonza Group AG
Covestro AG	OCI NV
Croda International PLC	Sika AG
EMS-Chemie Holding AG	Solvay SA
Evonik Industries AG	Syensqo SA
Givaudan SA	Symrise AG
Johnson Matthey PLC	Umicore SA
Kemira Oyj	Wacker Chemie AG
LANXESS AG	Yara International ASA

The benchmark showed that the total target cash positioning of the CEO is around the 75th percentile, with total direct compensation between median and the 75th percentile. For the other ESC members, the compensation levels in general are positioned between the median and the 75th percentile. Based on this result, the Compensation Committee decided that no changes would be made to the compensation system or the individual compensation packages of any of the ESC members. While compensation levels therefore remained unchanged for the ESC members, salaries for the global Clariant population were increased by 3.86 % on average in 2024.

Changes to the Compensation System

The compensation system for the ESC remained stable during 2024, with selected adjustments as outlined in this section.

For the 2024 short-term incentive, the Business Unit EBITDA KPI was defined as a margin instead of an absolute value like in 2023. In addition, the cash flow measure was changed from BU Cash Flow to BU Cash Flow Clariant. The metric BU Cash Flow Clariant includes CAPEX on a BU level, and thus, is closer aligned to the Free Cash Flow KPI used at the Group level.

For the 2024 CLIP grant, the reference index for the TSR KPI was changed from the MSCI World Chemicals Index to the MSCI Europe Chemicals Index. An index of European companies provides a comparison to companies that, like Clariant, are headquartered in Europe with European and global business operations.

Based on the achievements from both the financial and non-financial KPIs of the GBP in 2023 and 2024 the BoD reconsidered the balance of the KPIs in the GBP design for 2025 by emphasizing the financial performance. Therefore, in the 2025 GBP design, the

weightings of the financial KPIs and non-financial KPIs will be adjusted. The weightings for the non-financial KPIs will be reduced by 5% each and this weight will be added to the financial KPIs. This reflects a 80:20 split between financial and non-financial KPIs vs. the 70:30 split in 2024. This change enables a stronger focus on the financial performance while still driving ESG-related KPIs.



Board of Directors Compensation and Share Ownership 2024

BoD Compensation

The tables below show the compensation paid to the BoD in the calendar years 2024 and 2023.

☑ Tables and paragraphs with this symbol indicate that the data has been audited by KPMG. I

☑ 2024 ANNUAL COMPENSATION TO MEMBERS OF THE BOARD OF DIRECTORS, GROSS IN CHF

Name	Role on Board of Directors	Board fee	Committee fee	Social security contribution	Restricted shares ²	Total 2024
Günter von Au	Chair	450 000	0	45 018	300 003	795 021
Ahmed Mohammed Al Umar	Vice-Chair	180 000	30 000	22 055	120 008	352 063
Roberto Gualdoni	Member	150 000	30 000	0	100 005	280 005
Jens Lohmann ¹	Member	112 500	22 500	10 083	0	145 083
Thilo Mannhardt	Member	150 000	50 000	17 560	100 005	317 565
Geoffery Merszei	Member	150 000	40 000	0	100 005	290 005
Eveline Saupper	Member	150 000	50 000	17 560	100 005	317 565
Peter Steiner	Member	150 000	110 000	0	100 005	360 005
Claudia Suessmuth Dyckerhoff	Member	150 000	70 000	21 612	100 005	341 617
Susanne Wamsler	Member	150 000	60 000	20 954	100 005	330 959
Konstantin Winterstein	Member	150 000	70 000	0	100 005	320 005
Naveena Shastri	Member until AGM 2024	37 500	7 500	0	100 005	145 005
Totals 2024		1 980 000	540 000	154 842	1 320 056	3 994 898

¹ Jens Lohmann was elected to the BoD at the 2024 AGM. He will receive his first grant of restricted shares in March 2025.

² Amounts reflect the value of the shares after rounding of the entitlement to full shares.

☑ 2023 ANNUAL COMPENSATION TO MEMBERS OF THE BOARD OF DIRECTORS, GROSS IN CHF

Name	Role on Board of Directors	Board fee	Committee fee	Social security contribution	Restricted shares ¹	Total 2023
Günter von Au	Chair	450 000	0	45 147	300 002	795 149
Ahmed Mohammed Al Umar	Vice-Chair	180 000	30 000	22 109	120 001	352 110
Roberto Gualdoni	Member	150 000	30 000	0	100 011	280 011
Thilo Mannhardt	Member	150 000	50 000	22 848 ²	100 011	322 859
Geoffery Merszei	Member	150 000	40 000	0	100 011	290 011
Eveline Saupper	Member	150 000	50 000	17 607	100 011	317 618
Naveena Shastri	Member	150 000	30 000	0	100 011	280 011
Peter Steiner	Member	150 000	110 000	0	100 011	360 011
Claudia Suessmuth Dyckerhoff	Member	150 000	70 000	21 662	100 011	341 673
Susanne Wamsler	Member	150 000	60 000	21 003	100 011	331 014
Konstantin Winterstein	Member	150 000	70 000	0	100 011	320 011
Totals 2023		1 980 000	540 000	150 376	1 320 102	3 990 478

¹ Amounts reflect the value of the shares after rounding of the entitlement to full shares.

² Incl. additional social security contributions due to an inexistent social security agreement between the countries

The compensation disclosed in the tables reflects the respective calendar year (January to December), while at the AGM, stakeholders approve the total maximum compensation to the BoD for a mandate year, i.e., for the period between two AGMs (in general April to March). The total compensation amount paid to BoD members for the mandate year 2023/2024 was CHF 4.0 million and, thus, below the amount approved by stakeholders of CHF 5.0 million. For the mandate year 2024/2025, a total compensation amount of CHF 4.0 million is expected, which would be within the limits of the approved amount of CHF 5.0 million for this mandate year. The final total compensation amounts for the mandate year 2024/2025 will be provided in the Compensation Report 2025.

☑ In 2023 and 2024, there were no payments to former BoD members. No payments were made to the related parties of BoD members or former BoD members in 2023 or 2024. In both years, no loans or credits were outstanding and/or granted to BoD members, former BoD members, or their related parties. No compensation for special duties beyond their regular duties was paid to any BoD member in 2023 or 2024. I

BoD Share Ownership

The share ownership of the members of the BoD is shown below.

SHARES HELD BY MEMBERS OF THE BOARD OF DIRECTORS

Name	Role on Board of Directors	Number of shares granted in 2024	Number of shares granted in 2023	Number of shares held as of 31 Dec 2024	Number of shares held as of 31 Dec 2023
Günter von Au	Chair	26 786	19 330	136 914	110 128
Ahmed Mohammed Al Umar	Vice-Chair	10 715	7 732	18 447	7 732
Roberto Gualdoni	Member	8 929	6 444	23 573	14 644
Jens Lohmann	Member	0 ¹	0	0	
Thilo Mannhardt	Member	8 929	6 444	40 318	15 889
Geoffery Merszei	Member	8 929	6 444	32 622	23 693
Eveline Saupper	Member	8 929	6 444	50 485	41 556
Peter Steiner	Member	8 929	6 444	47 985	39 056
Claudia Suessmuth Dyckerhoff	Member	8 929	6 444	45 585	36 656
Susanne Wamsler	Member	8 929	6 444	977 206 ²	962 077 ²
Konstantin Winterstein	Member	8 929	6 444	6 963 000 ³	6 104 071
Naveena Shastri	Member until AGM 2024	8 929	6 444		6 444
Total		117 862	85 058	8 336 135	7 361 946

¹ Jens Lohmann was elected to the Board at the 2024 AGM. He will receive his first grant of restricted shares in March 2025.

² Excludes 240 271 shares held by The Honoré T. Wamsler Trust

³ Excludes 3 800 000 shares held by NOWI Beteiligungsgesellschaft (jointly owned by Konstantin Winterstein and Elisabeth Prinzessin zu Sayn-Wittgenstein)

☑ No options were held by the BoD members or their related parties on 31 December 2023 or on 31 December 2024. I

Gender representation on the BoD

For historical reasons, the female representation of the Board of Directors is 27%. The equal gender representation is an important KPI of succession planning going forward and the Board of Directors is firmly committed to achieving the statutory requirements in the context of future appointments to the Board of Directors.

BoD mandates

The following table shows the additional mandates that the members of the BoD held in other organizations on 31 December 2024 and 31 December 2023, respectively.

BOARD OF DIRECTORS – MEMBERSHIP IN OTHER BOARDS 2024

Member	Listed companies	Private companies	Not-for-profit organizations	Location	Function
Günter von Au		Stada Arzneimittel AG		DE	Chairman of the Supervisory Board
		Gebr. Röchling KG		DE	Member of the Advisory Committee
		CeramTec GmbH		DE	Chairman of the Supervisory Board
		Tyczka GmbH		DE	Chairman of the Advisory Board
Ahmed Mohammed Al Umar		Saudi Methanol Company		SA	Chairman of the Board of Directors, Chairman of Business Committee
		Gulf Petrochemical Industries Co (GPIC)		BH	Member of the Board of Directors, Chairman of Audit, Finance and Risk Committee (AFRC)
		GCC Board Directors Institute (BDI)	UAE	Member of the Governors Board, Chairman Human Capital Committee	
Roberto Gualdoni	Synthomer plc			UK	Member of the Board
		CABB		DE	Chairman of the Board of Directors
		Envalior GmbH		DE	Chairman of the Shareholders' Committee
		Arceegee Consulting		DE	Chairman of the Board of Directors
Jens Lohmann (since April 9, 2024)		no other mandates			
Thilo Mannhardt		Algar Telecom		BR	Member of the Board of Directors, Chairman of the Audit and Risk Committee
		BMI Holding (until March 2024)		BR	Member of the Advisory Council
		Logus Capital Financial Advisors		BR	Member of the Advisory Council
Geoffery Merszei		Zolenz AG in liquidation (liquidated 25.3.2024)		CH	Chairman of the Board of Directors
Eveline Saupper	Georg Fischer AG			CH	Vice Chairwoman of the Board of Directors, Independent Lead Director, Chairwoman of the Compensation Committee
	Forbo Holding AG			CH	Member of the Board of Directors
		Stäubli Holding AG		CH	Member of the Board of Directors
		Mentex Holding AG		CH	Chairwoman of the Board of Directors
	Tourismus Val Surses Savognin Bivio AG		CH	Vice Chairwoman of the Board of Directors	
		UZH [University of Zurich] Foundation	CH	Member of the Foundation Board	
		Foundation Piz Mitgel Val Surses	CH	Member of the Foundation Board	
		University of St. Gallen	CH	Member of the Advisory Council	
Naveena Shastri (until April 9, 2024)		No other mandates			
Peter Steiner	Wienerberger AG			AT	Chairman of the Supervisory Board, Chairman of the Nomination and Remuneration Committee
	Zeal Network SE			DE	Chairman of the Supervisory Board
Claudia Suessmuth Dyckerhoff	Roche Holding AG			CH	Member of the Board of Directors
	Ramsay Health Care Limited (Sydney)			AUS	Member of the Board of Directors
	Prudential plc			UK and HK	Member of the Board of Directors
		QuEST Global Services Pte. Ltd.		SG	Member of the Board of Directors
	IMA [International Market Assessment]		CN	Member of the Forum Advisory Board	
		University of St. Gallen	CH	Member of the Advisory Council	
		St. Galler Stiftung für Internationale Studien (SSIS)	CH	Member of the Foundation Board	
		Buurtzorg Neighborhood Care Asia Ltd. (until December 1, 2024)	HK	Member of the Advisory Council	
		Empower underprivileged children Schweiz	CH	Chairwoman of the Foundation Board	
		Kinderhilfe Kambodscha e.V.	DE	Member of the Foundation Board	
Susanne Wamsler	no other mandates				
Konstantin Winterstein	Ringmetall SE			DE	Member of the Board of Directors, Co-CEO
	GFT Holding GmbH			DE	Member of the Advisory Council

BOARD OF DIRECTORS – MEMBERSHIP IN OTHER BOARDS 2023

Member	Listed companies	Private companies	Not-for-profit organizations	Location	Function
Günter von Au		Stada Arzneimittel AG		DE	Chairman of the Supervisory Board
		Gebr. Röchling KG		DE	Member of the Advisory Committee
		CeramTec GmbH		DE	Chairman of the Supervisory Board
		Tyczka GmbH		DE	Chairman of the Advisory Board
Ahmed Mohammed Al Umar		Saudi Methanol Company		SA	Chairman of the Board of Directors, Chairman of the Business Committee
		Gulf Petrochemical Industries Co (GPIC)		BH	Member of the Board of Directors, Chairman of the Audit, Finance and Risk Committee (AFRC)
		SABIC Fujian		CN	Member of the Board of Directors
			GCC Board Directors Institute (BDI)	UAE	Member of the Governors Board, Chairman of the Human Capital Committee
Roberto Gualdoni	Synthomer plc			UK	Member of the Board
		CABB		DE	Chairman of the Board of Directors
		Envalior GmbH		DE	Chairman of the Shareholders' Committee
		Arceegee Consulting		DE	Chairman of the Board of Directors
Thilo Mannhardt	C&A Modas S.A. (until April 2023)			BR	Member of the Board of Directors
		Algar Telecom		BR	Member of the Board of Directors, Chairman of the Audit and Risk Committee
		BMI Holding		BR	Member of the Advisory Council
		Logus Capital Financial Advisors		BR	Member of the Advisory Council
Geoffery Merszei		Zolenza AG in liquidation		CH	Chairman of the Board of Directors
Eveline Saupper	Flughafen Zürich AG (until April 2023)			CH	Member of the Board of Directors
		Georg Fischer AG		CH	Member of the Board of Directors, Chairwoman of the Compensation Committee
	Forbo Holding AG			CH	Member of the Board of Directors
		Stäubli Holding AG		CH	Member of the Board of Directors
		Mentex Holding AG		CH	Member of the Board of Directors
		Tourismus Savognin Bivio Albulu AG		CH	Vice Chairwoman of the Board of Directors
			UZH [University of Zurich] Foundation	CH	Member of the Foundation Board
			Foundation Piz Mitgel Val Surses	CH	Member of the Foundation Board
			University of St. Gallen	CH	Member of the Advisory Council
Naveena Shastri	No other mandates				
Peter Steiner	Wienerberger AG			AT	Chairman of the Supervisory Board, Chairman of the Nomination and Remuneration Committee
	Zeal Network SE			DE	Chairman of the Supervisory Board
Claudia Suessmuth Dyckerhoff	Roche Holding AG			CH	Member of the Board of Directors
		Ramsay Health Care Limited (Sydney)		AUS	Member of the Board of Directors
	Prudential plc			UK and HK	Member of the Board of Directors
		QuEST Global Services Pte. Ltd.		SG	Member of the Board of Directors
		Edugreen Education & Services Ltd. (until August 2023)		IN	Member of the Board of Directors
		Huma Therapeutics Limited (until October 2023)		UK	Member of the Board of Directors
		IMA [International Market Assessment]		CN	Member of the Forum Advisory Board
			University of St. Gallen	CH	Member of the Advisory Council
			St. Galler Stiftung für Internationale Studien (SSIS)	CH	Member of the Foundation Board
			Buurtzorg Neighborhood Care Asia Ltd.	HK	Member of the Board of Directors
			Empower underprivileged children Schweiz	CH	Chairwoman of the Foundation Board
			Kinderhilfe Kambodscha e.V.	DE	Member of the Foundation Board
Susanne Wamsler	no other mandates				
Konstantin Winterstein	Ringmetall SE			DE	Member of the Board of Directors, Co-CEO
		GFT Holding GmbH		DE	Member of the Board of Directors

Executive Steering Committee Compensation and Share Ownership 2024

ESC Compensation

Two ESC members started their international assignments during 2023 as part of their regional leadership roles. This includes Jens Cuntze, Business President Catalysts and APAC, who relocated to China, and Christian Vang, Business President Care Chemicals and Americas, who relocated to the United States. In April 2024, Christian Vang transferred to a local Swiss contract while continuing in his

role. The 2024 and 2023 compensation tables reflect the customary benefits provided to the international assignees by the Clariant International Long-Term Assignments Policy. They do not receive any benefits outside the policy.

The two tables below show the compensation earned by the members of the ESC in 2024 and 2023.

2024 ANNUAL COMPENSATION TO MEMBERS OF THE EXECUTIVE STEERING COMMITTEE, GROSS IN CHF

	Highest-paid ESC member (Conrad Keijzer, CEO)	Other ESC members	Totals 2024
Base salary	1 200 000	2 260 000	3 460 000
Short-term incentive (cash bonus)	2 087 800	2 386 936	4 474 736
Long-term incentive (share-based) ¹	1 500 003	2 034 029	3 534 032
Other benefits ²	439 509	1 539 033	1 978 542
TOTAL	5 227 312	8 219 998	13 447 310

¹ The allocation of PSUs based on an 30-day average share price prior to grant on 2 April 2024: CHF 11.50. The conversion from PSUs into shares is done after a three-year vesting period, depending on the achievement factor.

² »Other benefits« include pension contributions, social security contributions, benefits related to international assignments, and other benefits.

2023 ANNUAL COMPENSATION TO MEMBERS OF THE EXECUTIVE STEERING COMMITTEE, GROSS IN CHF

	Highest-paid ESC member (Conrad Keijzer, CEO)	Other ESC members	EC members whose term ended in 2022 ⁴	Totals 2023
Base salary	1 200 000	2 242 500	866 667	4 309 167
Short-term incentive (cash bonus) ¹	2 112 500	2 286 650	0	4 399 150
Long-term incentive (share-based) ²	1 500 010	2 007 019	0	3 507 029
Other benefits ³	345 726	1 409 932	433 622	2 189 280
TOTAL	5 158 236	7 946 101	1 300 288	14 404 626

¹ Amount shown reflects actual gross amount paid via payroll in April 2024. Due to rounding for proration, the amount differs slightly from the amount disclosed in the 2023 Compensation Report, which was prepared before payroll processing.

² The allocation of PSUs based on an 30-day average share price prior to grant on 12 April 2023: CHF 14.83. The conversion from PSUs into shares is done after a three-year vesting period, depending on the achievement factor.

³ »Other benefits« include pension contributions, social security contributions, cash payments to selected ESC members for lost entitlements with previous employers, and other benefits.

⁴ Three members of the former Executive Committee left their roles in June 2022. Their employment agreements ended in mid-2023. During the notice period they received base salary and customary benefits only.

2024 In 2024, Clariant paid company social security contributions for two former Executive Committee (EC) members, Hans Bohnen and Bernd Högemann, whose employment agreements ended in 2023. The social security contributions relate entirely to the vesting of PSUs that were granted during their term of employment but that vested on a pro-rata basis in 2024, as per the terms of the CLIP. The total amount was CHF 12 431 each, totaling CHF 24 862. In 2023 and 2024, no other compensation was paid or granted to former ESC/EC members. In 2024 and 2023, no compensation was paid to the related parties of ESC/EC members or former ESC/EC members. In 2023 and 2024, no loans or credits were outstanding or granted to the CEO, other ESC members, former EC members, or their related parties, as stipulated in the Articles of Association. I

The following sections provide additional details about the compensation of the ESC members in 2024.

Total Compensation 2024

The total compensation amount of CHF 13.5 million received by the members of the ESC and the former EC members is below the maximum total compensation amount of CHF 16.0 million for 2024 approved by the stakeholders at the 2023 AGM.

The total compensation of CHF 13.5 million in 2024 reflects a decrease of CHF 0.9 million compared to the total compensation of CHF 14.4 million for 2023.

The decrease from CHF 14.4m in 2023 to CHF 13.5m in 2024 is mainly driven by the following factors: In 2023, EC members whose contract ended in June 2023 were paid a base salary during their remaining notice period. No such payments were made during 2024. Likewise, the amount for other benefits declined significantly for these former EC members, with only social security contributions relating to the pro-rata vesting of the LTI in 2024.

Short-Term Incentive 2024

The following table gives additional details about each of the KPIs used in the short-term incentive plan.

GBP RESULTS

GBP KPI	Target setting	Achievement
EBITDA Margin and BU EBITDA Margin	The targets for the EBITDA margin and BU EBITDA margin were set based on the business plan for the year. Threshold and maximum were determined by one standard deviation down and up from the target.	<p>The reported EBITDA margin for the Group was 15.8 % (compared to 13.9 % in the prior year). The result of 15.8 % is a strong achievement against the target of 15.0 % as communicated for the financial year 2024 and in line with the updated guidance during the year of around 16.0 %.</p> <p>The achievement of 117 % for the EBITDA margin KPI is based on an EBITDA margin of 15.4 % instead of the reported 15.8 %. The difference is due to a downward adjustment decided by the Board of Directors. The rationale for the adjustment is as follows: For the 2023 short-term incentive, the Board of Directors decided to neutralize the impact of the build-up of provision for the ramp-down and downsizing of the Biofuels activities. Due to, e.g., the sale of the plant assets and accelerated downsizing, some of these provisions were reversed in 2024, resulting in a positive effect on the EBITDA margin. An adjustment was already made for the 2023 short-term incentive, and therefore, the Board did not consider it appropriate to include the positive effect in 2024 for the 2024 short-term incentive. This adjustment decreased the EBITDA margin KPI achievement for the Group by 7 % and for the BUs by 2 %.</p> <p>For the BUs, the achievements for this KPI ranged from 57 % to 139 %.</p>
Free Cash Flow and BU Cash Flow Clariant	<p>BU Cash Flow Clariant is defined as BU EBITDA b.e.i. (absolute) plus/minus the change in Net Working Capital (NWC) minus "Other exceptional items" minus Restructuring Cash Out minus investments in PPE (Property, Plant, Equipment) minus investments in intangible assets. Therefore, the numbers presented differ from those presented in other parts of the Integrated Report.</p> <p>The targets Free Cash Flow and BU Cash Flow Clariant were set based on the business plan for the year. Threshold and maximum were determined by one standard deviation down and up from the target.</p>	<p>Expecting a continued challenging market environment and anticipated impacts from the ramp-down of activities in Romania, the target for Free Cash Flow was set at CHF 142m for 2024. Due to the acceleration of this ramp-down as well as the performance programs, the Free Cash Flow for calculating the achievement for this KPI was CHF 207m. The reported Free Cash Flow for 2024 is CHF 211m. The difference is driven by accounting impacts from the buyer withdrawing from the purchase of the Industrial Park Fechenheim announced on 4 February 2025. The Compensation Committee excluded this impact from the calculation of the achievement.</p> <p>This results in an achievement of 173 % of this KPI for the Group.</p> <p>For the BUs, the achievement for this KPI ranged from 75 % to 183 %.</p>
CO ₂ Emissions (Scope 3) and BU CO ₂ Emissions (Scope 3)	<p>The Scope 3 KPI is measured as the absolute amount of CO₂ emitted in the year for both the corporate and BU measures.</p> <p>The target was set to reflect performance on track to reach 2030 targets for emission reduction. Threshold performance represents the highest emissions since 2019, whereas maximum performance reflects 20 % below target.</p> <p>The measure used in the GBP excludes one joint venture which was not considered at the time of target setting. Therefore, the numbers presented differ from those presented in other parts of the Integrated Report.</p>	<p>Driven by continued investments and efforts, the Group and all three Business Units successfully continued the journey towards the reduction of Scope 3 emissions. At the end of 2024, Scope 3 emissions were down by 16 %, already reaching the target of a 14 % reduction by 2030. While part of the reduction in 2024 compared to 2023 resulted from lower volumes and the 2023 divestments, approximately 40 % of the Scope 3 reduction resulted from the successful delivery of projects.</p> <p>For the BUs, the achievement for this KPI ranged from 117 % to 182 %.</p> <p>As the sum of the three Business Units, the 2024 target for the Group was 2,188 ktCO₂e. The Scope 3 emissions in 2024 amounted to 2,044 ktCO₂e, resulting in a target achievement of 135 %.</p>
DART and BU DART	<p>DART is measured the number of days per 200 000 hours worked.</p> <p>The target reflects performance at the first quartile of the chemical industry. The maximum level reflects best industry practice. The threshold level is derived from the difference between target and maximum performance.</p>	<p>With a DART rate of 0.17 for the Group and between 0.13 and 0.26 for Business Units, 2024 marked another record low for Clariant in terms of accidents, ranking Clariant in the first quartile of the chemical industry. In 2024, there were no fatalities and no life-changing injuries and for the first time, Clariant was able to report two injury-free months (March and December). This achievement was driven by a number of initiatives and actions and the strong enforcement of a safety-first culture as well regular and transparent reporting, e.g. during global and local townhall meetings.</p> <p>The achieved DART rates translate into achievements for the STI of 165 % for the Group and between 150 % and 176 % for the Business Units (compared to 163 % to 200 % in 2023, demonstrating increasingly ambitious targets).</p>

The chart below shows additional details for the Group and BU KPIs used in the short-term incentive plan for the CEO and the CFO, and the BU Presidents, respectively. For each KPI, the chart includes the target performance, achieved performance, and the resulting payout percentage before adjustment for the individual

performance factor. The column »Adjusted result« reflects the result after the adjustments approved by the Board for the purposes of the short-term incentive plan and discussed in the table above.

2024 STI PERFORMANCE SUMMARY

		Weight	Target	Adjusted result	Threshold 0 %	Target 100 %	Maximum 200 %
GROUP	EBITDA Margin	35 %	15.0 %	15.4 %	----- ----- -----	----- ----- -----	----- ----- -----
	Free Cash Flow	35 %	CHF 142m	CHF 207m	----- ----- -----	----- ----- -----	----- ----- -----
	Scope 3 Emissions	15 %	2 188 kt	2 044 kt	----- ----- -----	----- ----- -----	----- ----- -----
	DART ¹	15 %	0.30	0.17	----- ----- -----	----- ----- -----	----- ----- -----
	Overall			146 %	----- ----- -----	----- ----- -----	----- ----- -----
BUSINESS UNITS	BU EBITDA Margin	25 %	14.7 % - 20.0 %	15.6 % - 19.0 %	----- ----- -----	----- ----- -----	----- ----- -----
	BU Cash Flow	25 %	CHF 66m-355m	CHF 76m-319m	----- ----- -----	----- ----- -----	----- ----- -----
	BU Scope 3 Emissions	15 %	174-1 585 kt	146-1 540 kt	----- ----- -----	----- ----- -----	----- ----- -----
	BU DART ¹	15 %	0.30-0.45	0.15-0.26	----- ----- -----	----- ----- -----	----- ----- -----
	Overall ²			103 % - 163 %	----- ----- -----	----- ----- -----	----- ----- -----

■ BU achievement range

¹ Per 200 000 working hours

² Includes results from KPIs measured on Group level (weight 20 %).

This results in an overall achievement of 146 % for the Group and between 103 % and 163 % for the Business Units.



Individual Performance Goals and Achievements 2024

Individual performance also impacts the bonus amount through the individual performance multiplier.

The table below outlines the CEO's individual goals in 2024 for each of the strategic pillars. It also describes key achievements considered in the performance evaluation. For each goal, further KPIs and targets were defined. As these are considered commercially sensitive, they are not included in the table.

CEO GOALS 2024			
Strategic Pillars	Goals	Weight	Key achievements ¹
Customer Focus	Further increase customer centricity and outgrow key competitors in target segments.	20 %	Active engagement with key clients and stakeholders has reinforced critical relationships and contributed to Clariant's market presence. Customer Net Promoter Score remains above B2B industry benchmarks.
Innovation & Sustainability	Ensure successful innovation-led sustainability transformation.	20 %	Increased sales from innovation products and related margins. Defined roadmap for the substitution of non-sustainable products.
People & Culture	Drive cultural change to ensure high employee engagement and performance achievement through more effective business review mechanisms and focused people actions.	15 %	Implemented key steps in the cultural transformation of Clariant, including targeted leadership development and talent management programs. Introduced inclusive hiring practices initiative and achieved Bronze level accreditation in Inclusive Employer Standards. Set and drove equal pay agenda.
Strategic Projects	Efficiently execute strategic projects for Clariant's success.	40 %	Benefits from performance improvement programs are on track, driving efficiency across business units and global functions. Successfully acquired and integrated Lucas Meyer Cosmetics into Clariant.
Compliance and Safety	Ensure zero-accident culture. Strengthen internal controls and governance, driving a cultural shift in the company.	5 %	Mandatory compliance trainings are included in the goal plan of every employee. Process safety event rate is ahead of target and additional safety trainings have been rolled out. Record low number of accidents, ranking Clariant in the first quartile of the chemical industry. No fatalities, no life-changing injuries and two injury-free months in 2024.
Performance against goals		70 %	
Behaviors		30 %	
Overall performance		100 %	

¹ This table excludes several commercially sensitive achievement metrics

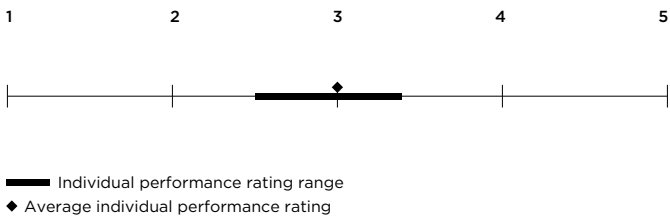
At the end of the year, the Board assessed the performance of the CEO against the defined goals and his behaviors. In its assessment, the Board was advised by the Nomination Committee, in close collaboration with the Compensation Committee. The individual rating, on a scale from 1 to 5, determines the individual performance multiplier that is applied to the STI payout. The individual performance multiplier can range from 50 %, for a rating of 1, to 150 % for a rating of 5.

The other members of the ESC were assessed against goals related to the same strategic pillars, but their individual goals related to their areas of responsibility.

In 2024, The Nomination Committee took a strict assessment approach and considered carefully the impact of the performance rating on the individual compensation amounts. As a result, the average performance rating for the ESC members, including the

CEO, was 3.03 for 2024. This corresponds to an average individual performance multiplier of 101 %. In 2023, the average rating was 3.80, corresponding to an average individual performance multiplier of 120 %.

ESC INDIVIDUAL PERFORMANCE RATINGS

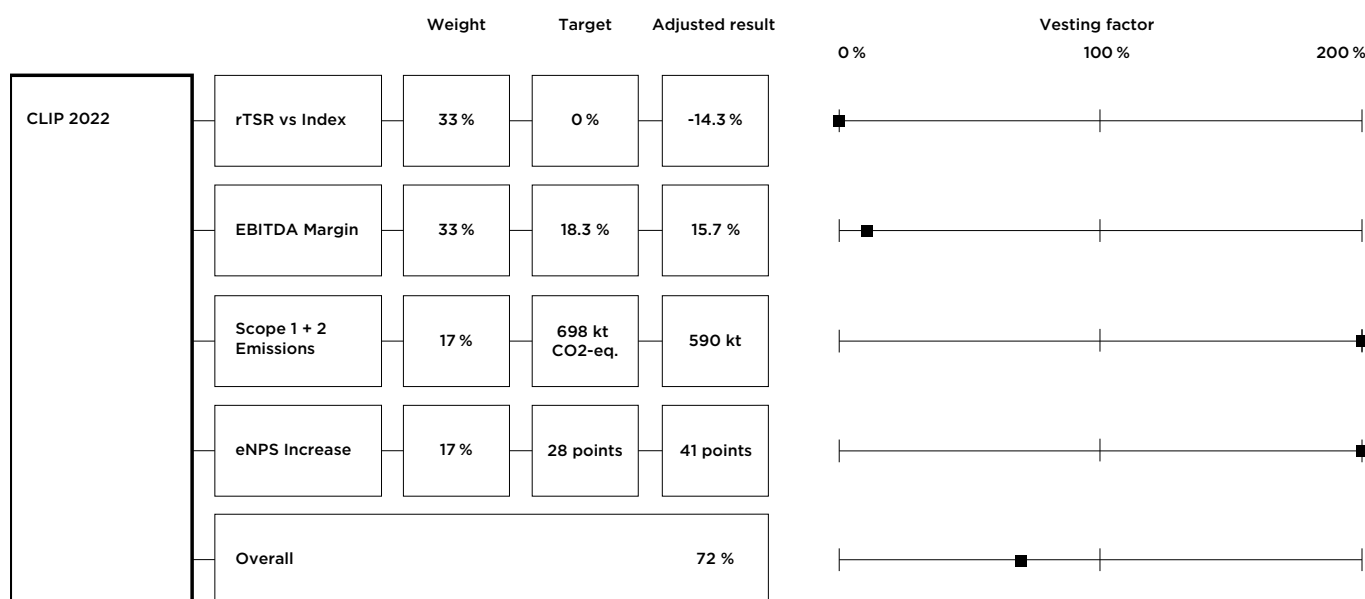


Vesting of Previous Long-term Incentive Plans

The 2022 CLIP grant will vest in April 2025 based on performance during the calendar years 2022-2024. The table and chart below outline the target setting, target performance, achieved performance, and the resulting vesting factor. The vesting factor for each KPI, as well as the overall vesting factor, could range from 0 % to 200 %.

CLIP KPI	Target setting	Achievement
Relative TSR	<p>Relative Total Shareholder Return (rTSR) was measured against the performance of the MSCI World Chemicals Index.</p> <p>The target is met if the Clariant TSR is equal to the index TSR. Threshold and maximum were determined by one standard deviation down and up from the target.</p>	<p>The performance of the Clariant share compared to the index was below the threshold, resulting in a vesting factor of 0 % for this KPI.</p>
EBITDA margin	<p>The target EBITDA margin was set based on the forecast for the period. The target was set as the average of the annual targeted EBITDA margin over the performance period. Threshold and maximum were determined by one standard deviation down and up from the target.</p>	<p>The EBITDA margin target for the 2022 CLIP grant was set at 18.3 %, with a threshold at 15.3 % and a cap at 21.3 %. Based on the reported annual EBITDA margins for the performance period, the average was 15.1% and thus, below the threshold.</p> <p>After thorough considerations, the Board decided to use its discretion in line with Article 22 of the Articles of Association and adjust the average EBITDA margin to 15.7 % for the performance period. This adjustment is a result of consistently applying decisions on adjustments to the short-term incentive plan also for the CLIP. The following adjustments were approved in 2022, 2023, and 2024:</p> <p>1) In 2022, there was an upward adjustment to recognize the extraordinary and non-budgeted effects from the implementation of the new operating model and restructuring costs.</p> <p>2) In 2023, the adjustment reflected additional unbudgeted restructuring efforts, costs related to the acquisition of Lucas Meyer Cosmetics and one-off effects relating to the closure of Biofuels activities.</p> <p>3) In 2024, the Board decided to adjust the EBITDA Margin downward by 0.4 %. The details of the adjustment are outlined in the table "GBP Results" above. This adjustment was consequently applied to the CLIP as well.</p> <p>The average EBITDA margin of 15.7% results in a vesting factor of 13.3 % for this KPI.</p>
CO ₂ emissions (Scope 1+2)	<p>The Scope 1+2 KPI is measured as the absolute amount of CO₂ emitted in the third year of the performance period.</p> <p>The target was set to reflect performance on track to reach 2030 targets for emission reduction. The maximum performance level reflected 100 % execution of Scope 1 emissions roadmaps and green electricity from PPAs (Power Purchase Agreements). The minimum performance level reflects a reduction of 15 % compared to business as usual.</p> <p>The measure used in the CLIP excludes Renewable Energy Certificates. Therefore the numbers presented differ from those presented in other parts of the Integrated Report.</p>	<p>Aligned to the goals of the SBTi and the goal of a 40 % reduction in Scope 1+2 emissions by 2030, the targeted Scope 1+2 emissions were set at 698 kt at the end of the performance period of the CLIP grant 2022, i.e. 31 December 2024.</p> <p>At 31 December 2024, Scope 1+2 emissions were 590 kt, resulting in a vesting factor of 200 % for this KPI. With this result, Clariant's Scope 1+2 reduction journey is well ahead of the set targets, with emissions being reduced by 22 % compared to the base year 2019. Several initiatives contributed to this development. They include significant reduction in coal usage and achieving the first climate neutral site at Bonthapally. This has led not only to an absolute reduction, but also a reduction of Scope 1+2 emissions relative to volumes.</p>
eNPS	<p>The eNPS KPI is measured as an increase in the eNPS over the three-year performance period, as measured by the annual employee engagement survey.</p> <p>The target eNPS level was set to reflect Clariant's plan to become a top-quartile employer by 2030. The maximum performance level reflects performance one year ahead of the plan, and the minimum level reflects performance one year behind plan.</p>	<p>Clariant improved the eNPS over the performance period by 41 points, surpassing the targeted improvement of 28 points. This reflects performance ahead of the ambitious plan on employee engagement. As a result, the vesting factor for this KPI is 200 %.</p> <p>During the performance period, several factors contributed to this outstanding result. They include more autonomy for employees thanks to the reduction of the number management levels, more transparent communication with employees, and conscious actions to increase diversity, equity and inclusion.</p>

CLIP 2022 VESTING



As a result of the performance outlined in the table above, the overall vesting factor for the CLIP 2022 was determined at 72%. Consequently, the number of performance share units that will be converted into Clariant shares and their value are significantly lower than the initial grant value. The table below illustrates the

difference between value at grant and value at vesting. Based on the closing share price of 31 December 2024, the value of shares to be vested would correspond to 45.5 % of the initially granted value.

VALUE AT VESTING CLIP 2022

	Keijzer	Other ESC members ²
Target LTI at time of grant (CHF)	1 500 000	431 818
Number of PSUs granted	94 044	27 075
Overall vesting factor	72 %	72 %
Number of PSUs vested	67 712	19 494
Share price (CHF) ¹	10.09	10.09
Vesting value (CHF)	683 214	196 694

¹ Share price as of 31 December 2024; final vesting will be subject to share price on the vesting date (8 April 2025)

² C. Vang and J. Cuntze received the CLIP grant for their positions prior to becoming ESC members; Since A. Cackovich and B. Collins only joined Clariant after the grant date in 2022, they did not receive a CLIP 2022 grant.

ESC Share Ownership 2024

The share ownership of the members of the ESC is shown below.

SHARES HELD BY THE MEMBERS OF THE EXECUTIVE STEERING COMMITTEE

Name	Role	Number of PSUs/RSUs granted in 2024 ¹	Number of PSUs/RSUs granted in 2023	Number of unvested PSUs/RSUs as of 31 Dec 2024	Number of unvested PSUs/RSUs as of 31 Dec 2023	Number of shares held as of 31 Dec 2024	Number of shares held as of 31 Dec 2023
Conrad Keijzer	CEO	130 435	101 147	325 626	305 162	51 357	0
Bill Collins	CFO	49 305	36 413	100 580	51 275	0	0
Angela Cackovich	BU President	43 044	33 379	76 423	33 379	0	0
Jens Cuntze	BU President	39 131	30 344	79 529	51 939	65 953	61 567
Christian Vang	BU President	45 392	35 199	97 612	71 819	106 354	75 355
Total		307 307	236 482	679 770	513 574	223 664	136 922

¹ Performance Share Units represent contingency rights that will be converted into shares, depending on the performance achievement after the three-year vesting period. Unvested PSUs do not count toward the share ownership requirements.

☒ No options were held by the ESC members or their related parties on 31 December 2023 or on 31 December 2024. |

ESC Mandates

The following tables show the additional external mandates that the members of the ESC held in other organizations as of 31 December 2024 and 31 December 2023, respectively.

EXECUTIVE STEERING COMMITTEE - MEMBERSHIP IN OTHER BOARDS 2024

Name	Other activities
Conrad Keijzer	Member of the Board and the Executive Committee and Chairman of the Nomination Committee of the European Chemical Industry Council (Cefic); Member of the Board of Directors at the American Chemistry Council (ACC); Member of the Board of Directors and Member of the Audit Committee of Neste Corporation since 27 March 2024.
Bill Collins	None
Angela Cackovich	Member of the Advisory Board of Lehmann & Voss & Co. KG, Germany
Jens Cuntze	Executive Board Member and Vice Chairman of the Committee of Multinationals, China Petroleum and Chemical Industry Federation (CPCIF/MNC); Member of the Advisory Board of Association of International Chemical Manufacturers Co. LTD, China (AICM)
Christian Vang	None

EXECUTIVE STEERING COMMITTEE - MEMBERSHIP IN OTHER BOARDS 2023

Name	Other activities
Conrad Keijzer	Member of the Board and the Executive Committee and Chairman of the Nomination Committee of the European Chemical Industry Council (Cefic); Member of the Board of Directors at the American Chemistry Council (ACC)
Bill Collins	None
Angela Cackovich	Member of the Advisory Board of Lehmann & Voss & Co. KG, Germany
Jens Cuntze	Member of the Advisory Board of AICM China (Association of International Chemical Manufacturers China)
Christian Vang	None

Gender representation on the ESC

For 2024, the Executive Steering Committee fulfills the gender requirements of Article 734f of the Swiss Code of Obligations.

Report of the Statutory Auditor



Report of the statutory auditor

To the General Meeting of Clariant Ltd, Muttenz

Report on the Audit of the Remuneration Report

Opinion

We have audited the Remuneration Report of Clariant Ltd for the year ended 31 December 2024. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the following tables:

Board of Directors Compensation and Share Ownership 2024

- 2024 Annual Compensation to Members of the Board of Directors, Gross in CHF
- Shares held by the Members of the Board of Directors

Executive Steering Committee Compensation and Share Ownership 2024

- 2024 Annual Compensation to Members of the Executive Steering Committee, Gross in CHF
- Shares held by the Members of the Executive Steering Committee

of the Remuneration Report.

In our opinion, the information pursuant to Art. 734a-734f CO in the accompanying Remuneration Report complies with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Remuneration Report" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked "audited" in the Remuneration Report, the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the Remuneration Report does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the Remuneration Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the Remuneration Report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Remuneration Report

The Board of Directors is responsible for the preparation of a Remuneration Report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a Remuneration Report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's Responsibilities for the Audit of the Remuneration Report

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Remuneration Report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the Remuneration Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

KPMG AG

A handwritten signature in blue ink, appearing to read 'M. Rohrbach'.

Martin Rohrbach
Licensed Audit Expert
Auditor in Charge

A handwritten signature in blue ink, appearing to read 'C. Kaufmann'.

Cyrill Kaufmann
Licensed Audit Expert

Basel, 27 February 2025

Financial Report

Between balance and return

In the Financial Report, we feature the IFRS Financial Statements of the Clariant Group, a Five-Year Overview, the Financial Statements of Clariant Ltd, the Reports of the Statutory Auditor, and the Alternative Performance Measures.

Balance

Return

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Consolidated Balance Sheet

Assets

CONSOLIDATED BALANCE SHEET

at 31 December	Notes ¹	31.12.2024 in CHF m	in %	31.12.2023 in CHF m	in %
Assets					
Non-current assets					
Property, plant, and equipment	5	1 524		1 439	
Right-of-use assets	7	193		171	
Intangible assets	6	1 666		911	
Investments in associates and joint ventures	8	245		236	
Financial assets and other assets	9	250		199	
Net defined benefit assets	22	131		44	
Deferred tax assets	10	127		129	
Total non-current assets		4 136	66.0	3 129	58.5
Current assets					
Inventories	11	649		624	
Trade receivables	12	635		567	
Other current assets	13	332		355	
Income tax receivables		105		78	
Short-term deposits	14	7		105	
Cash and cash equivalents	15	388		488	
Assets held for sale	26	12		1	
Total current assets		2 128	34.0	2 218	41.5
Total assets		6 264	100.0	5 347	100.0

¹ The notes form an integral part of the consolidated financial statements.

Consolidated Balance Sheet

Equity and Liabilities

CONSOLIDATED BALANCE SHEET

at 31 December	Notes ¹	31.12.2024 in CHF m	in %	31.12.2023 in CHF m	in %
Equity and liabilities					
Equity					
Share capital	17	584		724	
Treasury shares (par value)	17	-6		-7	
Other reserves		-1 274		-1 385	
Retained earnings		3 031		2 686	
Total capital and reserves attributable to Clariant Ltd shareholders		2 335		2 018	
Non-controlling interests		173		162	
Total equity		2 508	40.0	2 180	40.8
Liabilities					
Non-current liabilities					
Financial debts	19	1 422		765	
Deferred tax liabilities	10	91		25	
Net defined benefit liabilities	22	485		473	
Lease liabilities	7	149		136	
Other liabilities	24	10		26	
Provisions	23	148		153	
Total non-current liabilities		2 305	36.8	1 578	29.5
Current liabilities					
Trade payables and other liabilities	24	746		740	
Financial debts	19	270		333	
Income tax liabilities		192		160	
Lease liabilities	7	43		115	
Provisions	23	200		241	
Total current liabilities		1 451	23.2	1 589	29.7
Total liabilities		3 756	60.0	3 167	59.2
Total equity and liabilities		6 264	100.0	5 347	100.0

¹ The notes form an integral part of the consolidated financial statements.

Consolidated Income Statement

CONSOLIDATED INCOME STATEMENT

for the years ended 31 December	Notes ¹	2024 in CHF m	in %	2023 in CHF m	in %
Sales	25	4 152	100.0	4 377	100.0
Costs of goods sold		-2 893		-3 268	
Gross profit		1 259	30.3	1 109	25.3
Selling, general, and administrative costs		-748		-709	
Research and development costs		-126		-160	
Income from associates and joint ventures	8	55		42	
Operating income		440	10.6	282	6.4
Finance income	29	29		44	
Finance costs	29	-99		-108	
Income before taxes		370	8.9	218	5.0
Taxes	10	-90		-5	
Net income from continuing operations		280	6.7	213	4.9
Attributable to:					
Shareholders of Clariant Ltd		244		168	
Non-controlling interests		36		45	
Net loss from discontinued operations	26	-		-34	
Attributable to:					
Shareholders of Clariant Ltd		-		-34	
Non-controlling interests		-		-	
Net income		280		179	
Attributable to:					
Shareholders of Clariant Ltd		244		134	
Non-controlling interests		36		45	
Basic earnings per share attributable to the shareholders of Clariant Ltd (CHF/share)					
Continuing operations	18	0.74		0.51	
Discontinued operations	18	0.00		-0.10	
Total		0.74		0.41	
Diluted earnings per share attributable to the shareholders of Clariant Ltd (CHF/share)					
Continuing operations	18	0.74		0.51	
Discontinued operations	18	0.00		-0.10	
Total		0.74		0.41	

¹ The notes form an integral part of the consolidated financial statements.

Consolidated Statement of Comprehensive Income

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the years ended 31 December	Notes ¹	2024 in CHF m	2023 in CHF m
Net income		280	179
Other comprehensive income			
<i>Items that will not be reclassified subsequently to the income statement</i>			
Actuarial gain/loss on net defined benefit liabilities	22	-40	-80
Return on retirement benefit plan assets, excluding amount included in interest expense	22	44	25
Limitation on recognition of net pension assets	22	78	18
Fair value adjustment on financial assets	9	41	-55
Deferred tax effect to these items	10	-10	7
<i>Items that may be reclassified subsequently to the income statement</i>			
Net investment hedge	21	1	6
Cash flow hedge		-	1
Currency translation differences		109	-242
Share in other comprehensive income of associates and joint ventures	8	-6	-11
Effect of the reclassification of foreign exchange differences on previously held net investments in foreign entities		8	-2
Other comprehensive income for the period, net of tax		225	-333
Total comprehensive income for the period		505	-154
Attributable to:			
Shareholders of Clariant Ltd		462	-182
Non-controlling interests		43	28
Total comprehensive income for the period		505	-154
Total comprehensive income attributable to shareholders of Clariant Ltd arising from:			
Continuing operations		462	-148
Discontinued operations		-	-34
Total comprehensive income attributable to shareholders of Clariant Ltd		462	-182

¹ The notes form an integral part of the consolidated financial statements.

Consolidated Statement of Changes in Equity

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in CHF m	Other reserves								
	Total share capital	Treasury shares (par value)	Share premium reserves	Hedging reserves	Cumulative translation reserves	Total other reserves	Retained earnings	Total attributable to equity holders	Non-controlling interests
Balance 1 January 2023	863	-8	259	-3	-1 421	-1 165	2 651	2 341	172
Net income						-	134	134	45
Other comprehensive income				1	-221	-220	-96	-316	-17
Total comprehensive income for the period	-	-	-	1	-221	-220	38	-182	28
Reduction in share capital	-139	1				-		-138	
Dividends to non-controlling interests						-		-	-38
Effect of employee services						-	-1	-1	
Treasury share transactions		-				-	-2	-2	
Balance 31 December 2023	724	-7	259	-2	-1 642	-1 385	2 686	2 018	162
Balance 1 January 2024	724	-7	259	-2	-1 642	-1 385	2 686	2 018	162
Net income						-	244	244	36
Other comprehensive income				-	111	111	107	218	7
Total comprehensive income for the period	-	-	-	-	111	111	351	462	43
Reduction in share capital	-140	1				-		-139	
Dividends to non-controlling interests						-		-	-32
Effect of employee services						-	1	1	
Treasury share transactions		-				-	-7	-7	
Balance 31 December 2024	584	-6	259	-2	-1 531	-1 274	3 031	2 335	173

Consolidated Statement of Cash Flows

CONSOLIDATED STATEMENT OF CASH FLOWS

for the years ended 31 December	Notes ¹	2024 in CHF m	2023 in CHF m
Net income		280	179
Reversal of non-cash income and expenses	16	369	356
Dividends received from associates and joint ventures	8	36	44
Payments for restructuring		-45	-45
Cash flow before changes in net working capital and provisions		640	534
Changes in net working capital and provisions	16	-128	-2
Cash generated from operating activities		512	532
Income taxes paid		-94	-111
Net cash generated from operating activities		418	421
Cash flows from investing activities:			
Investments in property, plant, and equipment	5	-207	-205
Investments in intangible assets	6	-2	-2
Investments in financial assets, associates, and joint ventures	8, 9	-1	-27
Investments in business combinations	28	-729	-
Changes in current financial assets and short-term deposits		105	155
Interest received		21	41
Proceeds from the disposal of property, plant, and equipment and intangible assets		8	7
Proceeds from the disposal of associates, joint ventures, and financial assets		-	4
Proceeds from the disposal of activities not qualifying as discontinued operations	27	-	113
Net cash used by / generated from investing activities		-805	86
Cash flows from financing activities:			
Purchase of treasury shares		-14	-8
Distribution to the shareholders of Clariant Ltd	17	-139	-138
Dividends paid to non-controlling interests		-32	-38
Proceeds from financial debts		1 331	196
Repayments of financial debts		-723	-308
Repayments of lease liabilities	7	-88	-51
Interest paid		-48	-38
Interest paid for leases	7	-10	-9
Net cash generated from / used in financing activities		277	-394
Currency translation effect on cash and cash equivalents		10	-19
Net change in cash and cash equivalents		-100	94
Cash and cash equivalents at the beginning of the period	15	488	394
Cash and cash equivalents at the end of the period	15	388	488

¹ The notes form an integral part of the consolidated financial statements.

Notes to the Consolidated Financial Statements

1. Material accounting policies

1.01 – General information

Clariant Ltd (the »Company«) and its consolidated subsidiaries (together the »Group«) are a global leader in the field of specialty chemicals. The Group develops, manufactures, distributes, and sells a broad range of specialty chemicals, which play a key role in its customers' manufacturing and treatment processes or add value to their end products. The Group has manufacturing plants around the world and sells mainly in countries within Europe, the Americas, and Asia.

Clariant Ltd is a limited liability company incorporated and domiciled in Switzerland. The address of its registered office is Rothausstrasse 61, CH-4132 Muttenz, Switzerland. The Company is listed on the SIX Swiss Exchange.

The Board of Directors approved the consolidated financial statements for issue on 27 February 2025. They will be subject to approval by the Annual General Meeting of Shareholders scheduled for 1 April 2025.

1.02 – Basis of preparation

The consolidated financial statements of the Clariant Group have been prepared in accordance with the International Financial Reporting Standards (IFRS) Accounting Standards as issued by the International Accounting Standards Board (IASB), the IFRIC interpretations applicable to companies reporting under IFRS, and the material accounting policies set out below. The consolidated financial statements have been prepared under the historical cost convention, except for items that are required to be accounted for at fair value.

The preparation of financial statements requires the use of certain accounting estimates. It also requires Management to exercise its judgment in applying the Group's accounting policies.

These estimates and judgments affect the reported amounts of assets, liabilities, and the disclosure of contingent amounts at the date of the financial statements, as well as the reported amounts of sales and expenses during the reporting period.

Although these are based on Management's best knowledge of current events and circumstances, actual outcomes may differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where estimates are significant to the consolidated financial statements, are disclosed under **note 4**.

1.03 – Standards, interpretations, and amendments effective in 2024

The Group has applied the following amendments to IFRS issued by the IASB for the period commencing 1 January 2024:

- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants;
- Amendments to IFRS 16 – Lease Liability in Sale and Lease-back;
- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements.

The adoption of the amendments did not have any significant impact on the amounts recognized in the reporting period or prior periods and is not expected to significantly affect future periods.

1.04 – Standards, interpretations, and amendments not yet effective

Certain new and amended accounting standards and interpretations that have been published are not mandatory for the reporting period ended on 31 December 2024 and have not been adopted early by the Group.

IFRS 18, Presentation and Disclosure in Financial Statements, applies for annual periods beginning on or after 1 January 2027 and will replace IAS 1, Presentation of Financial Statements. The new requirements will increase the comparability of the financial performance of similar entities and provide more relevant information and transparency to users. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but its impacts on the presentation and disclosure are expected to be extensive. The standard introduces the following new requirements:

- The income statement will have to be classified into five categories, namely the operating, investing, financing, discontinued operations, and income tax categories. A newly defined operating profit subtotal must be presented. The net result of the Group will not be impacted.
- Management-defined performance measures (MPMs) are disclosed in a separate note to the consolidated financial statements.
- The lines presented in the primary financial statements might change based on the enhanced guidance provided on how information is grouped and the principles on aggregation and disaggregation.
- When presenting the cash flow statement under the indirect method, the operating profit subtotal must be used as the starting point.

The Group is in process of assessing the impacts of the new standard, particularly with respect to the structure of the consolidated income statement, the cash flow statement, and the additional disclosures required for MPMs.

The following standards and interpretations are not expected to have a material impact on the entity in the current or future reporting periods or on foreseeable future transactions:

- Amendments to IAS 21 – Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025);
- Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments (effective for annual periods beginning on or after 1 January 2026);
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027).

1.05 – Principles and methods of consolidation

The annual closing date of the individual financial statements is 31 December. The consolidated financial statements are prepared applying uniform presentation and valuation principles.

Subsidiaries: Subsidiaries are those entities over which the Group has control. This is the case when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group, and they are deconsolidated from the date control ceases. The results of non-controlling interests are separately disclosed in the consolidated income statement, the statement of comprehensive income, the statement of changes in equity, and the balance sheet.

Associates: Associates are entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method.

Joint arrangements: Investments in joint arrangements are classified as either joint operations or joint ventures, depending on the contractual rights and obligations of each investor. Clariant has assessed the nature of its joint arrangements and determined that they are joint ventures. Joint ventures are accounted for using the equity method.

All associates and joint ventures generally apply the same accounting principles as the Group.

1.06 – Recognition of revenue from contracts with customers

Revenue is measured based on the consideration the Group expects to receive in exchange for goods or services. Revenue from sales of goods is recognized in the income statement when control has been transferred to the buyer based on the terms of the sales contract, which is at the point in time of shipment to or receipt of the products by the customer, at a fixed or determinable price, and when collectability is reasonably assured. Revenue from services is recognized when the respective services have been rendered. Revenue is reported net of sales taxes, returns, discounts, and rebates. Rebates to customers are provided for in the same period as the related sales and are recorded based on the contract terms.

Where third parties hold Clariant inventories on a consignment basis, revenue is recognized in the period when inventories are withdrawn from consignment and delivered to customers. Clariant periodically enters into prepayment contracts with customers whereby it receives contract liabilities for products to be delivered in a future period. These contract liabilities are recorded as liabilities and presented as part of »Trade payables and other liabilities«. Advance payment liabilities are released, and revenue associated with such advance payment transactions are recognized upon transfer of control on the related products to the customer.

1.07 – Exchange rate differences

The consolidated financial statements are presented in Swiss francs, which is the functional and presentation currency of the parent company.

Transactions and balances: Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the line »Finance costs« in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and net investment hedges.

Translation differences on debt securities and on other monetary financial assets measured at fair value are included in foreign exchange gains and losses in the line »Finance costs« in the income statement.

Economic environments whose functional currencies have experienced a cumulative inflation rate of more than 100 % over the past three years are considered as hyperinflationary economies. The hyperinflationary economies in which Clariant operates are Argentina and Türkiye. Both countries were hyperinflationary for the periods presented. The impacts of applying hyperinflation accounting are recorded in »Financial costs.«

Group companies: Income statements and cash flow statements of foreign entities are translated into the Group's presentation currency at sales-weighted average exchange rates for the year, and their balance sheets are translated at the exchange rates prevailing on 31 December.

All resulting exchange rate differences are recognized in other comprehensive income in the line »Currency translation differences.« Exchange rate differences arising from the translation of the net investment in foreign entities and from borrowings and other currency instruments designated as hedges of such investments are recognized in other comprehensive income in the line »Net investment hedge.« Net investments also include loans for which the settlement is neither planned nor likely to occur in the foreseeable future.

When a foreign operation is disposed of and, as a consequence, control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to the income statement as a part of the gain or loss on disposal.

When the Group holds an interest in a subsidiary that includes translation differences on a foreign operation, while retaining control of the subsidiary, a proportionate part of the cumulative amount of the translation difference that was recognized in other comprehensive income is reclassified to non-controlling interests.

1.08 – Property, plant, and equipment

Property, plant, and equipment, except for the ones pertaining to mining activities, are valued at historical acquisition or production costs and depreciated on a straight-line basis to the income statement, using the following estimated useful lives in accordance with the Group guidelines:

- Buildings: 15 to 40 years
- Machinery and equipment: 10 to 16 years
- Furniture, vehicles, computer hardware: 3 to 13 years
- Land is not depreciated

Property, plant, and equipment pertaining to mining activities are valued at historical costs and depreciated over their useful lives to the income statement using the units of production method.

When the entity has a present legal or constructive obligation to dismantle an item of property, plant, and equipment or restore a site, its initial costs include an estimate of the costs of dismantling and removing the item and restoring the site on which it is located. A corresponding provision is recorded for the amount of the asset component.

Financing costs directly associated with the acquisition, construction, or production of qualifying property, plant, and equipment are capitalized as a part of the costs of these assets.

Investment property is valued at cost less depreciation. As all investment property held by Clariant consists of industrial and administrative sites that have been in use for several decades, there is no active market that would give information on possible market prices. The fair values of the investment properties are therefore determined by way of external appraisals or value-in-use calculations.

1.09 – Leases

At the inception of the lease, a right-of-use asset and a lease liability are recognized in the balance sheet. The asset is initially measured at the amount of the lease liability plus any initial direct costs incurred. The lease liability is initially measured at the present value of the lease payments payable over the lease term, including variable lease payments based on an index at the commencement day and the exercise price of purchase options if it is reasonably certain that the option will be exercised. The lease liability is discounted at the rate implicit in the lease. If that rate cannot readily be determined, the incremental borrowing rate is used. Lease liabilities are subsequently remeasured to reflect possible changes in the lease terms.

Right-of-use assets are depreciated over the duration of the lease contract, including contractually agreed-upon optional extension periods whose exercise is deemed to be reasonably certain. The depreciation is recognized in operating income.

The unwinding of the discounting effect is included in the financial costs. Lease payments are accounted for as a repayment of the lease liability.

Expenses for lease contracts for objects with a value of less than CHF 5 000 and lease contracts with a duration of up to twelve months are recognized on a straight-line basis over the lease term in the income statement.

1.10 – Intangible assets

Goodwill is recognized at the acquisition date of a business combination and is the excess of the consideration transferred over the underlying fair value of the net identified assets acquired. Goodwill is not amortized but tested annually for impairment.

Technology, customer relationships, and trade names are capitalized at cost. Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. Costs directly associated with the production of identifiable and unique software and other intangible products controlled by the Group that will probably generate economic benefits beyond one year are recognized as intangible assets. Direct costs include software development costs, personnel costs,

and advisory costs directly related to the software or product development and relevant overheads. Costs associated with developing and maintaining common software programs are recognized as an expense when incurred.

Intangible assets acquired in a business combination are initially recognized at fair value.

The finite intangible assets, except for mining rights, are amortized on a straight-line method over their remaining useful lives as follows:

- Technology: up to 15 years
- Customer relationships: 6 to 20 years
- Trade names: up to 15 years
- Others: 3 to 15 years

Mining rights are amortized over their useful lives using the units of production method.

1.11 – Impairment of assets

Assets that are subject to amortization and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

Goodwill is tested for impairment annually. The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognized immediately in the income statement.

1.12 – Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale when their carrying amount is to be recovered through a sale transaction and a sale is considered highly probable within 12 months. They are stated at the lower of the carrying amount and fair value less costs of disposal. Assets classified as held for sale are neither depreciated nor amortized.

1.13 – Inventories

Purchased goods are valued at acquisition costs, while self-manufactured products are valued at manufacturing costs, including related production overhead costs. Inventory held at the balance sheet date is primarily valued at standard costs, which approximate actual costs on a weighted-average basis. This value is used for the costs of goods sold in the income statement. Adjustments are made for inventories with a lower net realizable value. Unsuitable inventories are fully written off. These adjustments are

deducted directly from the inventory value in the balance sheet. The allowances are reversed when the inventories concerned are either sold or destroyed and, as a consequence, removed from the balance sheet.

1.14 – Trade receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. They are generally due within 40 days and therefore classified as current. Trade receivables are recognized initially at the amount of consideration that is unconditional. The Group holds trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost.

The Group applies the simplified approach to measure expected credit losses, which uses a lifetime expected loss allowance for all trade receivables. The estimated expected loss rates are based on historical credit losses and are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group recognizes loss allowance of trade receivables in »Selling, general, and administrative costs« in the income statement.

1.15 – Cash and cash equivalents, short-term deposits

Cash and cash equivalents comprise cash in hand, deposits, and short-term investment instruments with an initial lifetime of 90 days or less. Bank overdrafts are reported within current financial debt.

Short-term deposits are disclosed separately in the balance sheet if they have an original maturity between 90 and 365 days. They are valued at their nominal value, which is close to their fair market value.

1.16 – Derivative financial instruments and hedging

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at fair value through profit or loss.

Hedged items are assets or liabilities, unrecognized firm commitments, forecast transactions, or net investments in foreign entities. They are reliably measurable and, if not recognized, they are highly probable. The hedges are accounted for either as fair value hedges in the case of exposures in fair value of recognized assets and liabilities or unrecognized firm commitments, as cash flow hedges in the case of exposures in cash flows arising from recognized assets or liabilities or forecast transactions that could affect the income statement, or as hedges of a net investment in a foreign entity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than twelve months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than twelve months.

Cash flow hedges: The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized within equity. The gain or loss relating to the ineffective portion is recognized immediately in the income statement. As long as the hedged cash flow item is probable, the cumulative gain or loss on the respective hedge remains in equity and does not get recycled.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects the income statement, as follows:

- The gain or loss relating to the effective portion of the interest rate or cross-currency swaps hedging variable-rate or fixed-rate borrowings is recognized in the income statement within finance costs at the same time as the interest expense on the hedged borrowings.
- When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, the cumulative gain or loss that was reported in equity is immediately reclassified to the income statement.

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income and accumulated within equity. The gain or loss relating to the ineffective portion is recognized immediately in the income statement.

Gains and losses accumulated in equity are reclassified to the income statement when the foreign operation is partially disposed of or sold.

1.17 – Current income tax

The taxable profits or losses of Group companies are calculated in accordance with the rules established by the taxation authorities of the countries in which they operate. They are the basis for determining income tax payments or reimbursements for the reporting period in accordance with the prevailing local income tax rates.

1.18 – Deferred income tax

Deferred income tax is calculated using the comprehensive liability method. No deferred income tax is calculated for the temporary differences on investments in Group companies, provided that the investor (parent company) is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred income tax assets are recognized on tax losses incurred if, based on the business plans of the respective subsidiaries, it is deemed probable that the tax losses are recoverable in the foreseeable future. The recoverability of these tax losses is assessed by Management at least yearly.

1.19 – Employee benefits

Obligations for employee benefits arise from various post-employment schemes, including both defined-benefit and defined-contribution pension plans, post-employment healthcare plans, and other benefits.

Defined-contribution plans: Contributions to defined-contribution plans are recorded in the income statement in the period to which they relate.

Defined-benefit plans: For defined-benefit plans, the amount to be recognized in the liability is determined using the projected unit credit method. Independent actuaries perform the actuarial valuations for the defined-benefit plans on a regular basis. For the larger plans, these valuations take place annually. For the smaller ones, valuations are performed at least every three years, with systematic roll forwards in the years in between.

The net defined benefit liabilities recognized in the balance sheet represent the present value of the obligations at the end of the reporting period less the fair value of the plan assets.

The net defined benefit assets recognized in the balance sheet are capitalized only to the extent of their recoverability, that is, when a cash refund or a reduction in the future payments is available. The return on plan assets, except for amounts reflected in net interest income, are reported under other comprehensive income.

Actuarial gains and losses are charged or credited to equity in other comprehensive income in the period in which they arise. Past service costs are recognized immediately in the income statement.

Some Group companies provide post-employment healthcare benefits to their retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using an accounting method similar to that for the defined-benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

The charges for defined-benefit plans, defined-contribution plans, and termination benefits are included in personnel expenses and reported in the income statement under the corresponding functions of the related employees.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that do not fall wholly due within twelve months after the end of the period in which the employees render the related service. These include long-term compensated absences, such as long-service or sabbatical leave, and jubilee or other long-service benefits. The accounting policy for other long-term employee benefits is similar to that for post-employment benefits, with the exception that actuarial gains and losses are recognized immediately in the income statement.

Short-term employee benefits are employee benefits (other than termination benefits) that fall due wholly within twelve months after the end of the period in which the employees render the related service.

1.20 – Provisions

Provisions are recognized when Clariant has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Non-current provisions are discounted to reflect the time value of money, when material. Discount rates reflect current market assessments of the time value of money and the risk specific to the provisions in the respective countries.

1.21 – Research and development

Considering the uncertainties inherent in the development of new key products, Clariant does not capitalize the associated development costs, as the criteria for capitalization are not met. Experience has proven that the structure of research and development in the industries that Clariant engages in makes it difficult to demonstrate how single intangible assets (patents) will generate probable future economic benefits.

1.22 – Segment reporting

Segment information is presented in the same manner as in the internal reporting to the chief operating decision-maker. The chief operating decision-maker, responsible for strategic decisions, for the assessment of the segments' performance, and for the allocation of resources to the segments, is the Executive Steering Committee.

Clariant has three business units (BUs), which also represent the reportable segments, in accordance with IFRS 8, Operating Segments:

- Care Chemicals
- Catalysts
- Adsorbents & Additives

The Business Unit **Care Chemicals** consists of the following businesses: Personal & Home Care, Crop Solutions, Industrial Applications, Base Chemicals, Oil Services, and Mining Solutions. The Business Unit has a clear focus on highly attractive, high-margin, and low-cyclicality segments with a large share of the business being consumer-facing in Consumer Care and Industrial Applications.

The Business Unit **Catalysts** includes the following businesses: Propylene, Specialties, Syngas & Fuels, Ethylene, and Biofuels & Derivatives. The Business Unit contributes significantly to value creation in our customers' operations, ensuring that finite raw materials and energy are used efficiently and, in turn, ensuring the quality and yield of processes. This Business Unit experiences a cyclicality in line with the investment cycle of the petrochemical industry.

The Business Unit **Adsorbents & Additives** comprises the following businesses: Purification, Foundry & Specialties, and Cargo & Device Protection in the regions EMEA, APAC, and Americas on the Adsorbents side, as well as Coatings & Adhesives and Polymer Solutions in Additives. The Business Unit creates value through enhanced sustainability benefits, for example, by enabling material circularity and by reducing customers' dependency on fossil resources to reduce CO₂ emissions.

Corporate: Income and expenses relating to Corporate include the costs of the corporate headquarters and some of the corporate coordination functions in major countries. In addition, Corporate includes certain items of income and expense that are not directly attributable to specific business units.

The Group's business units are segments offering a large variety of products. The segments are managed separately because they manufacture, distribute, and sell distinct products that require differing technologies and marketing strategies. These products are also subject to risks and returns that are different from those of other segments.

Segment sales are sales reported in the Group's income statement directly attributable to a segment, as well as the relevant portion of the company income that can be allocated on a reasonable basis to a segment, whether from sales to external customers or from transactions with other segments.

Segment operating expenses are expenses resulting from the operating activities of a segment directly attributable to the segment and the relevant portion of an expense that can be allocated on a reasonable basis, including expenses relating to sales to external customers and expenses relating to transactions with other segments. Intersegment transactions are entered into under the normal circumstances and terms and conditions that would also be available to unrelated third parties.

Segment assets consist of property, plant, and equipment, goodwill, intangible assets, inventories, receivables, and investments in associates. They exclude deferred tax assets, financial assets, and operating cash. Segment liabilities comprise trade payables. They exclude items such as tax liabilities, provisions, pension liabilities, and corporate borrowings. Usually no allocation of Corporate items is made to the segments. Interest income, interest expense, and taxes are not allocated to segments.

The Executive Steering Committee assesses the performance of the operating segments based on income statement parameters like third-party sales, EBITDA, operating result, and cash flow. The return on the capital invested in each segment is measured by the Return on Net Assets (RONA).

1.23 – Share capital and other reserves

All issued shares are ordinary shares and, as such, are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Other reserves comprise the following items:

- **Share premium:** The share premium comprises the excess price paid over the par value of the share at the time of issuance of the share capital.
- **Cumulative translation reserves:** The translation reserves comprise the foreign exchange differences arising from the translation of the financial statements of the foreign subsidiaries stated in a currency other than the Group's functional currency. In addition, the cumulative translation reserves comprise the foreign exchange differences arising on the translation of financial liabilities denominated in a currency other than the functional currency of the parent company, Clariant Ltd, that are at the same time designated as a hedge of a net investment in a foreign entity.

Treasury shares are deducted from equity at their par value. Differences between the par value and the amount paid for acquiring treasury shares, including any directly attributable incremental costs, or received for disposing of treasury shares are recorded in retained earnings.

1.24 – Financial debt

Financial debt is recognized initially at fair value, net of transaction costs incurred. Financial debt is subsequently stated at amortized cost. Except for derivatives, there are no financial liabilities valued at fair value through profit or loss.

1.25 – Financial assets

Financial assets are valued at amortized cost if there is the intention to hold them in order to collect the contractual cash flow, and this cash flow is only for the principal and interest.

Financial assets are valued at fair value through other comprehensive income when they are held with the intention of getting the contractual cash flow, but also with the intention of eventually selling the asset.

Equity investments are measured at fair value through other comprehensive income based on the Group's irrevocable election at initial recognition. The fair value valuation is based on multiples of projected earnings and discounted cash flows.

All other financial assets are valued at fair value through profit or loss.

Loss allowances are recognized for expected credit losses. Changes in the measurement of the loss allowance are recognized in the income statement.

Purchases and sales of financial assets are recognized on the settlement date, which is the date on which the Group receives or delivers the assets.

1.26 – Business combinations

The Group applies the acquisition method to account for business combinations and recognizes any non-controlling interests in the acquiree at fair value (full goodwill method). Identified assets, liabilities, and contingent liabilities are, with limited exceptions, measured initially at fair value at the acquisition date. If the initial accounting for a business combination is incomplete at the end of a reporting period, provisional amounts are recognized. During the measurement period, which does not exceed twelve months after the acquisition date, the amounts are retrospectively adjusted to reflect new information obtained about facts and circumstances that existed at the acquisition date.

Acquisition-related costs are expensed as incurred.

2. Enterprise risk management identification, assessment, and management

Within the framework of the Enterprise Risk Management Policy, risk assessments are prepared by business units and global functions to assess threats that will impact the achievement of the objectives set for Clariant overall. These objectives are a result of the overall strategy of the Group as set by the Board of Directors and implemented by the Executive Steering Committee. The Executive Steering Committee is responsible for monitoring the risk assessments for relevance and consistency. The Executive Steering Committee has formed an »Ethics and Risk Management« subcommittee, which maintains an up-to-date understanding of areas where Clariant is, or may be, exposed to risk issues, and seeks to ensure that Management is effectively addressing those issues.

The short- and long-term objectives are set in the fourth quarter of the year. These objectives and threats are subject to scrutiny by the Executive Steering Committee during meetings with each business unit. Also reviewed and discussed are proposed measures to reduce or contain threats. In that context, responsibilities are assigned. All stakeholders are required to report significant changes to existing identified risks and new threats as they arise.

Risk registers are maintained using financial and reputational impact and probability assessments to score and rank all identified risks. The assessment also addresses the measures in place to manage the risk identified.

When threats have been identified and quantified, they are delegated to qualified individuals who are required to deliver effective risk management. Depending on the nature of the risk identified, specific skill sets may be required for the management of those particular risks.

A summary risk assessment is submitted annually to the Executive Steering Committee, the Audit Committee, and the Board of Directors for review. In the case of new or changed risks, reporting is accelerated.

To support functional responsibility, certain functions have access to risk assessments to assist them in their roles. Examples of such functions are Environmental Safety and Health Affairs (ESHA), to identify key sites for their property risk survey program, and Global Function Procurement, to ensure reliable and compliant supply of raw materials.

Examples of identified risks included in the risk register:

Regulation and compliance

Clariant is subject to many rules and regulations, as well as compliance standards. These include chemical industry, country, government, and customer requirements as well as the European Union's (EU) Regulations on Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) and similar regulations in other countries.

The Global Function Product Stewardship is responsible for ensuring that all relevant legal requirements are met. Certain specific matters are delegated to other functions.

Sites and locations

This includes manufacturing plants and equipment important for the production of Clariant products for sale to customers.

Also addressed are country and culture issues that could create threats to business objectives. The aim is to maintain high-quality and safe production facilities. ESHA is responsible for the management of the associated risks.

Cyber and information security

Successful performance of the Clariant Group depends on properly working information systems. Cyberattacks may result in the loss of business and personal data, knowledge, facilities, or money, leading to interruptions in manufacturing and product deliveries. Clariant is responding to the increased cyber risk with a reinforced information security department, state-of-the-art software, and frequent awareness campaigns.

Examples of emerging risks included in the risk register:

Energy price increases and shortages

The Clariant Group requires energy from various sources for use in production facilities with strong reliance on oil, natural gas, and electricity. Costs for natural gas and energy in general constitute a relevant proportion of the production and raw material costs. Clariant may not be able to pass on increasing energy costs to its customers in time or at all. In addition, shortages or the unavailability of certain types of energy could interrupt the production processes, thereby materially and adversely impacting the Group's ability to conduct its business and to produce its products. Clariant is closely monitoring the situation to secure supply, mitigate price increases, and strictly manage margins.

Geopolitical and macroeconomic development

The achievement of corporate targets depends on global economic and political developments, which are continuously monitored in all markets. Economic uncertainty has increased, and the growth of the global economy could be lower than expected due to geopolitical tensions and/or global recession. If conditions in the global economy or the key markets in which the Group operates deteriorate, the Group may experience an adverse impact. Clariant will respond by developing different multi-scenarios for all businesses, including performance programs.

3. Financial risk management

3.1 – Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk, and price risk), credit risk, liquidity risk, counterparty risk, (re-)financing risk, funding risk, and settlement risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to reduce potential adverse effects on the Group's financial performance at reasonable hedging costs. The Group uses derivative financial instruments, non-derivative financial instruments, and operating strategies to hedge certain risks.

Financial risk management is carried out by the central treasury department (Global Treasury) under policies approved by the Executive Steering Committee and the Board of Directors. Global Treasury identifies, evaluates, and hedges financial risks in close cooperation with the Group's operating units and functions. Written principles for the management of overall foreign exchange risk and credit risk for the use of derivative financial instruments and non-derivative financial instruments, as well as written principles for the investment of excess liquidity (counterparty risk), are in place.

3.1.1 – Market risk

3.1.1.1 – Foreign exchange risk

- **Exposure to foreign exchange risk:** The Group operates internationally and is exposed to foreign exchange risks arising from various currency exposures, primarily with respect to the euro, the US dollar, and, to some extent, the currencies of emerging countries. Foreign exchange risks arise from future commercial transactions, recognized assets and liabilities, and net investments in foreign operations when they are denominated in a currency that is not the respective subsidiary's functional currency.
- **Foreign exchange risk management:** To manage the foreign exchange risk arising from future commercial transactions and recognized assets and liabilities, entities in the Group are allowed to use FX forward contracts, FX options, and FX swaps according to the Group's foreign exchange risk policy. Global Treasury is responsible, in close coordination with the Group's operating units, for managing the net position in each foreign currency and for putting in place the appropriate hedging actions. The Group's foreign exchange risk management policy is to selectively hedge net transaction exposures in major foreign currencies. Currency exposures arising from the net assets of the Group's foreign operations are managed primarily through borrowings denominated in the relevant foreign currency.
- **Foreign exchange risk sensitivity:** The estimated percentage change of the following foreign exchange rates against Swiss franc is based on the historical foreign exchange rate volatility for a term of 360 days, assuming all other variables held constant:

AT 31 DECEMBER 2024

in CHF m	Strengthened/ weakened by	Increase / decrease in pre-tax profit	Increase / decrease in equity
EUR / CHF exchange rate	6 %	+/- 25	+/- 9
USD / CHF exchange rate	7 %	+/- 8	+/- 58

AT 31 DECEMBER 2023

in CHF m	Strengthened/ weakened by	Increase / decrease in pre-tax profit	Increase / decrease in equity
EUR / CHF exchange rate	6 %	+/- 1	+/- 49
USD / CHF exchange rate	8 %	+/- 8	+/- 57

The change in pre-tax profit is mainly a result of foreign exchange gains/losses on the translation of the euro-denominated financing, cash and cash equivalents, and intragroup financing, while the change in equity arise mainly from foreign exchange gains/losses of the exposure of the foreign currency participations and the hedge instruments in the hedge of net investments, which partially offset this effect.

3.1.1.2 – Interest rate risk

- **Exposure to interest rate risk:** Financial debt issued at variable rates and cash and cash equivalents expose the Group to cash flow interest rate risk; the net exposure as of 31 December 2024 was not significant. Financial debt issued at fixed rates does not expose the Group to fair value interest rate risk because it is recorded at amortized costs.
- **Interest rate risk management:** It is the Group's policy to manage the costs of interest using fixed- and variable-rate debt and interest-related derivatives. Global Treasury monitors the net debt fix-to-float mix on an ongoing basis.
- **Interest rate risk sensitivity:** To calculate the impact of a potential interest rate shift on the income statement, the net debt exposure is taken into consideration for cash and debt maturing within the next twelve months. The variable certificates of indebtedness maturing after twelve months are also taken into consideration (interest rates comparison between the end of 2024 and end of 2023):

	Higher / lower by	Increase / decrease in pre-tax profit
in CHF m		31.12.2024 31.12.2023
CHF interest rate	1 %	+/- 0.15 +/- 1.82
USD interest rate	1 %	-/+ 0.05 -/+ 0.08
EUR interest rate	1 %	-/+ 3.27 +/- 0.18

The Group's borrowings are exposed to interest rate changes as follows:

- **Bonds:** The interest rates of all bonds are fixed.
- **Certificates of indebtedness:** The existing certificates of indebtedness have both floating and fixed coupon.
- **Other liabilities to financial institutions:** These mostly consist of bank loans mainly with floating interest rates.

3.1.2 – Credit risks

- **Exposures to credit risk:** Credit risk arises from deposits of cash and cash equivalents, from entering into derivative financial instruments, and from deposits with banks and financial institutions, as well as from credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions with suppliers. Customer credit risk exposure is triggered by customer default risk and country risk. As of 31 December 2024, the Group had a diversified portfolio with more than 17 000 active credit accounts (2023: more than 10 500), with no significant concentration either due to size of customers or due to country risk. Of the accounts receivables, 52% (2023: 50%) are distributed among 274 (2023: 272) corporate groups with moderate customer default risk.
- **Credit risk management:** Clariant has a Group credit risk policy in place to ensure that sales are made to customers only after an appropriate credit assessment. Procedures are standardized within a corporate customer credit risk policy and supported by the IT system with respective credit management tools. Credit lines are partially backed by credit risk insurance.

AGEING BALANCE OF TRADE RECEIVABLES

	31.12.2024	31.12.2023
Not due yet	91 %	88 %
Total overdue	9 %	12 %
– less than 30 days	7 %	8 %
– more than 30 days	2 %	4 %

NET TRADE RECEIVABLES PER GROUP INTERNAL RISK CATEGORY

	31.12.2024	31.12.2023
A – low credit risk	22 %	23 %
B – low to medium credit risk	31 %	34 %
C – medium to above-average risk	29 %	28 %
D – high credit risk	15 %	15 %
N – customers awaiting rating	3 %	0 %

Financial instruments contain an element of risk that the counterparty may be unable to either issue securities or to fulfill the settlement terms of a contract. Clariant therefore, whenever possible, only cooperates with counterparties or issuers that are at least rated »BBB-« when it comes to entering into deposits with such counterparties. The cumulative exposure to these counterparties is constantly monitored by Global Treasury. There is no expectation of a material loss due to counterparty risk.

The Group maintains a large euro cash pooling structure with a leading European bank, over which most European subsidiaries execute their cash transactions denominated in euro, and a US dollar cash pooling structure with a leading US bank. As a result of the cash pools, the Group, at certain times, has substantial current financial assets and, at other times, substantial current financial liabilities with the corresponding banks.

In view of the European bank being rated »A« (2023: A-) and the US bank being rated »A+« (2023: A+) by the most important rating agencies, Clariant does not believe this poses any particular counterparty risk.

At the balance sheet date, 79% (2023: 86%) of the total cash and cash equivalents and short-term deposits were held with five banks (2023: five banks), each with a position between CHF 43 million and CHF 98 million (2023: between CHF 15 million and CHF 194 million). All of these banks are rated »A« (2023: »A-«) and better.

The table below shows the percentage of total cash and cash equivalents and short-term deposits held at each of the three major counterparties at the balance sheet date:

Counterparty	Rating	31.12.2024
Bank 1	A+	25 %
Bank 2	A	17 %
Bank 3	AA+	13 %

Counterparty	Rating	31.12.2023
Bank 1	A	33 %
Bank 2	A-	28 %
Bank 3	A+	15 %

3.1.3 – Liquidity risk

- **Liquidity risk management:** Cash flow forecasting is performed in the subsidiaries of the Group and in aggregate by Global Treasury. Global Treasury monitors the forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet its operational needs while maintaining sufficient headroom on its undrawn borrowing facilities. At all times, the Group aims to meet the requirements set by the covenants of any of its borrowing facilities. Global Management therefore takes into consideration the Group's debt financing plans and financing options.

Cash that is not needed in the operating activities of the Group is invested in short-term money market deposits or marketable securities if an interest income higher than the one on a regular bank deposit can be achieved. At 31 December 2024, the Group held money market funds of CHF 88 million (2023: CHF 264 million), of which CHF 7 million have an initial tenor of more than 90 days (2023: CHF 105 million).

The following table analyzes the maturity profile of the Group's financial liabilities. The amounts disclosed are the contractual undiscounted cash flows and therefore do not reconcile with the financial liabilities presented in the consolidated balance sheets.

AT 31 DECEMBER 2024

in CHF m	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Borrowings	248	261	938	223
Interest on borrowings	46	41	79	15
Lease liabilities	43	34	68	47
Trade payables and other liabilities	746	10	-	-
Derivative financial instruments	22	-	-	-

AT 31 DECEMBER 2023

in CHF m	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Borrowings	317	161	582	-
Interest on borrowings	22	17	26	-
Lease liabilities	115	28	60	48
Trade payables and other liabilities	740	18	8	-
Derivative financial instruments	16	22	-	-

The Group covers its liabilities out of generated operating cash flow, liquidity reserves in form of cash and cash equivalents, including short-term deposits (31 December 2024: CHF 395 million vs. 31 December 2023: CHF 593 million), out of uncommitted open cash pool limits and bank credit lines (31 December 2024: CHF 111 million vs. 31 December 2023: CHF 106 million), and out of additional uncommitted net working capital facilities and the issuance of capital market instruments.

On 6 March 2023, Clariant Ltd placed a revolving credit facility (RCF) with a KPI-linked RCF agreement of CHF 450 million. The new agreement is structured as a five-year multicurrency revolving credit facility with two one-year extension options, split in two tiers taken by seven and four banks for each. The RCF is structured as a »backstop« facility for rating purposes to maintain Clariant's liquidity headroom. It contains customary covenants such as negative pledge, cross default, ownership change, and restriction on disposals, mergers, and subsidiary debt. The Group is required to maintain one financial covenant (debt leverage) that is tested at the end of each financial half year. Four KPIs are defined for the RCF: GHG (Greenhouse Gas) Emissions – Scope 1 and 2; GHG Emissions – Scope 3; Water Intake; and Gender Diversity. The new

KPI-linked RCF demonstrates Clariant's commitment to support sustainable growth and to embed the strategy and ambitions in its financing. The maturity was extended by another year until 6 March 2029 by way of extension option.

During 2024 and 2023 the facility was not used.

3.2 – Hedge accounting purposes

The Group designates certain derivatives as either:

- Hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges)
- Hedges of a net investment in a foreign operation (net investment hedges).

At the inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

The fair values of derivative financial instruments designated in hedge relationships and movements in the hedging reserve in shareholders' equity are disclosed in **note 21**.

3.3 – Capital risk management

The Group's objectives when managing capital are to safeguard the ability to continue as a going concern in order to provide returns for the shareholders and benefits for other stakeholders and to maintain a capital structure suitable to optimize the cost of capital. This includes aspects of the credit rating.

In order to maintain or adjust the capital structure, the Group may adjust the amount of payouts to the shareholders, return capital to the shareholders, issue new shares, or sell assets to reduce debt. The Group monitors capital on the basis of invested capital as part of the return on invested capital concept. Invested capital is calculated as the sum of total equity as reported in the consolidated balance sheet plus current and non-current financial liabilities as reported in the consolidated balance sheet, including lease liabilities, plus estimated cash needed for operating purposes, less cash and cash equivalents and near-cash assets not needed for operating purposes.

Invested capital for the Group was as follows on 31 December 2024 and 2023, respectively:

in CHF m	2024	2023
Total equity	2 508	2 180
Total financial liabilities excl. trade payables and other liabilities	1 884	1 349
Less cash and cash equivalents and short-term deposits	-395	-593
Less assets held for sale, net of liabilities associated with assets held for sale	-12	-1
Cash needed for operating purposes	83	88
Invested capital	4 068	3 023

At the end of 2024, Clariant considers the invested capital to be adequate.

4. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances prevailing when these are made.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

4.1 – Estimated impairment of non-current assets

The Group tests annually whether goodwill has suffered any impairment. The recoverable amounts of all cash-generating units or groups of cash-generating units have been determined based on value-in-use calculations, which require Management to apply assumptions, see → **note 6**.

Assets that are subject to amortization and depreciation are tested for impairment if an asset impairment indicator has been identified during the period. The recoverable amount is assessed through the application of value-in-use calculations or through the fair value less costs of disposal. These calculations require the use of estimates, in particular in relation to the expected growth of sales, the discount rates, and the development of associated costs.

4.2 – Environmental liabilities

The Group is exposed to environmental regulations in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for environmental remediation. The Group constantly monitors its sites to ensure compliance with legislative requirements and to assess the liability arising from the need to

adapt to changing legal demands. The Group recognizes liabilities for environmental remediation based on the latest assessment of the environmental situation of the individual sites and the most recent requirements of the respective legislation.

Where the final remediation results in expenses that differ from the amounts previously recorded, such differences impact the income statement in the period in which such remediation is made.

4.3 – Income tax and other taxes

The Group is subject to income tax and other taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income tax and other taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain at the time a liability must be recorded.

The Group recognizes liabilities for tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences impact the income tax and deferred tax provisions in the period in which such determination is made (see → **note 10**).

Some subsidiaries generate tax losses. These can be used to offset taxable gains of subsequent periods. The Group constantly monitors the development of such tax loss situations. Based on business plans for the subsidiaries concerned, the recoverability of such tax losses is determined. In the event that a tax loss is deemed to be recoverable, a deferred tax asset for such a tax loss is recorded.

4.4 – Estimates for the accounting for employee benefits

The accounting for employee benefits requires that certain assumptions are made in order to determine the amount to be recorded for defined benefit obligations and pension plan assets, in particular for defined benefit plans. These are mainly actuarial assumptions such as expected future salary increases, long-term increase in healthcare costs, average life expectancy, and discount rates. Substantial changes in the assumed development of any of these variables may significantly change the Group's net defined benefit liabilities and assets (see → **note 22**).

4.5 – Provisions and contingencies

Clariant is regularly confronted with situations where possible obligations arising from past events will only be confirmed by the occurrence or non-occurrence of future events not wholly within the control of the Group or where the amount of the obligation cannot be reliably estimated. Clariant reviews such situations at each balance sheet date and makes judgments based on all information available to determine if an outflow of resources can be reliably estimated or not. If this is not possible, a contingency is reported for each material case.

5. Property, plant, and equipment

in CHF m	Land	Buildings	Machinery and equipment	Furniture, vehicles, computer hardware	Assets under construction	Total 2024
Cost						
At 1 January	253	945	2 115	264	206	3 783
Additions	1	16	37	10	143	207
Change in the scope of consolidation	-	3	12	1	2	18
Acquired in business combinations (see note 28)	-	2	3	1	-	6
Reclassified to held for sale (see note 26)	-4	-49	-165	-	-	-218
Disposals	-1	-12	-57	-32	-	-102
Reclassifications	1	33	66	6	-106	-
Exchange rate differences	6	22	60	7	7	102
At 31 December	256	960	2 071	257	252	3 796
Accumulated depreciation and impairment						
At 1 January	-69	-505	-1 569	-201	-	-2 344
Change in the scope of consolidation	-	-2	-8	-1	-	-11
Reclassified to held for sale (see note 26)	-	46	161	-	-	207
Disposals	-	8	54	31	-	93
Depreciation	-	-36	-112	-17	-	-165
Impairment	4	3	-3	-	-	4
Exchange rate differences	-1	-8	-42	-5	-	-56
At 31 December	-66	-494	-1 519	-193	-	-2 272
Net book value	190	466	552	64	252	1 524

In 2024, an agreement was signed to sell the assets relating to the bioethanol plant in Podari, Romania. As a consequence, impairment in the amount of CHF 9 million is reversed and the net book value has been reclassified to assets held for sale.

Impairments recognized in the income statement in 2023 related to the closure of the bioethanol plant in Podari, Romania, and the downsizing of related activities in Germany amounted to CHF 2 million.

The assets pertaining to the North America Land Oil business as well as the ones pertaining to the Quats business were sold in 2023. See also → **note 27**.

In 2023, the value of property, plant, and equipment acquired by way of a business acquisition in the previous year have been adjusted during the measurement period in 2023, which resulted in a decrease of CHF 15 million. See also → **note 28**.

Exchange rate differences mainly arise from the changes in the euro/Swiss franc, Chinese renminbi/Swiss franc, and US dollar/Swiss franc exchange rates. The Swiss franc devalued against these currencies as of the end of 2024.

As of 31 December 2024, commitments for the purchase of property, plant, and equipment concerned various projects mainly in Germany, China, and the United States and totaled CHF 48 million (2023: CHF 78 million).

Additions in 2024 mainly relate to investments in Germany, China, and the United States.

in CHF m	Land	Buildings	Machinery and equipment	Furniture, vehicles, computer hardware	Assets under construction	Total 2023
Cost						
At 1 January	270	999	2 211	280	178	3 938
Additions	1	15	28	10	151	205
Business combination adjustment (see note 28)	-	-15	-	-	-	-15
Disposals	-1	-13	-20	-13	-	-47
Reclassifications	-	36	59	8	-103	-
Exchange rate differences	-17	-77	-163	-21	-20	-298
At 31 December	253	945	2 115	264	206	3 783
Accumulated depreciation and impairment						
At 1 January	-71	-517	-1 591	-210	-	-2 389
Disposals	-	10	19	12	-	41
Depreciation	-	-35	-113	-17	-	-165
Impairment	-2	-	-1	-1	-	-4
Exchange rate differences	4	37	117	15	-	173
At 31 December	-69	-505	-1 569	-201	-	-2 344
Net book value	184	440	546	63	206	1 439

Investment properties (Clariant as a lessor in operating leases)

As a result of the continuous efforts to increase efficiency and to optimize the structure of its facilities, sometimes production or administrative sites are vacated. In order to minimize expenses, Clariant seeks to find tenants for these facilities. As a consequence, such facilities, which generate income exclusively from rental contracts, are considered investment properties.

At the end of 2024, investment properties are almost entirely located in Germany and Switzerland. The key financial data of the Group's investment properties is as follows:

in CHF m	31.12.2024	31.12.2023
Investment properties		
Cost	291	288
Accumulated depreciation	-180	-177
Net book value	111	111
Estimated fair value of investment	223	179
	2024	2023
Depreciation	-1	-3
Income ¹	9	9
Expected lease income		
Minimum p.a. in the next 5 years	4-7	6-8
For periods after 5 years until contract expiry	138	145

¹ recorded in »Selling, general, and administrative costs« in segment »Corporate«

6. Intangible assets

in CHF m	Goodwill	Technology	Customer relationships	Trade names	Other	Total 2024
Cost						
At 1 January	815	193	247	86	255	1 596
Additions	-	-	-	-	2	2
Acquired in business combinations (see note 28)	462	30	126	9	134	761
Disposals	-	-	-1	-	-10	-11
Exchange rate differences	30	1	5	-	2	38
At 31 December	1 307	224	377	95	383	2 386
Accumulated amortization and impairment						
At 1 January	-1	-179	-224	-81	-200	-685
Disposals	-	-	1	-	10	11
Amortization	-	-7	-12	-2	-15	-36
Impairment	-	-	-1	-1	-1	-3
Exchange rate differences	-	-1	-4	-	-2	-7
At 31 December	-1	-187	-240	-84	-208	-720
Net book value	1 306	37	137	11	175	1 666

in CHF m	Goodwill	Technology	Customer relationships	Trade names	Other	Total 2023
Cost						
At 1 January	1 020	197	277	86	287	1 867
Additions	-	-	-	-	2	2
Business combination adjustment (see note 28)	16	-	-	-	-	16
Disposals	-147	-	-22	-	-18	-187
Exchange rate differences	-74	-4	-8	-	-16	-102
At 31 December	815	193	247	86	255	1 596
Accumulated amortization and impairment						
At 1 January	-150	-177	-245	-80	-218	-870
Disposals	147	-	22	-	18	187
Amortization	-	-4	-6	-	-10	-20
Impairment	-	-1	-	-	-2	-3
Exchange rate differences	2	3	5	-1	12	21
At 31 December	-1	-179	-224	-81	-200	-685
Net book value	814	14	23	5	55	911

Intangible assets acquired in business combination relate to the acquisition of Lucas Meyer Cosmetics. See also → note 28.

Impairment test for goodwill. Clariant has allocated the goodwill for impairment testing to a cash-generating unit (CGU) or group of CGUs.

The estimated recoverable amount of the CGU Catalysts exceeds its carrying amount, including goodwill, by CHF 286 million. The recoverable amount would be equal to the carrying amount if the assumed average annual sales growth rate during the planning period were reduced by 2.0 % or, alternatively, if the operating margin were reduced by 2.7% of sales.

in CHF m	31.12.2024	31.12.2023
Care Chemicals	581	116
Catalysts	581	560
Adsorbents	144	138
Total	1 306	814

The recoverable amount for all CGUs or groups of CGUs is determined based on their value-in-use. The value-in-use calculations use cash flow projections based on the updated strategic plans up to 2027 as approved by the Executive Steering Committee and presented to the Board of Directors, and forecast for the period 2028-2029. For the terminal value, a market growth of 2.25 % is assumed. The main assumptions used for cash flow projections are EBITDA in percent of sales and sales growth. The assumptions regarding these two variables are based on Management's past experience and future expectations of business performance. The pre-tax discount rates used are based on the Group's weighted-average cost of capital. The applied pre-tax discount rate was 11.55 % for all CGUs or groups of CGUs (2023: 12.75 %).

For all CGUs and groups of CGUs, it was assumed that they achieve sales growth in line with or higher than market growth, based on the specific strategic plans for the respective CGUs or group of CGUs. It was also assumed that the EBITDA in percent of sales will improve over present performance as a result of the continuous growth and improvement measures implemented. The conclusion was that the net present value of the expected cash flows exceeds the carrying amount of the net assets allocated on a value-in-use basis of all CGUs or groups of CGUs.

7. Leases

in CHF m	31.12.2024	31.12.2023
Right-of-use assets – net book value		
Leasehold land	25	25
Buildings	103	102
Machinery and equipment	36	18
Furniture, vehicles, computer hardware	29	26
Total	193	171
Lease liabilities		
Non-current lease liabilities	149	136
Current lease liabilities	43	115
Total	192	251

Additions to the right-of-use assets during 2024 were CHF 50 million (2023: CHF 43 million).

In 2023, an impairment amounting to CHF 82 million was recorded, mainly pertaining to the closure of the bioethanol plant in Podari, Romania. A reversal of that impairment amounting to CHF 37 million was recorded during 2024.

Consolidated income statements include the following amounts relating to leases:

in CHF m	2024	2023
Depreciation expense		
Leasehold land	-3	-3
Buildings	-21	-23
Machinery and equipment	-11	-13
Furniture, vehicles, computer hardware	-11	-11
Total depreciation	-46	-50
Interest expense, included in finance costs	-10	-9
Expense relating to short-term leases	-7	-6
Expense relating to leases of low-value assets	-2	-2
Total	-65	-67

The total cash outflow for leases in 2024 was CHF 107 million (2023: CHF 70 million). The amount includes a one-off settlement payment relating to the bioethanol plant in Podari, Romania.

There are CHF 1 million of commitments for leases not commenced at year-end 2024 (2023: CHF 4 million).

Potential future cash outflows arising from extension options in the amount of CHF 65 million were not reflected in the measurement of lease liabilities on 31 December 2024 (2023: CHF 49 million).

8. Investments in associates and joint ventures

in CHF m	2024	2023
At 1 January	236	327
Change in the scope of consolidation	-11	-
Additions	1	27
Share in profit	55	42
Remeasurement to fair value	-	-11
Share in other comprehensive income	-6	-11
Dividends received	-36	-44
Reclassified to financial assets (see note 9)	-	-80
Exchange rate differences	6	-14
At 31 December	245	236
Thereof joint ventures	39	38

The key financial data of the Group's principal associates is as follows:

INVESTMENTS IN ASSOCIATES

	Infraserv GmbH & Co. Höchst KG		Infraserv GmbH & Co. Gendorf KG		Infraserv GmbH & Co. Knapsack KG		Heubach Group	Others	
	Germany		Germany		Germany		Luxem- bourg		
in CHF m	2024	2023	2024	2023	2024	2023	2023	2024	2023
Summarized financial information									
Interest held %	33 %	33 %	50 %	50 %	21 %	21 %	20 %	-	-
Sales	1 131	1 167	269	288	234	248	-	44	65
Total comprehensive income	82	35	36	36	12	1	-	9	15
Net income	102	65	37	37	12	1	-	9	15
Other comprehensive income	-20	-30	-1	-1	-	-	-	-	-
Non-current assets	1 004	936	170	173	120	112	-	6	8
Current assets	274	257	96	100	79	70	-	28	46
Non-current liabilities	-723	-698	-72	-77	-49	-45	-	-1	-4
Current liabilities	-231	-207	-56	-68	-74	-67	-	-12	-17
Net assets	324	288	138	128	76	70	-	21	33
Reconciliation of book value									
Book value at the beginning of the period	96	110	64	68	15	17	91	23	24
Change in the scope of consolidation	-	-	-	-	-	-	-	-11	-
Additions	-	-	-	-	-	-	-	1	1
Share in profit	32	20	17	18	3	-	-	2	3
Remeasurement to fair value	-	-	-	-	-	-	-11	-	-
Share in other comprehensive income	-4	-8	-	-	-	-	-	-	-
Dividends received	-17	-20	-13	-18	-2	-2	-	-4	-4
Reclassified to financial assets (see note 9)	-	-	-	-	-	-	-80	-	-
Exchange rate differences	1	-6	1	-4	-	-	-	2	-1
Book value at the end of the period	108	96	69	64	16	15	-	13	23
Clariant's share in the book values at the end of the period	108	96	69	64	16	15	-	13	23

As a consequence of changes in the governance structure in the Heubach Group in the beginning of 2023, Clariant no longer has significant influence. The participation has therefore been reclassified in 2023 from »Investments in associates« to »Financial assets«. Prior to the reclassification, the participation had been devaluated to its fair value, resulting in a loss of CHF 11 million.

The shareholdings in associates summarized under »Others« concern mainly companies specializing in selling Clariant products.

On 31 December 2024, accumulated unrecognized losses amounted to CHF 4 million (2023: CHF 5 million).

The key financial data of the Group's joint venture is as follows:

INVESTMENT IN JOINT VENTURE

	Global Amines group	
in CHF m	2024	2023
Summarized financial information		
Interest held %	50 %	50 %
Sales	347	278
Total comprehensive income	-3	4
Net income	2	2
Other comprehensive income	-5	2
Non-current assets	141	143
Current assets	150	126
Non-current liabilities	-33	-42
Current liabilities	-134	-106
Net assets	124	121
Reconciliation of book value		
Book value at the beginning of the period	38	17
Additions	-	26
Share in profit	1	1
Share in other comprehensive income	-2	-3
Exchange rate differences	2	-3
Book value at the end of the period	39	38
Group's share in net assets at the end of the period	62	61
Accumulated impairment	-23	-23
Clariant's share in the book values at the end of the period	39	38

Global Amines group is a joint venture of Clariant and Wilmar International Limited, a leading Asian agribusiness group headquartered in Singapore, and serves as a global platform for the production and sale of fatty amines and selected amine derivatives. It also has worldwide sales, distribution, and production facilities. The joint venture has existed since 26 October 2012 and is operated as part of the Business Unit Care Chemicals.

In 2023, Clariant participated in a joint capital increase in the Global Amines group, which increased Clariant's share in the book value by CHF 26 million.

9. Financial assets and other assets

in CHF m	31.12.2024	31.12.2023
Financial assets	242	199
Other assets	8	-
Total	250	199

Financial assets

in CHF m	2024	2023
At 1 January	199	225
Reclassified from investments in associates and joint ventures (see note 8)	-	80
Write-off	-	-38
Fair value adjustment	41	-55
Repayments and disposals	-	-1
Exchange rate differences	2	-12
At 31 December	242	199

Financial assets include loans to third parties, associates, joint ventures, and a number of small-scale participations in companies, mostly in Germany and in Switzerland, engaged in activities closely related to those of Clariant.

Clariant received a vendor loan note as part of the final purchase price for the Pigments business agreed between Clariant and SK Capital / Heubach in 2022 in the amount of CHF 55 million, falling due on 3 January 2029 at the latest. Following the increased credit risk, the vendor loan (discounted value of CHF 38 million) was fully written off in 2023 and remained unchanged in 2024.

As a consequence of changes in the governance structure in the Heubach Group in the beginning of 2023, Clariant no longer has significant influence. The 20 % stake held in the participation was therefore reclassified from »Investments in associates« to »Financial assets.«

Participations amounted to CHF 242 million in 2024 (2023: CHF 199 million). The change in participation values was mainly driven by the fair value estimation performed in 2024 and resulted in an increase of CHF 41 million, which was recognized in other comprehensive income. The decrease in 2023 came from the fair value adjustment to the Heubach participation, partially offset by the increase in the fair value of other participations.

The key unobservable inputs used in the fair value estimation of the most material participation, which constitutes 82.9% of these shareholdings, are as follows: terminal growth rate of 1.5%, sales growth rate of 1.5%, long-term pre-tax operating margin of 18.4%, and weighted-average cost of capital of 7.8%. The sensitivity analysis shows that if the terminal growth rate had been higher/lower by 0.5 percentage points with all other variables held constant, the fair value would have been CHF 16 million higher/CHF 13 million lower. If the sales growth rate had been higher/lower by 1 percentage point with all other variables held constant, the fair value would have been CHF 13 million higher/CHF 12 million lower. If the long-term pre-tax operating margin had been higher/lower by 1 percentage point with all other variables held constant, the fair value would have been CHF 11 million higher/lower. If the weighted-average cost of capital had been higher/lower by 0.5 percentage points with all other variables held constant, the fair value would have been CHF 17 million lower/CHF 20 million higher.

Other assets

Other assets include biological assets in the amount of CHF 8 million.

10. Taxes

in CHF m	2024	2023
Current income taxes	-98	-14
Deferred income taxes	8	11
Total taxes	-90	-3
Thereof reported under discontinued operations	-	-2
Total continuing operations	-90	-5

The main elements contributing to the difference between the Group's overall expected tax expense/rate and the effective tax expense/rate are:

	2024		2023	
	in CHF m	in %	in CHF m	in %
Income before taxes from continuing operations	370		218	
Income before taxes from discontinued operations	-		-36	
Income before taxes total	370		182	
Expected tax expense/rate ¹	-86	23.2	-49	26.9
Effect of taxes on items not tax-deductible	-40	10.8	-12	6.6
Effect of utilization and changes in recognition of tax losses and tax credits	27	-7.3	4	-2.2
Effect of tax losses and tax credits of current year not recognized	-2	0.6	-44	24.2
Effect of adjustments to taxes recognized in prior periods	-1	0.3	79	-43.4
Effect of tax-exempt income	15	-4.1	19	-10.4
Effect of other items	-3	0.8	-	-
Effective tax expense/rate	-90	24.3	-3	1.6
Thereof reported under discontinued operations	-	-	-2	-5.6
Effective tax expense/rate continuing operations	-90	24.3	-5	2.3

¹ Calculated based on the income before tax of each subsidiary (weighted average)

The tax expense from continuing operations increased to CHF 90 million, compared to CHF 5 million in the prior year.

OECD Pillar Two model rules. In December 2021, the OECD issued model rules for a new global minimum tax (Pillar Two). Clariant is within the scope of these Pillar Two model rules. It closely monitors the progress of the legislative process in each jurisdiction the Group operates in and is assessing the exposure to the Pillar Two legislation for when it comes into effect. The Company has applied the exception to not recognize or disclose information about deferred tax assets and liabilities related to Pillar Two income taxes in accordance with IAS 12.

Switzerland introduced a Qualified Domestic Minimum Top-up Tax with effect from 1 January 2024 and various jurisdiction, in which Clariant operates, have enacted Pillar Two income taxes in 2024, which did not have any material impact for the Group.

With effect from 1 January 2025, Switzerland introduced the Income Inclusion Rule. Based on the current assessment, it is not expected that this introduction will have material consequences to Clariant's income tax rate in 2025.

The movement of the net deferred income tax balance is as follows:

in CHF m	PPE, RoU assets, and intangible assets	Net defined benefit liabilities / assets	Tax losses and tax credits	Other liabilities and provisions	Total	Thereof offset within the same jurisdiction	Total
Deferred tax assets at 1 January 2023	119	57	-	107	283	-163	120
Deferred tax liabilities at 1 January 2023	-156	-	-	-34	-190	163	-27
Net deferred tax balance at 1 January 2023	-37	57	-	73	93		93
Charged/credited to income statement	-43	-5	39	20	11		
Charged/credited to other comprehensive income	-	9	-	-2	7		
Exchange rate differences	-	-4	4	-7	-7		
Net deferred tax balance at 31 December 2023	-80	57	43	84	104		104
Deferred tax assets at 31 December 2023	64	57	43	114	278	-149	129
Deferred tax liabilities at 31 December 2023	-144	-	-	-30	-174	149	-25
Net deferred tax balance at 1 January 2024	-80	57	43	84	104		104
Charged/credited to income statement	-8	-3	9	10	8		
Charged/credited to other comprehensive income	-	-12	-	2	-10		
Effect of business combination	-62	-	-	-1	-63		
Reclassifications	-	-10	-	10	-		
Exchange rate differences	-4	1	-3	3	-3		
Net deferred tax balance at 31 December 2024	-154	33	49	108	36		36
Deferred tax assets at 31 December 2024	55	51	49	143	298	-171	127
Deferred tax liabilities at 31 December 2024	-209	-18	-	-35	-262	171	-91

Of the deferred tax assets capitalized on tax losses, CHF 14 million pertains to tax losses of a Canadian subsidiary, CHF 24 million to tax losses of a German subsidiary, and CHF 8 million to tax losses of a French subsidiary.

Deferred income tax liabilities have not been established for withholding tax and other taxes that would be payable on the unremitted earnings of certain foreign subsidiaries, as such amounts are currently regarded as permanently reinvested. These unremitted earnings totaled CHF 1850 million at the end of 2024 (2023: CHF 1693 million).

The tax losses on which no deferred tax assets are recognized are reviewed for recoverability at each balance sheet date. The largest part of these tax losses arose in the US (with a tax rate of 25 %), in Romania (with a tax rate of 16 %), and in Switzerland (with a tax rate of 15 %).

Tax losses on which no deferred tax assets were recognized are as follows:

in CHF m	31.12.2024	31.12.2023
Expiry by:		
2024	-	1
2025	30	31
2026	6	6
2027	13	13
2028	9	-
after 2028 (2023: after 2027)	641	815
Total	699	866

Temporary differences on which no deferred tax was recognized amount to CHF 675 million in 2024 (2023: CHF 595 million).

11. Inventories

in CHF m	31.12.2024	31.12.2023
Raw material, consumables, work in progress	316	282
Finished products	333	342
Total	649	624

in CHF m	2024	2023
Movements in write-downs of inventories		
At 1 January	-50	-33
Additions	-18	-38
Reversals	25	16
Exchange rate differences	-2	5
At 31 December	-45	-50

As of 31 December 2024 and 2023, no inventories were pledged as collateral for liabilities.

The cost for raw materials and consumables recognized as an expense and included in »Costs of goods sold« amounted to CHF 1 600 million (2023: CHF 1 825 million).

12. Trade receivables

in CHF m	31.12.2024	31.12.2023
Gross accounts receivable – trade	640	558
Gross accounts receivable – related parties	11	19
Less: provision for doubtful accounts receivable	-16	-10
Total trade receivables – net	635	567

The following summarizes the movement in the provision for doubtful accounts receivable:

in CHF m	2024	2023
At 1 January	-10	-10
Charged to the income statement	-13	-8
Amounts used	3	2
Acquired in business combination	-1	-
Unused amounts reversed	6	4
Exchange rate differences	-1	2
At 31 December	-16	-10

There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of internationally dispersed customers. The maximum credit risk on trade receivables is equal to their carrying amount.

Collaterals are only required in rare cases (CHF 1 million in 2024 and less than CHF 1 million in 2023).

The loss allowance for trade receivables was determined as follows:

in CHF m	Current	30–60 days overdue	61–90 days overdue	More than 90 days overdue	Total
31 December 2024					
Expected loss rate (in %)	1.52	11.50	20.54	26.81	
Gross accounts receivable	624	4	2	21	651
Loss allowance	9	1	-	6	16

in CHF m	Current	30–60 days overdue	61–90 days overdue	More than 90 days overdue	Total
31 December 2023					
Expected loss rate (in %)	1.08	10.73	14.29	15.92	
Gross accounts receivable	550	4	2	21	577
Loss allowance	7	-	-	3	10

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

in CHF m	31.12.2024	31.12.2023
EUR	202	214
USD	232	172
CNY	60	36
BRL	39	44
JPY	14	13
INR	33	29
Other	55	59
Total trade receivables – net	635	567

As of 31 December 2024, trade receivables include an amount of CHF 70 million (2023: CHF 63 million) that was past due, but not impaired. These related to a number of customers for whom there is no recent history of default.

13. Other current assets

in CHF m	31.12.2024	31.12.2023
Other receivables	214	221
Current financial assets	76	98
Prepaid expenses and accrued income	42	36
Total	332	355

Other receivables include, among others, staff loans, deposits, advances, VAT, and sales tax receivables. Other receivables are recognized at amortized cost.

Current financial assets are mainly made up of notes receivable and short-term loans and recognized at amortized cost. Additionally, derivative financial instruments with a positive value are reported as financial assets. The book value of current financial assets equals their fair value.

Other receivables and current financial assets are also subject to the impairment requirements of IFRS 9. The identified impairment loss for other receivables was immaterial in 2024 and 2023.

The maximum exposure to credit risk of other current assets at the reporting date is equal to their carrying amount.

14. Short-term deposits

Short-term deposits are denominated in the following currencies:

in CHF m	31.12.2024	31.12.2023
EUR	-	39
CHF	-	57
INR	7	9
Total	7	105

15. Cash and cash equivalents

in CHF m	31.12.2024	31.12.2023
Cash at bank and on hand	307	329
Short-term investments	81	159
Total	388	488

Cash and cash equivalents are denominated in the following currencies:

in CHF m	31.12.2024	31.12.2023
EUR	131	106
USD	99	86
CHF	60	174
GBP	3	10
CNY	12	13
JPY	15	8
INR	31	44
BRL	6	11
Other	31	36
Total	388	488

Short-term investments were held during the year predominantly in the following currencies and with the following conditions:

	Average annual interest rate		Average maturity in days	
Short-term investments in:	2024	2023	2024	2023
CHF	1.5 %	1.7 %	53	62
EUR	3.6 %	3.2 %	30	67
USD	2.0 %	2.3 %	12	11

Short-term investments outstanding as of 31 December 2024 were held mainly in Swiss francs and in euro. At the end of 2023, there were outstanding short-term investments denominated in Swiss francs and in euro.

The maximum exposure to credit risk on cash and cash equivalents is equal to their book value.

16. Cash flow: Additional information

for the years ended 31 December	Notes	2024 in CHF m	2023 in CHF m
Net income		280	179
Depreciation of property, plant, and equipment and right-of-use assets	5, 7	211	216
Impairment		-30	89
Remeasurement to fair value	8	-	11
Amortization of intangible assets	6	36	20
Impairment of working capital		19	28
Income from associates and joint ventures	8	-55	-42
Tax expense	10	90	3
Net financial income and costs	29	56	25
Gain from disposals not qualifying as discontinued operations	27	-	-60
Loss on disposals of discontinued operations	26	-	38
Other non-cash items		42	28
Total non-cash income and expenses		369	356
Changes in net working capital and provisions			
Changes in inventories		-9	66
Changes in trade receivables		-47	94
Changes in trade payables		3	-200
Changes in other current assets and liabilities		-58	-35
Changes in provisions (excluding payments for restructuring)		-17	73
Total changes in net working capital and provisions		-128	-2

17. Changes in share capital, treasury shares, and non-controlling interests

	Number of shares 2024	Par value 2024 in CHF m	Number of shares 2023	Par value 2023 in CHF m
Registered shares, each with a par value of CHF 1.76 (2023: CHF 2.18)				
Share capital at 1 January	331 939 199	724	331 939 199	863
Nominal value reduction		-140		-139
Share capital at 31 December	331 939 199	584	331 939 199	724
Treasury shares	-3 653 588	-6	-3 090 705	-7
Outstanding share capital at 31 December	328 285 611	578	328 848 494	717

	2024	2023
Treasury shares (number of shares)		
Holdings at 1 January	3 090 705	2 922 398
Shares purchased at market value	699 004	573 900
Shares purchased on exercise of put options	300 000	–
Shares transferred to employees and Board of Directors	–436 121	–405 593
Holdings at 31 December	3 653 588	3 090 705
Treasury shares held at 31 December by Clariant Ltd in % of share capital	1.10 %	0.93 %

All shares are duly authorized and fully paid in.

Dividends are paid out as and when declared equally on all shares, excluding treasury shares. The information concerning payments per share to the shareholders is disclosed in the notes to the financial statements of Clariant Ltd.

In accordance with Article 5 of the Company's Articles of Association, no limitations exist with regard to the registration of shares that are acquired in one's own name and on one's own account. Special rules exist for nominees.

In accordance with Article 13 of the company's Articles of Association, each share has the right to one vote.

Distribution from share capital to shareholders

On 9 April 2024, the Annual General Meeting of Clariant Ltd approved a distribution through capital reduction by way of a par value reduction from CHF 2.18 to CHF 1.76 per registered share. The payout reduced the share capital by CHF 140 million.

Significant shareholders of 3 % or more of total share capital

Based on the notifications received by Clariant and published by SIX Exchange Regulation, the following shareholders held more than 3 % of the voting rights in Clariant Ltd:

Shareholders	Voting rights 31.12.2024
SABIC International Holdings B.V., Sittard, The Netherlands, controlled by Saudi Arabian Oil Company, Saudi Aramco, P.O. Box 5000, Dhahran 31311, Kingdom of Saudi Arabia	31.50 %
Blue Beteiligungsgesellschaft mbH, Am Holzmaierfeld, 82064 Strasslach-Dingharting, Germany, and Maple Beteiligungsgesellschaft mbH, Am Holzmaierfeld, 82057 Icking, Germany, and NOWI Beteiligungsgesellschaft mbH, 82064 Strasslach-Dingharting, Germany ¹	5.16 %
UBS Fund Management (Switzerland) AG, Basel, Switzerland	5.01 %
BlackRock Inc., New York, United States	3.80 %

¹ According to a disclosure notification published on 18 December 2018, a group consisting of Konstantin Winterstein, 80333 Munich, Germany, and Elisabeth Prinzessin zu Sayn-Wittgenstein, 80333 Munich, Germany, was formed.

Shareholders	Voting rights 31.12.2023
SABIC International Holdings B.V., Sittard, The Netherlands, controlled by Saudi Arabian Oil Company, Saudi Aramco, P.O. Box 5000, Dhahran 31311, Kingdom of Saudi Arabia	31.50 %
BlackRock Inc., New York, United States	3.80 %
Blue Beteiligungsgesellschaft mbH, Am Holzmaierfeld, 82064 Strasslach-Dingharting, Germany, and Maple Beteiligungsgesellschaft mbH, Am Holzmaierfeld, 82057 Icking, Germany ¹	3.49 %
Standard Latitude Master Fund Ltd, Cayman Islands, controlled by David Winter, New York, USA, and David Millstone, Aspen, USA	3.05 %

¹ According to a disclosure notification published on 18 December 2018, a group consisting of Konstantin Winterstein, 80333 Munich, Germany, and Elisabeth Prinzessin zu Sayn-Wittgenstein, 80333 Munich, Germany, was formed.

Disclosure notifications during the 2024 financial year reported to the Stock Exchange Disclosure Office pursuant to Art. 120 of the Financial Markets Infrastructure Act (FMIA) as well as further information in relation to disclosure notifications can be found on the SIX Swiss Exchange reporting platform: → www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html

Non-controlling interests

Non-controlling interests reported are primarily made up of those of the four following companies, representing more than 90 % (2023: more than 90 %) of the minority shares reported. The following table summarizes the financial information, before intra-group eliminations:

for the year ended 31 December 2024 in CHF m	Süd-Chemie India Ltd (SCIL)	Clariant IGL Specialty Chemicals	Clariant Huajin Catalysts (Panjin) Ltd	Clariant Catalysts (Japan) K.K.
Summarized financial information				
Non-controlling interest held %	50 %	49 %	40 %	39 %
Held by	Private shareholders in India	India-based IGL group	Northern Huajin Chemical Industry Group Co. Ltd	Nissan Chemicals Industries Ltd
Sales	201	135	38	127
At 31 December				
Non-current assets	80	80	14	17
Current assets	119	39	43	53
Non-current liabilities	-1	-6	-2	-2
Current liabilities	-25	-22	-11	-43
Net assets	173	91	44	25

for the year ended 31 December 2023 in CHF m	Süd-Chemie India Ltd (SCIL)	Clariant IGL Specialty Chemicals	Clariant Huajin Catalysts (Panjin) Ltd	Clariant Catalysts (Japan) K.K.
Summarized financial information				
Non-controlling interest held %	50 %	49 %	40 %	39 %
Sales	240	125	49	140
At 31 December				
Non-current assets	74	81	14	18
Current assets	121	36	35	47
Non-current liabilities	-2	-10	-2	-2
Current liabilities	-26	-30	-8	-40
Net assets	167	77	39	23

18. Earnings per share (EPS)

Earnings per share are calculated by dividing the Group net income by the average number of outstanding shares (issued shares less treasury shares).

	2024	2023
Net income/loss attributable to shareholders of Clariant Ltd, undiluted and diluted (in CHF m)		
Continuing operations	244	168
Discontinued operations	-	-34
Total	244	134
Weighted-average number of shares outstanding		
Outstanding shares at 1 January	328 848 494	329 016 801
Effect of transactions with treasury shares during the year	-126 505	-56 541
Weighted-average number of shares outstanding at 31 December	328 721 989	328 960 260
Adjustment for granted Clariant shares	1 609 429	1 635 231
Weighted-average diluted number of shares outstanding at 31 December	330 331 418	330 595 491
Basic earnings/loss per share attributable to shareholders of Clariant Ltd (CHF/share)		
Continuing operations	0.74	0.51
Discontinued operations	0.00	-0.10
Basic earnings per share attributable to shareholders of Clariant Ltd (CHF/share)	0.74	0.41
Diluted earnings/loss per share attributable to shareholders of Clariant Ltd (CHF/share)		
Continuing operations	0.74	0.51
Discontinued operations	0.00	-0.10
Diluted earnings per share attributable to shareholders of Clariant Ltd (CHF/share)	0.74	0.41

The dilution effect is triggered by the effect of Clariant shares that have been granted as part of the share-based payment plan but have not yet vested. To calculate this dilutive potential, it is assumed that they vested on 1 January of the respective period. The effect of the services still to be rendered during the vesting period is taken into consideration.

Diluted earnings per share are calculated by adjusting the weighted-average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

19. Financial debts

Non-current financial debts

in CHF m	31.12.2024	31.12.2023
Straight bonds	875	525
Certificates of indebtedness	499	174
Other liabilities to financial institutions and derivatives	48	66
Total non-current financial debts	1 422	765



in CHF m	Interest rate in %	Term	Notional amount	31.12.2024	31.12.2023
Straight bond	2.125	2014-2024	CHF 160 m	-	160
Straight bond	1.125	2019-2026	CHF 200 m	200	200
Straight bond (green bond)	2.717	2022-2027	CHF 175 m	175	175
Straight bond	2.750	2023-2028	CHF 150 m	150	150
Straight bond	2.375	2024-2027	CHF 200 m	200	-
Straight bond	2.750	2024-2031	CHF 150 m	150	-
Total straight bonds				875	685
Certificate of indebtedness	6 m EURIBOR +0.95	2018-2025	EUR 54 m	50	50
Certificate of indebtedness	6 m EURIBOR +1.25	2024-2027	EUR 70 m	65	-
Certificate of indebtedness	6 m EURIBOR +1.50	2024-2029	EUR 290 m	272	-
Total certificate of indebtedness - floating interest rates				387	50
Certificate of indebtedness	1.194	2018-2024	EUR 92 m	-	85
Certificate of indebtedness	1.548	2018-2025	EUR 102 m	97	95
Certificate of indebtedness	2.010	2016-2026	EUR 15 m	14	13
Certificate of indebtedness	2.087	2018-2028	EUR 17 m	16	16
Certificate of indebtedness	4.336	2024-2029	EUR 63 m	59	-
Certificate of indebtedness	4.472	2024-2031	EUR 78 m	73	-
Total certificate of indebtedness - fixed interest rates				259	209
Total straight bonds and certificates of indebtedness				1 521	944
Less: current straight bonds and certificates of indebtedness				-147	-245
Other liabilities to financial institutions and derivatives				48	66
Total non-current financial debts				1 422	765
Breakdown of non-current financial debts by maturity					
			2025	-	183
			2026	261	241
			2027	441	175
			2028	166	-
			after 2028 (2023: after 2027)	554	166
Total				1 422	765
Breakdown of non-current financial debts by currency					
			CHF	875	547
			EUR	499	174
			Others	48	44
Total				1 422	765

Current financial debts

in CHF m	31.12.2024	31.12.2023
Other liabilities to financial institutions and derivatives	123	88
Non-current financial debts due within one year		
- Straight bonds	-	160
- Certificate of indebtedness	147	85
Total current financial debts	270	333
Breakdown by maturity:		
Up to three months after the balance sheet date	100	157
Three to six months after the balance sheet date	3	16
Six to twelve months after the balance sheet date	167	160
Total current financial debts	270	333

Bridge loan

On 31 January 2024, Clariant signed a bridge loan of USD 810 million to acquire Lucas Meyer Cosmetics. Thereof, Clariant utilized EUR 450 million on 2 April 2024. The loan was partially repaid (EUR 50 million) on 2 May 2024 and fully repaid (EUR 400 million) on 27 June 2024.

Bonds

On 28 March 2024, Clariant issued a fixed-rate dual bond with a nominal value of CHF 350 million. The first tranche of CHF 200 million has a coupon of 2.375 % and matures on 30 March 2027. The second tranche of CHF 150 million has a coupon of 2.75 % and matures on 28 March 2031.

On 17 October 2024, a bond issued in 2014 in the amount of CHF 160 million reached their maturity and was repaid.

Certificates of indebtedness

On 27 June 2024, Clariant issued certificates of indebtedness consisting of four tranches with a total amount of EUR 500 million. The first tranche of EUR 70 million (variable interest rate of 6 months EURIBOR plus 125 basis points) matures on 27 December 2027. The second tranche of EUR 62.5 million (fixed interest rate of 4.336 %) and the third tranche of EUR 290 million (variable interest rate of 6 months EURIBOR plus 150 basis points) mature on 27 June 2029. The fourth tranche of EUR 77.5 million (fixed interest rate of 4.472 %) matures on 27 June 2031.

On 25 March 2024, certificates of indebtedness with a total amount of EUR 92 million reached its maturity and were repaid.

Collateral

In 2024 and 2023, no assets were pledged as collateral.

20. Reconciliation of net debt

in CHF m	01.01.2024	Effects of business combination	Net cash flow	Proceeds	Payments	Exchange rate differences	Other non-cash movements	31.12.2024
Cash and cash equivalents	488	29	-139			10	-	388
Short-term deposits	105	-	-98			-	-	7
Financial instruments with positive fair values	1	-		-1	-	-	-	-
Total cash and liquid investments	594	29	-237	-1	-	10	-	395
Non-current financial debt	-765	-		-845	-	8	180	-1 422
Current financial debt	-333	-		-486	723	6	-180	-270
Lease liabilities	-251	-7		-	98	-4	-28	-192
Borrowings and other financial liabilities	-1 349	-7	-	-1 331	821	10	-28	-1 884
Net debt	-755	22	-237	-1 332	821	20	-28	-1 489

in CHF m	01.01.2023	Effects of disposals	Net cash flow	Proceeds	Payments	Exchange rate differences	Other non-cash movements	31.12.2023
Cash and cash equivalents	394	-	113			-19	-	488
Short-term deposits	324	-	-219			-	-	105
Financial instruments with positive fair values	2	-		-1	-	-	-	1
Total cash and liquid investments	720	-	-106	-1	-	-19	-	594
Non-current financial debt	-870	-		-150	-	10	245	-765
Current financial debt	-355	-		-46	308	5	-245	-333
Lease liabilities	-245	6		-	60	18	-90	-251
Borrowings and other financial liabilities	-1 470	6	-	-196	368	33	-90	-1 349
Net debt	-750	6	-106	-197	368	14	-90	-755

21. Financial instruments

The classification of the financial instrument carrying amounts and fair values in the balance sheet are classified as follows:

FINANCIAL INSTRUMENTS BY ASSET CLASS

At 31 December 2024 in CHF m	Financial instruments mandatorily at fair value through profit or loss	Financial instruments at fair value through OCI	Fair value – hedging instruments	Financial assets at amortized cost	Financial liabilities at amortized cost	Carrying amount	Fair value
Trade receivables	-	-	-	635	-	635	635
Short-term deposits	-	-	-	7	-	7	7
Cash and cash equivalents	-	-	-	388	-	388	388
Non-current financial assets	-	242	-	-	-	242	242
Other current assets (excl. derivatives)	-	-	-	100	-	100	100
Total financial assets	-	242	-	1 130	-	1 372	1 372
Trade payables and other liabilities	-	-	-	-	746	746	746
Non-current other liabilities	-	-	-	-	10	10	10
Straight bonds	-	-	-	-	875	875	914
Other debt	-	-	-	-	795	795	796
Lease liabilities	-	-	-	-	192	192	192
Derivative financial instruments	-	-	22	-	-	22	22
Total financial liabilities	-	-	22	-	2 618	2 640	2 680

At 31 December 2023 in CHF m	Financial instruments mandatorily at fair value through profit or loss	Financial instruments at fair value through OCI	Fair value – hedging instruments	Financial assets at amortized cost	Financial liabilities at amortized cost	Carrying amount	Fair value
Trade receivables	-	-	-	567	-	567	567
Short-term deposits	-	-	-	105	-	105	105
Cash and cash equivalents	-	-	-	488	-	488	488
Non-current financial assets	-	199	-	-	-	199	199
Other current assets (excl. derivatives)	-	-	-	130	-	130	130
Derivative financial instruments	-	-	1	-	-	1	1
Total financial assets	-	199	1	1 290	-	1 490	1 490
Trade payables and other liabilities	-	-	-	-	740	740	740
Non-current other liabilities	-	-	-	-	26	26	26
Straight bonds	-	-	-	-	685	685	691
Other debt	-	-	-	-	375	375	370
Lease liabilities	-	-	-	-	251	251	251
Derivative financial instruments	-	-	38	-	-	38	38
Total financial liabilities	-	-	38	-	2 077	2 115	2 116

Financial instruments valued at fair value are valued using the fair value hierarchies are defined below:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- **Level 3:** Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The financial instruments held were valued using the following valuation methods:

Forward exchange rate contracts are valued based on the discounted cash flow model, using observable inputs such as interest curves and spot rates.

Exchange rate options are valued based on a Black-Scholes model, using major observable inputs such as volatility and exercise prices.

Equity investments valued at fair value through OCI are classified usually at Level 3. Their valuation is based on multiples of projected earnings and discounted cash flows.

The financial instruments measured at fair value through profit or loss were all classified as Level 2. There were no transfers between the levels in 2024 and 2023.

Derivative financial instruments

The contract or underlying principal amounts and the respective fair value of derivative financial instruments by type are shown in the following table. The contract or underlying principal amounts indicate the volume of business outstanding at the balance sheet date and do not represent the amount at risk. The fair value of these derivative financial instruments is recorded in other current

assets in the balance sheet in the case of a positive value or in current financial debts in the case of a negative value, if the instruments expire within the next twelve months. If the remaining life-time exceeds twelve months, the value is recorded in non-current financial assets in case it is positive and in non-current financial debts in case it is negative.

DERIVATIVE FINANCIAL INSTRUMENTS

in CHF m	Contract or underlying principal amount		Positive fair values		Negative fair values	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Interest rate-related instruments						
Cross-currency swaps	97	141	-	-	-21	-32
Currency-related instruments						
Forward foreign exchange rate contracts	20	467	-	1	-1	-6
Total derivative financial instruments	117	608	-	1	-22	-38

DERIVATIVE FINANCIAL INSTRUMENTS BY MATURITY

in CHF m	31.12.2024	31.12.2023
Breakdown by maturity:		
Up to one month after the balance sheet date	19	1
More than one and up to three months after the balance sheet date	1	512
More than three and up to twelve months after the balance sheet date	97	-
More than one and up to five years after the balance sheet date	-	95
Total derivative financial instruments	117	608

DERIVATIVE FINANCIAL INSTRUMENTS BY CURRENCY

in CHF m	31.12.2024	31.12.2023
USD	19	-
EUR	97	607
Others	1	1
Total derivative financial instruments	117	608

FINANCIAL INSTRUMENTS EFFECTIVE FOR HEDGE-ACCOUNTING PURPOSES

in CHF m	31.12.2024	31.12.2023
Cross-Currency Swaps	-	-10
Notional amount (EUR)	-	50
Maturity date	-	25.03.2024
Hedge ratio	-	1:1
Change in fair value since 1 January	-	-3
Change in fair value of hedged item	-	3
Cross-Currency Swaps	-21	-22
Notional amount (EUR)	103	103
Maturity date	25.09.2025	25.09.2025
Hedge ratio	1:1	1:1
Change in fair value since 1 January	2	-5
Change in fair value of hedged item	-2	5
Hedges of net investments in foreign entities:		
Notional amount of net investment in foreign entities	211	79
Notional amount of certificates of indebtedness denominated in foreign currencies	-211	-79
Certificates of indebtedness in EUR m	-225	-85
Hedge ratio	1:1	1:1
Foreign exchange result from hedge recognized in other comprehensive income	1	6

The hedge effectiveness is assessed at the beginning of the hedging relationship by way of recurring prospective effectiveness tests. Thus, it is ensured that there exists an economic relationship between the underlying transaction and the hedging instrument.

The Group enters into interest rate and cross-currency swaps that have identical critical terms as the hedged item, such as the reference rate, reset dates, payment dates, maturities, and notional amount. The Group does not hedge 100 % of its loans; therefore, the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps. As all critical terms matched during the year, the economic relationship was 100 % effective.

Hedge ineffectiveness for interest rate or cross-currency swaps is assessed using the following principles: The focus is on the credit or debit value adjustment on the interest rate or cross-currency swaps that is not matched by the loan, as well as on differences in critical terms between the interest rate or cross-currency swaps and loans.

There was no ineffectiveness during 2024 and 2023 in relation to the interest rate nor cross-currency swaps. Clariant has chosen the cost of hedging approach for the newly entered cash flow hedging relationship. The cross-currency basis spread is not part of the hedging relationship.

22. Post-employment benefits

Apart from the legally required social security schemes, the Group has numerous independent retirement benefit plans. As a principle, assets are held externally. For certain Group companies, however, no independent assets exist for the retirement benefit and other non-current employee benefit obligations. In these cases, the related liability is included in the balance sheet as part of the non-current liabilities.

Defined-benefit post-employment plans. Defined-benefit pensions and termination plans cover the majority of the Group's employees. Future obligations and the corresponding assets of those plans considered as defined-benefit plans under IAS 19 are reappraised annually and reassessed at least every three years by independent actuaries. Assets are valued at fair value.

Pension assets for funded defined-benefit pension plans are managed according to local rules and legislation in each country. The actual asset allocation is determined by current and expected economic and market conditions and in consideration of specific asset class risks in the risk profile. For this purpose, asset liability matching studies are conducted by third-party experts on a regular basis to ensure that investment strategies for pension assets are in line with the structure of the plan members of the pension plan concerned.

In all countries with funded defined-benefit plans, the body governing the investment policy is constituted in accordance with local legal requirements. To the extent legally permitted, Clariant exercises influence to ensure that the investment policy is set in a way to best serve the needs of the retirement benefit plan and its members.

The largest defined-benefit plans are operated in Switzerland, the United Kingdom, the United States, and Germany. These plans make up 95.1 % of the total defined-benefit obligation.

The most important German plan is unfunded and covers the supplementary pension liabilities for plan members whose salaries exceed the level of the German mandatory social security coverage. Contributions are made primarily by the employer and vary depending on the salary level of the plan members. Benefits are paid out as annual pensions amounting to 20 % of total contributions. Lump-sum payments to employees are possible to the extent of the voluntary contributions. For employees having joined or joining in 2011 and later, there exists a funded retirement benefit plan. Contributions are primarily paid into the plan by the employer and vary depending on the income of the individual plan member. Employees contribute to the plan up to 2 % of pensionable earnings on a voluntary basis, to which the employer contributes an equal amount on top of the regular contributions. Pensions paid by this plan are principally based on the return on plan assets (contributions paid in plus interest), apart from minimal interest. In addition, there exists a smaller, similarly structured funded defined-benefit plan for former employees of the Süd-Chemie group, acquired in 2011. All other pension liabilities regarding German staff members are covered by a funded multi-employer plan, which is accounted for as a defined-contribution plan.

The defined-benefit obligation in the United Kingdom is a funded plan covering the defined benefit liabilities of UK employees who joined the Company before 31 December 2001 and was closed to further accruals in April 2016. All staff members are now covered by a defined-contribution plan. The defined-benefit pension plan is fully funded according to legal requirements.

In the United States, Clariant operates a funded defined-benefit pension plan covering the pension liabilities of employees who joined the Company before 31 December 2000. Contributions are paid by the employer exclusively. Benefits are paid out as lifetime pensions determined on the basis of a final/career average calculation. Staff members who joined on 1 January 2001 or later are covered by a defined-contribution plan. For members of Management whose annual salaries exceed the amount of CHF 275 000, an additional pension scheme is in place in the form of an unfunded defined-benefit obligation, which covers the part exceeding this amount. US employees transferred to Clariant with the Hoechst Specialty Chemicals business remain insured with Hoechst for their pension claims incurred prior to 30 June 1997.

In Switzerland, Clariant operates a funded defined-benefit pension plan that covers the pension liabilities of all employees of the Swiss Clariant companies up to a salary level of CHF 200 000. Both the employer and the employees contribute to the plan, the employer paying two-thirds of the total contributions. The employer may have to provide additional contributions when the pension plan's statutory funding ratio falls below a certain level. The pension plan provides lifetime pensions determined based on cumulative savings of the individual plan member and converted into an annual pension at a fixed conversion rate. Lump-sum payments are possible at up to 100 percent of the total individual cumulative savings. The Swiss retirement benefit plan is marked by a shrinking operating basis and, as a result, an increasing share of retired members. For members of Management whose annual

salaries exceed the amount of CHF 220 000, an additional pension scheme is in place in the form of a funded defined-benefit obligation. Any shortfalls in funded provisions for pension commitments to members of the Executive Leadership Team are accounted for as an unfunded defined-benefit obligation.

Mortality tables

The following mortality tables were used to determine the defined pension obligation of the most important pension plans:

- Switzerland: BVG 2020 generation table
- Germany: Richttafeln 2018G by Prof. Dr. Klaus Heubeck
- UK: SAPS S3 series amount tables (base table), CMI Model (2023) (future improvements)
- USA: Pri 2012 mortality table with projection scale, MP-2021

Changes in the present value of defined benefit obligations:

in CHF m	Pension plans (funded and unfunded)		Post-employment medical benefits (unfunded)	
	2024	2023	2024	2023
At 1 January	1 685	1 723	32	36
Current service cost	18	17	-	-
Past service cost, including curtailments	6	9	-	-
Gain/loss on settlements	-2	-1	-	-
Interest costs on obligation	49	56	2	1
Contributions to plan by employees	6	7	-	-
Benefits paid out to personnel in reporting period	-115	-143	-3	-3
Remeasurements:				
Actuarial gain/loss arising from changes in demographic assumptions	-1	-7	-	-
Actuarial gain/loss arising from changes in financial assumptions	32	81	-	1
Actuarial gain/loss due to experience adjustments	11	5	-2	-
Effect of settlements	-26	-	-	-
Exchange rate differences	37	-62	1	-3
At 31 December	1 700	1 685	30	32

Changes in the fair value of plan assets:

in CHF m	2024	2023
At 1 January	1 493	1 549
Interest income on plan assets	35	43
Contributions to plan by employees	6	7
Contributions to plan by employer	15	18
Benefits paid out to personnel in reporting period	-88	-118
Remeasurements:		
Return on plan assets, excluding amount included in interest expense	44	25
Effect of settlements	-30	-
Exchange rate differences	33	-31
At 31 December	1 508	1 493

As of 31 December 2024 and 2023, the pension plan assets did not include any directly held registered shares or bonds issued by Clariant Ltd.

The amounts recognized in the balance sheets are as follows:

in CHF m	Defined benefit pension plans		Post-employment medical benefits		Total	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Present value of funded obligations	-1 248	-1 250	-	-	-1 248	-1 250
Fair value of plan assets	1 508	1 493	-	-	1 508	1 493
Overfunding/Deficit	260	243	-	-	260	243
Present value of unfunded obligations	-452	-435	-30	-32	-482	-467
Limitation on the recognition of net assets ¹	-132	-205	-	-	-132	-205
Net liabilities, total	-324	-397	-30	-32	-354	-429
Recognized in:						
Net defined benefit liabilities	-455	-441	-30	-32	-485	-473
Net defined benefit assets	131	44	-	-	131	44
Disaggregated by country:						
Switzerland	-	-4	-	-	-	-4
United States	-8	-8	-26	-27	-34	-35
Germany	-422	-408	-	-	-422	-408
Other countries	-25	-21	-4	-5	-29	-26
Net defined benefit liabilities	-455	-441	-30	-32	-485	-473
Switzerland	85	-	-	-	85	-
United States	15	3	-	-	15	3
United Kingdom	27	34	-	-	27	34
Other countries	4	7	-	-	4	7
Net defined benefit assets	131	44	-	-	131	44

¹ The limitation on the recognition of net assets mostly pertains to the Swiss pension plan.

The amounts recognized in the income statement and in other comprehensive income are as follows:

in CHF m	Defined benefit pension plans		Post-employment medical benefits		Total	
	2024	2023	2024	2023	2024	2023
Current service cost	-18	-17	-	-	-18	-17
Net interest cost	-14	-15	-2	-1	-16	-16
Past service cost, including curtailments	-6	-9	-	-	-6	-9
Gain/loss on settlements	2	1	-	-	2	1
Components of defined benefit expense reported in the income statement	-36	-40	-2	-1	-38	-41
Actuarial gain/loss arising from changes in demographic assumptions	1	7	-	-	1	7
Actuarial gain/loss arising from changes in financial assumptions	-32	-81	-	-1	-32	-82
Actuarial gain/loss due to experience adjustments	-11	-5	2	-	-9	-5
Return on plan assets, excluding amount included in net interest expense	44	25	-	-	44	25
Limitation on the recognition of net assets	78	18	-	-	78	18
Components of defined benefit gain reported in other comprehensive income	80	-36	2	-1	82	-37
Total defined benefit gain / loss	44	-76	-	-2	44	-78

The fair value of the plan assets is split into the major asset categories as follows:

in CHF m	31.12.2024	31.12.2023
Equities	309	294
<i>thereof based on quoted market prices</i>	307	291
Bonds	506	477
<i>thereof based on quoted market prices</i>	503	473
Cash	77	72
<i>thereof based on quoted market prices</i>	77	72
Property	253	235
<i>thereof based on quoted market prices</i>	167	150
Alternative investments	363	415
<i>thereof based on quoted market prices</i>	79	95
Total fair value of plan assets	1 508	1 493

The principal actuarial assumptions at the balance sheet date:

		2024 in %						2023 in %				
		Group						Group				
		Weighted average	Switzer- land	United Kingdom	United States	Germany		Weighted average	Switzer- land	United Kingdom	United States	Germany
Discount rate		2.7	0.9	5.4	5.3	3.4		2.9	1.4	4.7	5.0	3.6
Future salary increases		1.8	1.5	-	3.5	2.5		2.0	2.0	-	3.5	2.5
Long-term increase in healthcare costs		6.8	-	-	7.9	-		6.8	-	-	7.9	-
Current average life expectancy for a 65-year-old male	in years	21	23	20	21	21		19	23	20	21	21
Current average life expectancy for a 65-year-old female	in years	23	25	23	23	24		21	25	23	23	24

A one-percentage-point change in healthcare cost trend rates would have the following effects on the obligation for post-employment medical benefits:

in CHF m	One percentage point increase		One percentage point decrease	
	2024	2023	2024	2023
Effect on the aggregate of the service cost and interest cost	-	-	-	-
Effect on the defined benefit obligation	2	2	-2	-2

Changes in relevant actuarial assumptions would have the following impact on the defined benefit obligation:

in CHF m	25-basis point increase		25-basis point decrease	
	2024	2023	2024	2023
Effect on the defined benefit obligation	-46	-43	48	45

If life expectancy would increase by one year, the defined-benefit obligation would increase by CHF 86 million (2023: CHF 78 million).

Defined-contribution post-employment plans. In 2024, CHF 16 million was charged to the income statement as contributions to defined-contribution plans (2023: CHF 16 million).

In Germany, approximately 3 100 Clariant employees are insured in a defined-benefit plan that is a multi-employer plan and, as such, is accounted for as a defined-contribution plan. The reason for this accounting practice is that the plan exposes the participating Clariant companies to actuarial risks associated with the current and former employees of other companies that are members of the same pension plan. There is no consistent or reliable basis for allocating the obligation, plan assets, and cost to individual companies participating in the plan.

Based on the statutory actuarial calculation of 2024, the pension fund's obligations are fully funded. Also, for 2025, it is anticipated that the pension plan liabilities will be covered by the respective assets.

In the event that the multi-employer plan faces a situation where the pension plan liabilities exceed the assets, this can be remedied either by increasing the employer's contributions to the pension plan or by reducing the benefits paid out to the entitled parties. If the benefits are reduced, this must be compensated for by the employer according to German legislation. If the pension plan is unwound, the remaining funds will be distributed among the plan members. In case there are no plan members left, the remaining funds would be transferred to social institutions. If Clariant withdraws from the pension fund, all rights and obligations of the

employer against the pension plan will remain in force as long as the pension plan continues to render pension services to the Group's plan members. Based on the number of plan members (active and passive), Clariant's share in the pension plan amounts to approximately 7%.

Clariant's contribution to this pension plan amounted to CHF 11 million in 2024 (CHF 11 million in 2023) and is expected to be CHF 11 million in 2025.

The multi-employer plan originates in the pension plan scheme of the German companies of the former Hoechst Group, to which a part of the activities of Clariant pertained until 1997. Several of the companies that were formerly part of the Hoechst Group continue to participate in this multi-employer plan.

in CHF m	Pension plans		Post-employment medical benefits	
	2024	2023	2024	2023
Clariant Group regular and supplemental contributions (employer's contributions):				
Actual contributions in 2023		18		-
Actual contributions in 2024 (2023: estimated)	15	15	-	-
Estimated contributions in 2025	14	13	-	-
Estimated contributions in 2026	13	13	-	-
Estimated contributions in 2027	13	14	-	-
Estimated contributions in 2028	13	14	-	-
Estimated contributions in 2029	14		-	
Payments to beneficiaries:				
Actual payments in 2023		-143		-3
Actual payments in 2024 (2023: estimated)	-115	-127	-3	-3
Estimated payments in 2025	-119	-109	-3	-3
Estimated payments in 2026	-106	-107	-3	-3
Estimated payments in 2027	-105	-107	-3	-3
Estimated payments in 2028	-104	-110	-3	-3
Estimated payments in 2029	-109		-3	
Allocation of defined benefit obligation to plan members:				
Active members	351	333	7	6
Deferred members	166	166	1	2
Retired members	1 183	1 186	22	24
Total funded and unfunded obligations at 31 December	1 700	1 685	30	32
Weighted-average duration of the defined benefit obligation at the end of the reporting period (in years):				
At 31 December	11.2	11.2	7.5	7.5

23. Provisions

in CHF m	Environmental provisions	Personnel provisions	Restructuring provisions	Other provisions	Total provisions 2024	Total provisions 2023
At 1 January	110	108	93	83	394	393
Additions	9	128	24	8	169	248
Business combination adjustment (see note 28)	-	3	-	-	3	1
Amounts used	-11	-104	-45	-17	-177	-187
Unused amounts reversed	-2	-10	-27	-9	-48	-36
Changes due to the passage of time and changes in discount rates	-	1	-	2	3	1
Exchange rate differences	-	2	1	1	4	-26
At 31 December	106	128	46	68	348	394
Of which						
- Current portion	18	113	34	35	200	241
- Non-current portion	88	15	12	33	148	153
Total provisions	106	128	46	68	348	394
Expected outflow of resources						
Within 1 year	18	113	34	35	200	241
Between 1 and 3 years	28	10	10	11	59	66
Between 3 and 5 years	17	1	2	9	29	29
Over 5 years	43	4	-	13	60	58
Total provisions	106	128	46	68	348	394

Environmental provisions. It is difficult to estimate the future action required by Clariant, as well as the associated costs, to correct the environmental effects of prior disposals or releases of chemical substances by Clariant or other parties pursuant to environmental laws and regulations.

The material components of the environmental provisions consist of the costs to clean and refurbish contaminated sites and to treat and contain contamination at sites where the environmental exposure is less severe. The Group's future remediation expenses are affected by a number of uncertainties, which include, but are not limited to, the method and extent of remediation and the percentage of material attributable to Clariant at the remediation sites relative to that attributable to other parties.

The environmental provisions reported in the balance sheet concern a number of different obligations, mainly in Germany, Brazil, the United States, and Switzerland.

Provisions are made for remedial work when there is an obligation to remedy environmental damage, as well as for containment work when required by environmental regulations. At each balance sheet date, Clariant critically reviews all provisions and makes adjustments when required.

Personnel provisions. Personnel provisions include holiday entitlements, compensated absences such as sabbatical leave, jubilee, annual leave or other long-service benefits, profit sharing, and bonuses. Such provisions are established in proportion to the services rendered by the employee concerned and based on the target achievement.

Restructuring provisions. The term restructuring refers to the activities that result in staff redundancies and the shutdown of production lines or entire sites. When the Group has approved a formal plan and has either started to implement the plan or announced its main features to the parties concerned and to the public, a restructuring provision is created.

Most of the restructuring provision for the closure of the bioethanol plant in Podari, Romania, and for the downsizing of the related activities of the business line Biofuels & Derivatives in Germany, was used in 2024 for settlements and unused amounts were reversed. In 2023, restructuring expenses of CHF 35 million were charged to the income statement.

Measures are taken to further increase efficiency and improve overall competitiveness of the businesses in the global functions and business units to foster transformational changes. Restructuring provisions of CHF 18 million were booked in 2024 related to these efficiency initiatives (2023: CHF 41 million).

Other provisions. Other provisions include provisions for obligations relating to tax (other than income tax), legal cases, and other items.

24. Trade payables and other liabilities

in CHF m	31.12.2024	31.12.2023
Trade payables	417	391
Contract liabilities	85	92
Payables to related parties	21	24
Accruals	111	122
Other liabilities	122	137
Total trade payables and other liabilities	756	766
Thereof non-current liabilities	-10	-26
Total current trade payables and other liabilities	746	740

The amount recognized for trade payables is equal to their fair value.

Contract liabilities are short-term and will be recognized as revenue in the next reporting period.

25. Segment information

Clariant has three business units (reportable segments): Care Chemicals, Catalysts, Adsorbents & Additives. For a description of the business units, see → note 1.22.



SEGMENTS

in CHF m	Care Chemicals		Catalysts		Adsorbents & Additives		Corporate		Total Group	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Segment sales	2 247	2 325	883	1 000	1 031	1 060	-	-	4 161	4 385
Sales to other segments	-5	-5	-	-	-4	-3	-	-	-9	-8
Total sales	2 242	2 320	883	1 000	1 027	1 057	-	-	4 152	4 377
Operating expenses	-1 950	-1 942	-736	-1 051	-934	-1 002	-92	-100	-3 712	-4 095
Thereof:									-	-
Income from associates and joint ventures	21	25	-	-	22	12	12	5	55	42
Gain from disposals not qualifying as discontinued operations	-	60	-	-	-	-	-	-	-	60
Restructuring, impairment, and transaction-related costs	-14	-10	59	-141	-8	-18	-13	-14	24	-183
Operating income	292	378	147	-51	93	55	-92	-100	440	282
Net financial expenses and taxes									-160	-69
Net income from continuing operation									280	213
Loss from discontinued operations									-	-34
Net income									280	179
Segment assets	2 259	1 439	1 399	1 329	1 077	1 018			4 735	3 786
Segment liabilities	-232	-227	-154	-168	-109	-86			-495	-481
Net operating assets	2 027	1 212	1 245	1 161	968	932	-	-	4 240	3 305
Segment assets reported as assets held for sale	-	-	9	-	-	-			9	-
Corporate assets reported as assets held for sale							3	1	3	1
Assets held for sale	-	-	9	-	-	-	3	1	12	1
Corporate assets without cash							1 122	966	1 122	966
Corporate liabilities without financial liabilities							-1 377	-1 337	-1 377	-1 337
Net debt (see note 20)							-1 489	-755	-1 489	-755
Total net assets	2 027	1 212	1 254	1 161	968	932	-1 741	-1 125	2 508	2 180
Thereof:										
Investments in PPE and intangibles for the period	86	84	48	40	66	77	9	6	209	207
Investments in associates and joint ventures at the end of the period	116	118	1	-	85	78	43	40	245	236
Reconciliation of key figures										
Operating income	292	378	147	-51	93	55	-92	-100	440	282
Add: depreciation of PPE	59	57	53	56	44	42	9	10	165	165
Add: impairment	9	3	-39	81	1	5	-1	-	-30	89
Add: depreciation of RoU assets	17	16	8	11	12	11	9	13	46	51
Add: amortization of intangible assets	26	8	5	6	5	5	-	1	36	20
EBITDA¹	403	462	174	103	155	118	-75	-76	657	607
Add: restructuring, impairment, and transaction-related costs	14	10	-59	141	8	18	13	14	-24	183
Less: impairment	-9	-3	39	-81	-1	-5	1	-	30	-89
Less: gain from disposals not qualifying as discontinued operations	-	-60	-	-	-	-	-	-	-	-60
EBITDA before exceptional items	408	409	154	163	162	131	-61	-62	663	641
Operating income	292	378	147	-51	93	55	-92	-100	440	282
Add: restructuring, impairment, and transaction-related costs	14	10	-59	141	8	18	13	14	-24	183
Less: gain from disposals not qualifying as discontinued operations	-	-60	-	-	-	-	-	-	-	-60
Operating income before exceptional items	306	328	88	90	101	73	-79	-86	416	405

¹ EBITDA is earnings before interest, tax, depreciation, and amortization.

RECONCILIATION OF SEGMENT ASSETS TO TOTAL ASSETS

in CHF m	31.12.2024	31.12.2023
Segment assets	4 735	3 786
Segment assets reported as assets held for sale	9	-
Corporate assets reported as assets held for sale	3	1
Corporate assets without cash	1 122	966
Cash and cash equivalents	388	488
Short-term deposits	7	105
Financial instruments with positive fair values	-	1
Total assets	6 264	5 347

GEOGRAPHICAL INFORMATION

in CHF m	Sales ¹		Non-current assets ²	
	2024	2023	31.12.2024	31.12.2023
EMEA	1 693	1 803	2 006	1 503
of which France	147	155	300	16
of which Germany	439	467	1 007	970
of which Switzerland	27	31	390	364
of which MEA	366	426	177	27
North America	709	745	1 002	649
of which Canada	51	37	291	-
of which USA	658	709	711	649
Latin America	530	536	148	157
of which Brazil	253	267	78	83
Asia-Pacific	1 220	1 293	722	647
of which China	496	484	349	312
of which India	263	295	201	193
Total	4 152	4 377	3 878	2 956

¹ Allocated by region of third-party sale's destination

² Non-current assets, excluding deferred tax assets and net defined benefit assets

All of the Group's segments generate their revenues to the largest extent from the sale of products. These come in such a great variety that a meaningful grouping of products or services is not possible.

Revenue from services recognized in 2024 amounted to CHF 47 million (2023: CHF 42 million) and incurred in Business Unit Care Chemicals.

26. Discontinued operations and assets held for sale

An agreement was signed in 2024 to sell the assets relating to the bioethanol plant in the amount of CHF 9 million in Podari, Romania. This asset is reported as held for sale and is expected to be sold in 2025.

Discontinued operations in 2023 in the consolidated income statement included the Business Unit Pigments, which was sold in 2022 to a consortium composed of the US-based SK Capital Partners and the German Heubach Group. The loss from discontinued operations in 2023 is mainly from the write-off of the vendor loan that was part of the »Gain on the disposal of discontinued operations« in 2022.

27. Disposals

In June 2023, Clariant completed the divestment of its Quats business to Global Amines Company, Singapore, a 50/50 joint venture owned by Clariant and Wilmar. Clariant received a net consideration of CHF 94 million, resulting in a gain of CHF 61 million. Clariant fully recognized the gain, applying an accounting policy choice.

In March 2023, Clariant sold its North American Land Oil business to Dorf Ketal. The total consideration for the sale amounted to CHF 19 million, resulting in a disposal loss of CHF 1 million.

28. Acquisitions

Lucas Meyer Cosmetics business

On 2 April 2024, Clariant completed the acquisition of 100 % of the shares of Lucas Meyer Cosmetics, a leading provider of high-value ingredients for the cosmetics and personal care industry. In combination, Clariant and Lucas Meyer Cosmetics are a leading solution provider for high-value personal care brands. The complementarity of customers, products, regional strongholds, and capabilities in research and development strengthens the market position, the presence in North America of the Business Unit Care Chemicals and accelerate customer- and sustainability-driven innovation.

The purchase price was fully paid in cash and amounted to CHF 758 million.

The assets and liabilities recognized as a result of the acquisition, presented in the table below, are provisional and based on preliminary information and valuations:

in CHF m	Provisional fair value
Property, plant, and equipment	6
Right-of-use assets	7
Intangible assets	299
Deferred tax assets	12
Inventories	24
Receivables and other current assets	18
Cash and cash equivalents	29
Deferred tax liabilities	-75
Payables and other liabilities	-14
Lease liabilities	-7
Provisions	-3
Net identifiable assets acquired	296
Goodwill	462
Net acquired assets	758

None of the goodwill is expected to be deductible for tax purposes.

Clariant had direct transaction costs of CHF 3 million in 2024, which are reported in the income statement in »Selling, general, and administrative costs.«

Lucas Meyer Cosmetics contributed sales of CHF 67 million and a net profit of CHF 5 million to the Group for the period from 2 April 2024 to 31 December 2024. Consolidated sales and net income for 2024 would have been CHF 91 million and CHF 15 million, respectively, if the acquisition had occurred on 1 January 2024.

US attapulgit business assets

On 31 October 2022, Clariant acquired from BASF its US-based attapulgit business assets by way of an asset deal for a consideration of USD 60 million. This acquisition pertains to the Business Unit Adsorbents & Additives.

The fair values of the identified assets and liabilities acquired have been adjusted during the measurement period, which increased the final goodwill to CHF 17 million:

in CHF m	2022 (preliminary)	Adjustments	2023 (final)
Total consideration for purchase	60	-	60
Recognized amounts of identifiable assets and liabilities:			
Property, plant, and equipment	63	-15	48
Intangible assets	1	-	1
Inventories	14	-	14
Provisions	-19	-1	-20
Fair value of net assets acquired	59	-16	43
Goodwill	1	16	17

29. Finance income and costs

FINANCE INCOME

in CHF m	2024	2023
Interest income	24	18
<i>thereof interest on loans, receivables, and deposits</i>	24	18
Other financial income	5	26
Total finance income	29	44

FINANCE COSTS

in CHF m	2024	2023
Interest expense	-79	-56
<i>thereof effect of discounting of non-current provisions</i>	-3	-1
<i>thereof net interest component of pension provisions</i>	-16	-16
<i>thereof interest on lease liabilities</i>	-10	-9
Other financial expenses	-6	-13
Total finance costs before currency result	-85	-69
Currency result, net	2	-27
Monetary loss from hyperinflation accounting	-16	-13
Total finance costs	-99	-109
<i>thereof reported under discontinued operations</i>	-	1
Total continuing operations	-99	-108

Other financial income includes dividend income from equity investments and miscellaneous financial income.

Other financial expenses include bank charges and miscellaneous financial expenses.

In 2024 and 2023, no foreign exchange gains pertaining to the ineffective part of hedges on net investments were recognized in the income statement.

Interest expense, other than the effect of discounting non-current provisions, the interest component of pension provisions, and the interest on lease liabilities, pertains to financial debts measured at amortized costs.

Interest costs capitalized on qualifying assets for 2024 were CHF 1 million (2023: CHF 1 million).

The expense recorded in the income statement and in equity spreads the costs of each grant over the measurement period and the vesting period. Assumptions are made concerning the forfeiture rate, which is adjusted during the vesting period so that at the end of the vesting period, there is only a charge for the vested number of shares.

In 2024, CHF 7 million was charged to the income statement (2023: CHF 5 million).

As of 31 December 2024, the total carrying value of liabilities arising from equity-settled share-based payments, entirely recognized in equity, is CHF 15 million (2023: CHF 18 million).

30. Employee participation plans

The Clariant Long-Term Incentive Plan (CLIP) was introduced in 2019. The CLIP consists of equity-based awards in the form of Performance Share Units with a three-year vesting period and a performance period covering three financial years. Each year after the introduction, a grant took place in April.

Clariant has also made grants under Special Management Grant plan to a small number of senior leaders. The vesting periods and the performance conditions in each case are adapted to the specific situation and needs of the business.

SHARES FOR MEMBERS OF MANAGEMENT AND THE EXECUTIVE STEERING COMMITTEE

Granted	Vesting in	Fair value at grant date	Number 31.12.2024	Number 31.12.2023
2021	2024	19.20	-	3 891
2021	2024	18.84	-	20 317
2021	2024	18.34	-	1 000
2021	2024	13.64	-	797 214
2022	2025	16.07	3 500	3 500
2022	2025	17.63	14 862	14 862
2022	2025	17.79	45 350	51 220
2022	2025	14.02	564 388	632 881
2023	2026	15.22	1 356	2 034
2023	2026	14.39	2 032	2 032
2023	2026	12.84	22 287	30 124
2023	2026	15.26	14 337	14 337
2023	2026	12.99	824 203	867 710
2024	2025	11.94	19 413	-
2024	2026	11.94	8 018	-
2024	2027	11.94	4 009	-
2024	2027	10.76	1 125 182	-
Total			2 648 937	2 441 122

	Weighted-average exercise price	Shares 2024	Weighted-average exercise price	Shares 2023
Shares outstanding at 1 January	12.63	2 441 122	13.66	2 546 653
Granted		1 177 675		936 419
Exercised / distributed		-318 259		-355 462
Cancelled / forfeited		-651 601		-686 488
Outstanding at 31 December	12.29	2 648 937	12.63	2 441 122
Fair value at grant date of shares outstanding in CHF m		33		31

The fair value of shares granted during 2024 is CHF 13 million (2023: CHF 12 million), calculated based on the market value of the shares at the grant date, adjusted for expected future dividends.

No options were granted in 2024 or 2023.

31. Personnel expenses

in CHF m	2024	2023
Wages and salaries	-688	-700
Social welfare costs	-147	-145
Shares granted	-7	-5
Pension costs – defined-contribution plans	-16	-16
Pension costs – defined-benefit plans	-22	-25
Total personnel expenses	-880	-891

32. Related-party transactions

Clariant maintains business relationships with related parties. One group consists of the associates and joint ventures, of which the most important ones are described in **note 8**. The most important business with these companies is the purchase of services by Clariant (e.g., energy and rental of land and buildings) in Germany and the rendering of services to the Global Amines group.

The second group of related parties is key management, comprising the Board of Directors and the Executive Steering Committee. The information required by the Swiss Code of Obligation against Excessive Compensation in Stock Exchange-Listed Companies regarding the emoluments for the members of the Board of Directors and the Executive Steering Committee is disclosed in the Compensation Report.

More information on the relationship with the Board of Directors is given in the → **Corporate Governance Report** (unaudited).

The third group of related parties is the pension plans of major subsidiaries. Clariant provides services to its pension plans in Switzerland, the United Kingdom, and the United States. These services comprise mainly administrative and trustee services. The total costs in 2024 of these services is less than CHF 1 million (2023: less than CHF 1 million). The number of full-time employees corresponding to these is approximately one (2023: approximately one).

The fourth group of related parties is all companies pertaining to the SABIC group, which is a 31.5% shareholder of Clariant (see → **note 17**), and its major shareholder, the Saudi Aramco group. The most important business done with these companies is the sale and purchase of chemical products.

TRANSACTIONS WITH RELATED PARTIES

in CHF m	2024	2023
Income from the sale of goods to related parties	67	82
<i>thereof to joint ventures</i>	22	21
<i>thereof to associates</i>	8	14
<i>thereof to Saudi Aramco group</i>	37	47
Income from the rendering of services to related parties	32	30
<i>thereof to joint ventures</i>	31	28
<i>thereof to associates</i>	1	2
Income from divestment to related parties	-	94
<i>thereof to joint ventures</i>	-	94
Expenses from the purchase of goods from related parties	-36	-50
<i>thereof from joint ventures</i>	-17	-35
<i>thereof from associates</i>	-18	-14
<i>thereof from Saudi Aramco group</i>	-1	-1
Expenses from services rendered by related parties	-133	-140
<i>thereof by joint ventures</i>	-13	-16
<i>thereof by associates</i>	-120	-124
Purchase of property, plant, and equipment from related parties	-4	-5
<i>thereof from associates</i>	-4	-5
Expenses from lease contracts with related parties	-6	-7
<i>thereof with joint ventures</i>	-1	-1
<i>thereof with associates</i>	-5	-6

PAYABLES AND RECEIVABLES WITH RELATED PARTIES

in CHF m	31.12.2024	31.12.2023
Receivables from related parties	11	19
<i>thereof from joint ventures</i>	7	8
<i>thereof from associates</i>	4	8
<i>thereof from Saudi Aramco group</i>	-	3
Payables to related parties	21	24
<i>thereof to joint ventures</i>	4	5
<i>thereof to associates</i>	17	19
Loans to related parties	12	16
<i>thereof to joint ventures</i>	11	16
<i>thereof to associates</i>	1	-
Loans from related parties	1	1
<i>thereof from associates</i>	1	1

TRANSACTIONS WITH KEY MANAGEMENT

in CHF m	2024	2023
Salaries and other short-term benefits	10	11
Post-employment benefits	2	2
Share-based payments	5	5
Total	17	18

There are no outstanding loans by the Group to any members of the Board of Directors or Executive Steering Committee.

33. Commitments and contingencies

Guarantees

No guarantees on behalf of third parties were issued in 2024 and 2023.

Purchase commitments

In the regular course of business, Clariant enters into relationships with suppliers whereby the Group commits itself to purchase certain minimum quantities of materials in order to benefit from better pricing conditions. These commitments are not in excess of current market prices and reflect normal business operations.

Clariant is engaged in contracts to buy a minimum quantity of ethylene for the next four years and other materials in the next nine years. This implies a total purchase commitment of about CHF 90 million (2023: CHF 195 million).

Contingencies

Clariant operates in countries where political, economic, social, legal, and regulatory developments can have an impact on the operational activities. The effects of such risks on the Group's results, which arise during the normal course of business, are not foreseeable and are therefore not included in the accompanying financial statements.

In the ordinary course of business, Clariant is involved in lawsuits, claims, investigations, and proceedings, including product liability, intellectual property, commercial, environmental and health, and safety matters. Although the outcome of any legal proceedings cannot be predicted with certainty, Management is of the opinion that, apart from those cases where a provision has been recognized, there are no such matters pending that would likely have any material adverse effect in relation to its business, financial position, or results of operations.

A Clariant subsidiary in the United States has been named, along with many other defendants, in lawsuits involving per- and polyfluoroalkyl substances (PFASs). Clariant is monitoring the development of these cases, which relate to a line of business divested

in 2013, and is defending all litigation matters related to PFAS. To date, Clariant has been dismissed from three bellwether cases involving water providers that have approached trial. The first personal injury bellwether trial is scheduled for October 2025. At this time, Clariant cannot assess if these litigation matters will have a material impact on Clariant's financial results.

In October 2023, Shell brought a claim for damages before the court of Amsterdam against four companies, including Clariant, in relation to infringement of competition law on the ethylene purchasing market, which was sanctioned by the European Commission in July 2020. Another claim against the same companies was brought by a claim vehicle »Stichting Ethylene Claims« before the court of Amsterdam, seeking declaratory judgment of liability of the defendants for the same anticompetitive conduct. In 2025, BASF and TotalEnergies brought claims for damages before the court of Munich and Amsterdam respectively, against the same companies and in relation to the same matter. Clariant firmly rejects the allegations and will defend its positions in all proceedings. At this time, Clariant cannot assess if these legal proceedings will have a material impact on Clariant's financial results.

34. Exchange rates of principal currencies

The closing rates used to translate the consolidated balance sheets are:

	31.12.2024	31.12.2023
1 USD	0.91	0.84
1 EUR	0.94	0.93
1 BRL	0.15	0.17
1 CNY	0.12	0.12
100 INR	1.06	1.01
100 JPY	0.58	0.59

The sales-weighted average exchange rates used to translate the consolidated income statements and consolidated statements of cash flows are:

	2024	2023
1 USD	0.88	0.90
1 EUR	0.95	0.97
1 BRL	0.16	0.18
1 CNY	0.12	0.13
100 INR	1.05	1.09
100 JPY	0.58	0.64



35. Important subsidiaries

Country	Company name	Currency	Share capital (in thousands)	Participation in % ¹	Holding/ Finance/ Service	Sales	Production	Research
Argentina	Clariant (Argentina) S.A., Buenos Aires	ARS	9 967 431	100.0		•	•	
Australia	Clariant (Australia) Pty Ltd, Notting Hill	AUD	1 902	100.0		•	•	
	Southern Cross Botanicals Pty Ltd, Knockrow	AUD	1	100.0		•	•	
	Lucas Meyer Cosmetics Australia Pty, Knockrow	AUD	6 750	100.0	•			
Brazil	Clariant Brasil Ltda, São Paulo	BRL	276 953	100.0		•	•	•
	Companhia Brasileira de Bentonita Ltda, Vitoria da Conquista	BRL	17 470	100.0			•	
Canada	Clariant (Canada) Inc., Québec	CAD	10 415	100.0		•	•	
	Lucas Meyer Cosmetics Canada Inc., Québec	USD	6 249	100.0		•		•
Chile	Clariant (Chile) Ltda., Maipú	CLP	15	100.0		•	•	
China	Clariant Catalysts (Nanjing) Ltd., Nanjing	CNY	321 822	100.0				
	Clariant Chemicals (China) Ltd., Shanghai	CNY	210 014	100.0		•		
	Clariant Chemicals (Huizhou) Ltd., Huizhou	CNY	872 147	100.0			•	
	Clariant Huajin Catalysts (Panjin) Ltd., Panjin	CNY	69 511	60.0		•	•	
	Clariant Catalysts (Shanghai) Ltd., Shanghai	CNY	160 000	100.0			•	
	Clariant Redhill Bentonite (Liaoning) Ltd., Jianping	CNY	124 365	100.0			•	
	Clariant Specialty Chemicals (Zhenjiang) Co., Ltd., Zhenjiang	CNY	166 431	100.0			•	
	Clariant Bentonite (Jiangsu) Co., Ltd., Zhenjiang	CNY	79 058	100.0			•	
	Clariant Chemicals Technology (Shanghai) Ltd., Shanghai	CNY	170 286	100.0		•		•
	Clariant Specialty Chemicals (Jiaxing) Co., Ltd., Jiaxing	CNY	213 552	100.0			•	
	Clariant (China) Ltd., Hong Kong	HKD	414 788	100.0	•			
	Clariant China Holding Limited, Hong Kong	HKD	67 251	100.0	•			
Colombia	Clariant (Colombia) S.A., Cota (Cundinamarca)	COP	2 265	100.0	•	•	•	
France	Institut Européen de Biologie Cellulaire (IEB), Toulouse	EUR	192	100.0				•
	Lucas Meyer Cosmetics France Holding I, Massy	EUR	6 019	100.0	•			
	Lucas Meyer Cosmetics SAS, Massy	EUR	690	100.0	•	•		•
	Clariant Production (France), Cergy	EUR	6 273	100.0		•	•	•
	Clariant Services (France), Cergy	EUR	81 200	100.0	•			
Germany	Clariant Vierte Chemie GmbH, Frankfurt am Main	EUR	30	100.0	•			
	Clariant Produkte (Deutschland) GmbH, Frankfurt a.M.	EUR	9 348	100.0	•	•	•	•
	Clariant Plastics & Coatings (Deutschland) GmbH, Frankfurt a.M.	EUR	149	100.0	•	•	•	•
	Clariant SE, Frankfurt a.M.	EUR	916	100.0		•		
	Clariant Verwaltungsgesellschaft mbH, Frankfurt a.M.	EUR	2 560	100.0	•			
Great Britain	Clariant Distribution UK Ltd, Leeds	GBP	500	100.0	•			
	Clariant Oil Services UK Ltd, Leeds	GBP	400	100.0	•	•	•	
	Clariant Production UK Ltd, Leeds	GBP	500	100.0	•	•		
	Clariant Services UK Ltd, Leeds	GBP	500	100.0	•			
Greece	Clariant (Hellas) Single Member S.A., Lykovrisi	EUR	1 920	100.0		•		
	Süd-Chemie Hellas MEPE, Adamantas	EUR	548	100.0		•		
India	Clariant India Private Limited, Navi Mumbai	INR	10 829	100.0	•	•	•	•
	Süd-Chemie India Pvt. Ltd., Ernakulam	INR	9 623	50.0		•	•	
	Clariant IGL Specialty Chemicals Private Limited, Kashipur	INR	220	51.0		•	•	
Indonesia	PT. Clariant Indonesia, Tangerang	IDR	267 577	100.0		•	•	
	PT. Clariant Kujang Catalysts, Cikampek	USD	3 447	77.0		•	•	
	PT. Clariant Specialties Indonesia, Tangerang Banten	IDR	4 803	100.0		•		
	PT. Clariant Adsorbents Indonesia, Sukabumi	IDR	12 375	100.0		•	•	
Israel	Lucas Meyer Cosmetics Israel Ltd., Yavne	USD	1	100.0		•	•	•
Italy	Clariant Prodotti (Italia) S.p.A., Milano	EUR	1 000	100.0		•	•	•
	Società Sarda di Bentonite S.r.l., Santa Giusta	EUR	2 050	100.0			•	
Japan	Clariant (Japan) K.K., Tokyo	JPY	450	100.0	•	•	•	
	Clariant Catalysts (Japan) K.K., Tokyo	JPY	544	61.4		•	•	
Korea	Clariant (Korea) Ltd., Pohang-Si	KRW	4 361	100.0		•	•	

¹ The participation in % reflects the capital and voting rights in %.



Country	Company name	Currency	Share capital (in thousands)	Participation in % ¹	Holding/ Finance/ Service	Sales	Pro-duction	Re-search
Malaysia	Clariant Oil Services (Malaysia) Sdn Bhd, Petaling Jaya	MYR	411	48.9		•		
	Clariant Specialty Chemical (M) Sdn Bhd, Kuala Lumpur	MYR	3 300	100.0	•			
Mexico	Clariant (Mexico) S.A. de C.V., Mexico City	MXN	22 219	100.0		•	•	
	Minera Sumex S.A. de C.V., Puebla	MXN	50	100.0			•	
Morocco	Clariant (Maroc) S.A., Casablanca	MAD	4 000	100.0		•		
Norway	Clariant Oil Services Scandinavia AS, Bergen	NOK	4 725	100.0		•	•	
Pakistan	Clariant Pakistan (private) limited, Karachi	PKR	100 000	100.0		•		
Peru	Clariant (Perú) S.A., Lima	PEN	20 454	100.0		•	•	
	Minera Doña Herminia S.A., Callao	PEN	8 000	100.0				
Poland	Clariant Poland Sp. z o.o., Łódź	PLN	3 000	100.0		•	•	
	Clariant Services (Poland) Sp. z o.o., Łódź	PLN	10 000	100.0	•			
Qatar	Clariant Qatar W.L.L., Mesaieed	QAR	30 000	65.0		•	•	
Romania	Clariant Products Ro S.r.l., Bucharest	RON	7 500	100.0			•	
Singapore	Clariant (Singapore) Pte. Ltd., Singapore	SGD	21 500	100.0	•	•		
	Clariant South East Asia Pte. Ltd., Singapore	SGD	1 560	100.0	•	•		
South Africa	Clariant Sasol Catalysts Ltd., Gauteng	ZAR	1 417	80.0		•	•	
	Clariant Southern Africa (Pty) Ltd. Gauteng	ZAR	6	100.0		•	•	
Spain	Clariant Ibérica Producción S.A., Sant Joan Despi	EUR	6 023	100.0		•	•	•
Sweden	Clariant Production Sweden AB, Mölndal	EUR	500	100.0		•	•	
Switzerland	Clariant Consulting AG, MuttENZ	CHF	200	100.0	•			
	Clariant Chemical Consulting AG, MuttENZ	CHF	100	100.0	•			
	Clariant International AG, MuttENZ	EUR	101 648	100.0	•	•		•
	Clariant Oil Services AG, MuttENZ	CHF	300	100.0	•			
	Clariant Reinsurance AG, MuttENZ	CHF	3 000	100.0				
	Clariant Produkte (Schweiz) AG, MuttENZ	CHF	5 000	100.0				
	Clariant Additives (Switzerland) AG, MuttENZ	CHF	5 000	100.0		•	•	
Taiwan	Clariant Specialty Chemicals (Taiwan) Co., Ltd., Taipei	TWD	36 000	100.0		•		
Thailand	Clariant (Thailand) Ltd., Bangkok	THB	250 000	100.0	•	•		
Türkiye	Clariant (Türkiye) A.S., Ataşehir	TRY	17 538	100.0		•	•	
UAE	Clariant Gulf FZ-LLC, Dubai	AED	1 000	100.0		•	•	•
USA	Clariant Corporation, Charlotte	USD	749 500	100.0		•	•	•

¹ The participation in % reflects the capital and voting rights in %.

36. Events subsequent to the balance sheet date

On 9 January 2025, BASF brought a claim for damages before the court against four companies, including Clariant. See → **note 33**, Commitments and contingencies, for further information.

On 4 February 2025, Clariant announced that the Lugman Group has withdrawn from the agreement to divest the real estate property »Industrial Park Fechenheim,« Germany, due to the execution of certain pre-emption rights by the City of Frankfurt.

On 25 February 2025, TotalEnergies brought a claim for damages before the court against four companies, including Clariant. See → **note 33**, Commitments and contingencies, for further information.

Report of the Statutory Auditor



Clariant Ltd, MuttENZ

Statutory Auditor's Report
to the General Meeting on the
Consolidated Financial Statements 2024



Statutory Auditor's Report

To the General Meeting of Clariant Ltd, Muttenz

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Clariant Ltd and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31st December 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated balance sheets of the Group as at 31st December 2024, and of its consolidated financial income statement, its consolidated statement of comprehensive income, its consolidated statement of changes in equity and its consolidated statement of cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters



TIMING OF REVENUE RECOGNITION



RECOVERABILITY OF GOODWILL (CATALYSTS)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG AG, Grosspeteranlage 5, CH-4052 Basel

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TIMING OF REVENUE RECOGNITION

Key Audit Matter

The Group's revenue for the financial year 2024 amounted to CHF 4,152 million and was mainly related to the sale of specialty chemicals.

Revenue is recognized when a performance obligation is satisfied by transferring control over a promised good or service. Due to the Group's business model, over time revenues are currently not material.

Revenue is a key performance indicator and therefore an internal and external stakeholders' focus. Consequently, there might be pressure to achieve forecasted results.

Particular attention is required to ensure revenue is recognized in the correct accounting period. Thus, we identified timing of revenue recognition before the balance sheet date as a key audit matter.

Our response

Our audit procedures included, amongst others, the following:

- We obtained an understanding of the overall process over revenue recognition and tested key internal controls over the timing of revenue recognition. Due to the high reliance of revenue recognition on IT, we evaluated the integrity of the general IT control environment;
- we used audit technology to identify sales at risk of being recognized in the incorrect accounting period around year-end, and to corroborate management's assessment. We traced samples of sales to related underlying documents;
- we recalculated the estimated deferral days, which are the basis of the revenue accrual;
- we selected credit notes and sales reversals recorded after the balance sheet date and traced these selected items to supporting documents.

We also considered whether disclosures over revenue recognition in the consolidated financial statements are appropriate.

For further information on TIMING OF REVENUE RECOGNITION refer to the following:

Note 1: Material accounting policies



RECOVERABILITY OF GOODWILL (CATALYSTS)

Key Audit Matter

Intangible assets in the consolidated financial statements of the Group include goodwill in the amount of CHF 1,306 million (2023: CHF 814 million). Goodwill accounts for 20.9% (2023: 15.2%) of total assets and thus has a material impact on the company's net assets.

With a book value of CHF 581 million (2023: CHF 560 million), the Catalysts goodwill makes up for 45% (2023: 69%) of total goodwill. Alongside the cyclical business and longer-term contracts, which increase estimation uncertainty when estimating future business performance, we assess the carrying value of the Catalyst goodwill as a key audit matter.

There is a risk of non-recoverability of the Group's significant goodwill balance, particularly relating to the Catalysts business unit. The ongoing worldwide economic uncertainties resulted in weaker demand in certain markets and increased pressure on the prices and margins. Due to the inherent uncertainty involved in forecasting and discounting future cash flows, which are the basis of the assessment of recoverability, this is one of the key judgmental areas that our audit is concentrated on.

Our response

Our audit procedures included, amongst others, evaluating the methodical and mathematical accuracy of the model used for the impairment test, the appropriateness of the assumptions, and the methodology used by management to prepare its cash flow forecasts. We involved our own valuation specialists to support our procedures.

For the Catalysts cash generating unit (CGU), we also performed the following audit procedures:

- We assessed the reasonableness of the plans and forecasts by back-testing historical forecasts to actual results;
- we compared business plan data against the latest Board approved plans and management approved forecasts;
- we challenged the robustness of the key assumptions used to determine the recoverable amount, including the identification of the CGUs, the forecasted cash flows, the long-term growth rate and the discount rate based on our understanding of the commercial prospects of the related assets, and by comparing them with publicly available data;
- we conducted sensitivity analysis, taking into account the historical forecasting accuracy;
- we compared the sum of the projected discounted cash flows to the market capitalisation of the Group; and
- we recalculated the difference between the carrying amount and the recoverable amount to assess the headroom.

We also considered the appropriateness of disclosures in relation to impairment sensitivities in the consolidated financial statements.

For further information on RECOVERABILITY OF GOODWILL (CATALYSTS) refer to the following:

Note 1: Material accounting policies

Note 6: Intangible Assets



Board of Directors' Responsibilities for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law, ISA and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

KPMG AG

Martin Rohrbach
Licensed Audit Expert
Auditor in Charge

Cyrill Kaufmann
Licensed Audit Expert

Basel, 27 February 2025

KPMG AG, Grosspeteranlage 5, CH-4052 Basel

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Review of Trends

FIVE-YEAR GROUP OVERVIEW 2020–2024

		2024	2023 ¹	2022 ¹	2021 ¹	2020 ¹
Sales	CHF m	4 152	4 377	5 198	4 372	3 860
Change relative to preceding year						
in Swiss francs	%	-5.1	-15.8	18.9	13.3	-12.3
in local currency	%	3	-6	24	15	-5
Operating income before exceptional items	CHF m	416	405	617	493	354
Change relative to preceding year	%	3	-34	25	39	-20
as a % of sales		10.0	9.3	11.9	11.3	9.2
Operating income	CHF m	440	282	72	440	317
Change relative to preceding year	%	56	292	-84	39	92
as a % of sales		10.6	6.4	1.4	10.1	8.2
EBITDA	CHF m	657	607	810	708	597
Change relative to preceding year	%	8	-25	14	19	30
as a % of sales		15.8	13.9	15.6	16.2	15.5
EBITDA before exceptional items	CHF m	663	641	893	760	623
Change relative to preceding year	%	3	-28	18	22	-16
as a % of sales		16.0	14.6	17.2	17.4	16.1
Net income ²	CHF m	280	179	116	373	825
Change relative to preceding year	%	56	54	-69	-55	n.m.
as a % of sales		6.7	4.1	2.4	8.5	21.4
Investment in property, plant, and equipment	CHF m	207	205	209	362	288
Change relative to preceding year	%	1	-2	-42	26	5
as a % of sales		5	5	4	8	7
Personnel costs ²	CHF m	880	891	986	1 066	1 264
Change relative to preceding year	%	-1	-10	-8	-16	-12
as a % of sales		21	20	19	24	33
Employees at year end	number	10 465	10 481	11 148	13 374	13 235
Change relative to preceding year	%	0	-6	-17	1	-23

¹ Continuing operations

² Including discontinued operations

Balance Sheet of Clariant Ltd

BALANCE SHEET OF CLARIANT LTD

at 31 December	Notes	31.12.2024 in CHF m	in %	31.12.2023 in CHF m	in %
Assets					
Current assets					
Cash and cash equivalents		177		296	
Short-term deposits		-		96	
Other receivables					
• from third parties		3		2	
• from Group companies		43		48	
Accrued income and prepaid expenses		5		3	
Total current assets		228	5.8	445	13.2
Non-current assets					
Loans to Group companies		2 315		1 582	
Shareholdings in Group companies	4	1 374		1 353	
Intangible assets		1		1	
Total non-current assets		3 690	94.2	2 936	86.8
Total assets		3 918	100.0	3 381	100.0

Balance Sheet of Clariant Ltd

BALANCE SHEET OF CLARIANT LTD

at 31 December	Notes	31.12.2024 in CHF m	in %	31.12.2023 in CHF m	in %
Liabilities and Equity					
Liabilities					
Current liabilities					
Other liabilities					
• to third parties		-		7	
• to Group companies		9		12	
Interest-bearing liabilities					
• to third parties	5	197		264	
• to Group companies	5	14		79	
Provisions		61		64	
Accrued expenses		19		9	
Total current liabilities		300	7.7	435	12.9
Non-current liabilities					
Interest-bearing liabilities					
• to third parties	5	1 403		759	
Total non-current liabilities		1 403	35.8	759	22.4
Total liabilities		1 703		1 194	
Equity					
Share capital	6, 9	584		724	
Legal capital reserve					
• Reserves from capital contribution (other)	7, 9	1 304		1 304	
• Reserves from retained earnings	7, 9	-1 264		-1 264	
Legal retained earnings	9	224		224	
Voluntary retained earnings	9	1 249		1 400	
Total reserves	9	1 513		1 664	
Treasury shares	8, 9	-54		-50	
Profit / loss for the financial year		172		-151	
Total equity		2 215	56.5	2 187	64.7
Total equity and liabilities		3 918	100.0	3 381	100.0

Income Statement of Clariant Ltd

INCOME STATEMENT OF CLARIANT LTD

for the years ended 31 December	Notes	2024 in CHF m	2023 in CHF m
Dividend income from Group companies		97	186
Interest income from Group companies		96	65
Financial income		10	9
Exchange rate differences, net		65	-
Reversal of impairment on shareholdings and other income related to Group companies		6	103
Income from disposals of shareholdings and other income		9	12
Total income		283	375
Financial expenses		-50	-33
Administrative expenses		-37	-43
Impairment of shareholdings and other expenses related to Group companies	4	-20	-206
Exchange rate differences, net		-	-111
Other expenses	10	-2	-131
Taxes		-2	-2
Total expenses		-111	-526
Profit / loss for the financial year		172	-151

Notes to the Financial Statements of Clariant Ltd

1. Basis of preparation

The statutory financial statements of Clariant Ltd, domiciled in MuttENZ, have been prepared according to the provisions of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations).

2. Significant accounting policies

Income recognition. Interest income is recognized on a time proportion basis, taking into account the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the company. Dividends are recognized when the right to receive the payment is established.

Exchange rate differences. Balance sheet items denominated in foreign currencies are converted at year-end exchange rates. Realized exchange gains and losses as well as unrealized exchange losses are recorded in the income statement. Unrecognized exchange gains are deferred, unless they arise on current assets or liabilities, where exchange rate differences are treated as realized valuation differences.

Cash and cash equivalents. Cash and cash equivalents comprise cash in hand, deposits, and calls with banks, as well as short-term investment instruments with an initial lifetime of 90 days or less.

Short-term deposits. Short-term deposits are disclosed separately in the balance sheet if they have an original maturity between 90 and 365 days. They are valued at their nominal value.

Shareholdings. Shareholdings are initially recognized at cost. Shareholdings are reviewed on a yearly basis, and in case of an impairment, adjusted to their recoverable amount.

Interest-bearing liabilities. Interest-bearing liabilities are recognized at nominal value. Premiums are accrued and amortized on a straight-line basis over the maturity period.

Derivative financial instruments. Derivative financial instruments are initially recognized at acquisition costs. Subsequently, they are recorded at the lower of acquisition costs or market value.

3. Other information

The Board of Directors approved the stand-alone financial statements of Clariant Ltd for issue on 27 February 2025. They will be subject to approval by the Annual General Meeting of Shareholders scheduled for 1 April 2025.

Full-time equivalents. Clariant Ltd has no employees.

Hidden reserves. No hidden reserves were released in the year 2024 (2023: CHF 278 million).

4. Shareholdings in Group companies

In 2024, an impairment of CHF 7 million on Shareholdings in Group companies (2023: CHF 166 million) was recorded in »Impairment of shareholdings and other expenses related to Group Companies.«

The following table shows the shareholdings directly held by Clariant Ltd.

Country	Company name		Capital interest (%)	Voting rights (%)	Capital interest (%)	Voting rights (%)
			2024	2024	2023	2023
Brazil	Clariant S.A.	São Paulo	46.32 %	46.32 %	46.32 %	46.32 %
Canada	Clariant (Canada) Inc.	Toronto	-	-	100.00 %	100.00 %
China	Clariant (China) Ltd.	Hong Kong	100.00 %	100.00 %	100.00 %	100.00 %
Colombia	Clariant (Colombia) S.A.	Cota (Cundinamarca)	5.13 %	5.13 %	5.13 %	5.13 %
Ecuador	Clariant (Ecuador) S.A.	Quito	0.03 %	0.03 %	0.03 %	0.03 %
Germany	Clariant Verwaltungsgesellschaft mbH	Frankfurt a.M.	100.00 %	100.00 %	100.00 %	100.00 %
Great Britain	Clariant Services UK Ltd	Yeadon, Leeds	100.00 %	100.00 %	100.00 %	100.00 %
Japan	Clariant (Japan) K.K.	Tokyo	70.48 %	70.48 %	70.48 %	70.48 %
	Clariant Catalysts (Japan) K.K.	Tokyo	61.45 %	61.45 %	61.45 %	61.45 %
Korea	Clariant (Korea) Ltd.	Pohang, Gyeongbuk	17.50 %	17.50 %	17.50 %	17.50 %
Luxembourg	Clariant Finance (Luxembourg) S.A.	Luxembourg	-	-	100.00 %	100.00 %
Morocco	Clariant (Maroc) S.A.	Casablanca	0.05 %	0.05 %	0.05 %	0.05 %
Mexico	Clariant (Mexico) S.A. de C.V.	Ecatepec de Morelos	99.99 %	99.99 %	99.99 %	99.99 %
Norway	Clariant Oil Services Scandinavia AS	Bergen	100.00 %	100.00 %	100.00 %	100.00 %
Peru	Clariant (Perú) S.A.	Lima	0.23 %	0.23 %	0.23 %	0.23 %
Singapore	Clariant South East Asia Pte. Ltd.	Singapore	100.00 %	100.00 %	100.00 %	100.00 %
South Africa	Clariant Southern Africa (Pty) Ltd.	Chloorkop, Gauteng	100.00 %	100.00 %	100.00 %	100.00 %
Spain	Clariant Ibérica Produccion S.A.	El Prat de Llobregat	100.00 %	100.00 %	100.00 %	100.00 %
Sweden	Clariant Production Sweden AB	Mölnådal	100.00 %	100.00 %	100.00 %	100.00 %
Switzerland	Clariant Reinsurance AG	Muttenz	100.00 %	100.00 %	100.00 %	100.00 %
	Clariant International AG	Muttenz	100.00 %	100.00 %	100.00 %	100.00 %
	Clariant Oil Services AG	Muttenz	80.00 %	80.00 %	80.00 %	80.00 %
	Clariant Chemical Consulting AG	Muttenz	100.00 %	100.00 %	100.00 %	100.00 %
	Clariant Prime AG	Muttenz	100.00 %	100.00 %	100.00 %	100.00 %
	Clariant Pro AG	Muttenz	100.00 %	100.00 %	100.00 %	100.00 %
Thailand	Clariant (Thailand) Ltd.	Bangkok	100.00 %	100.00 %	100.00 %	100.00 %
Türkiye	Clariant (Türkiye) A.S.	Gebze	100.00 %	100.00 %	100.00 %	100.00 %
UAE	Clariant (Gulf) FZE	Dubai	100.00 %	100.00 %	100.00 %	100.00 %
USA	Clariant Corporation	Charlotte	100.00 %	100.00 %	100.00 %	100.00 %

For further details on shareholdings indirectly held by Clariant Ltd,
see note → »Important Subsidiaries« of this report.



5. Interest-bearing liabilities

CURRENT INTEREST-BEARING LIABILITIES

in CHF m	31.12.2024	31.12.2023
Interest-bearing liabilities to third parties	21	-
Interest-bearing liabilities to Group companies	14	79
Non-current interest-bearing liabilities due within one year		
- Straight bonds	-	160
- Certificate of indebtedness	176	104
Total interest-bearing liabilities	211	343

On 6 March 2023, Clariant Ltd placed a revolving credit facility (RCF) with a KPI-linked RCF agreement of CHF 450 million. The new agreement is structured as a five-year multicurrency revolving credit facility with two one-year extension options, split in two tiers taken by seven and four banks for each. The RCF is structured as a »backstop« facility for rating purposes to maintain Clariant's liquidity headroom. It contains customary covenants such as negative pledge, cross default, ownership change, and restriction on disposals, mergers, and subsidiary debt. The Group is required to maintain one financial covenant (debt leverage) that is tested at

the end of each financial half year. Four KPIs are defined for the RCF: GHG (Greenhouse Gas) Emissions – Scope 1 and 2; GHG Emissions – Scope 3; Water Intake; and Gender Diversity. The new KPI-linked RCF demonstrates Clariant's commitment to support sustainable growth and to embed the strategy and ambitions in its financing. The maturity was extended by another year until 6 March 2029 by way of extension option.

During 2024 and 2023 the facility was not used.

NON-CURRENT INTEREST-BEARING LIABILITIES

in CHF m	Interest rate in %	Term	Notional amount	Amount 31.12.2024	Amount 31.12.2023
Straight bond	2.125	2014-2024	CHF 160 m	-	160
Straight bond	1.125	2019-2026	CHF 200 m	200	200
Straight bond (green bond)	2.717	2022-2027	CHF 175 m	175	175
Straight bond	2.750	2023-2028	CHF 150 m	150	150
Straight bond	2.375	2024-2027	CHF 200 m	200	-
Straight bond	2.750	2024-2031	CHF 150 m	150	-
Total straight bonds				875	685
Certificate of indebtedness	6 m EURIBOR +0.95	2018-2025	EUR 54 m	60	60
Certificate of indebtedness	6 m EURIBOR +1.25	2024-2027	EUR 70 m	69	-
Certificate of indebtedness	6 m EURIBOR +1.50	2024-2029	EUR 290 m	286	-
Total certificate of indebtedness – floating interest rates				415	60
Certificate of indebtedness	1.194	2018-2024	EUR 92 m	-	104
Certificate of indebtedness	1.548	2018-2025	EUR 102 m	116	116
Certificate of indebtedness	2.010	2016-2026	EUR 15 m	16	16
Certificate of indebtedness	2.087	2018-2028	EUR 17 m	19	19
Certificate of indebtedness	4.336	2024-2029	EUR 63 m	62	-
Certificate of indebtedness	4.472	2024-2031	EUR 78 m	76	-
Total certificate of indebtedness – fixed interest rates				289	255
Total straight bonds and certificates of indebtedness				1 579	1 000
Less: current straight bonds and certificates of indebtedness				-176	-264
Other non-current interest-bearing liabilities to financial institutions				-	23
Total non-current interest-bearing liabilities				1 403	759
Breakdown by maturity					
one to five years				1 177	759
more than five years				226	-
Total non-current interest-bearing liabilities				1 403	759

Bridge loan

On 31 January 2024, Clariant signed a bridge loan of USD 810 million to acquire Lucas Meyer Cosmetics. Thereof, Clariant utilized EUR 450 million on 2 April 2024. The loan was partially repaid (EUR 50 million) on 2 May 2024 and fully repaid (EUR 400 million) on 27 June 2024.

Bonds

On 28 March 2024, Clariant issued a fixed-rate dual bond with a nominal value of CHF 350 million. The first tranche of CHF 200 million has a coupon of 2.375 % and matures on 30 March 2027. The second tranche of CHF 150 million has a coupon of 2.75 % and matures on 28 March 2031.

On 17 October 2024, a bond issued in 2014 in the amount of CHF 160 million reached its maturity and was repaid.

Certificates of indebtedness

On 27 June 2024, Clariant issued certificates of indebtedness consisting of four tranches with a total amount of EUR 500 million. The first tranche of EUR 70 million (variable interest rate of 6 months EURIBOR plus 125 basis points) matures on 27 December 2027. The second tranche of EUR 62.5 million (fixed interest rate of 4.336 %) and the third tranche of EUR 290 million (variable interest rate of 6 months EURIBOR plus 150 basis points) mature on 27 June 2029. The fourth tranche of EUR 77.5 million (fixed interest rate of 4.472 %) matures on 27 June 2031.

On 25 March 2024, certificates of indebtedness with a total amount of EUR 92 million reached their maturity and were repaid.

Collateral

In 2024 and 2023, no assets were pledged as collateral.

6. Share capital

Share capital issued	31.12.2024	31.12.2023
Number of registered shares, each with a par value of CHF 1.76 (2023: CHF 2.18)	331 939 199	331 939 199
In CHF m	584	724
Conditional share capital	31.12.2024	31.12.2023
Number of registered shares, each with a par value of CHF 1.76 (2023: CHF 2.18)	3 811 886	3 811 886
In CHF m	7	8

7. Reserves from capital contributions

As of 2011, if certain conditions are met, qualifying capital contributions made to Clariant Ltd by its shareholders since 1997 can be distributed without being subject to Swiss withholding tax. Qualifying capital contribution reserves of approximately CHF 1.7 billion are confirmed by the Swiss Federal Tax Administration (SFTA).

The SFTA is of the opinion that capital contribution reserves that were formerly offset with losses of CHF 1.26 billion will not qualify as capital contribution reserves anymore (even if compensated with newly generated retained earnings). The Swiss Administra-

tive Court confirmed the SFTA's view in a particular case (decision of 4 June 2015, A-6072/2013), while the Swiss Supreme Court (as the highest Swiss court level) has up to now not dealt with this question. Clariant Ltd does not unconditionally share the above-mentioned opinion. This is why potential capital contribution reserves are also documented as capital contribution reserves in the balance sheet.

8. Treasury shares

	Average transaction price in CHF	2024	Average transaction price in CHF	2023
Number of shares held at 1 January		3 090 705		2 922 398
Shares purchased	13.66	699 004	14.09	573 900
Shares purchased on exercise of put options	13.23	300 000		-
Allocation to employees and Board of Directors		-436 121		-405 593
Number of shares held at 31 December		3 653 588		3 090 705

The profit or loss from the sale of own shares or from the transfer to employees and the Board of Directors is recorded in the income statement as »financial income« or »financial expenses.«

9. Reconciliation of equity

in CHF m	Share capital	Legal capital reserve		Legal retained earnings	Voluntary retained earnings	Treasury shares	Profit / Loss	Total
		from capital contribution (other) ¹	from retained earnings ²					
Balance 31 December 2023	724	1 304	-1 264	224	1 400	-50	-151	2 187
Reduction of nominal value	-140					1		-139
Reclassification of loss carryforward to voluntary retained earnings					-151		151	-
Changes in treasury shares						-5		-5
Profit for the financial year							172	172
Balance 31 December 2024	584	1 304	-1 264	224	1 249	-54	172	2 215

¹ In 2012, the Swiss Federal Tax Administration confirmed qualifying capital contribution reserves of approximately CHF 1.7 billion (as of 31 December 2024 due to distributions still amounting to approximately CHF 40 million). For further information, see also note 7.

² This amount corresponds to capital contribution reserves formerly offset with losses. For further information, see also note 7.

10. Other expenses

In 2023, other expenses consisted mainly of the devaluation of the shareholding in Heubach by CHF 91 million and the write-off of the vendor loan from Heubach of the discounted value of CHF 38 million, which was recorded following the increased credit risk.

11. Contingent liabilities

in CHF m	31.12.2024	31.12.2023
Outstanding liabilities as guarantees in favor of Group companies	352	374

Clariant Ltd belongs to the Swiss value-added tax (VAT) group of Clariant and thus carries joint liability to the Swiss federal tax authority for value-added tax of the Swiss entities of that group.

A Clariant subsidiary in the United States has been named, along with many other defendants, in lawsuits involving per- and polyfluoroalkyl substances (PFASs). Clariant is monitoring the development of these cases, which relate to a line of business divested in 2013, and is defending all litigation matters related to PFAS. To date, Clariant has been dismissed from three bellwether cases involving water providers that have approached trial. The first personal injury bellwether trial is scheduled for October 2025. At this time, Clariant cannot assess if these litigation matters will have a material impact on Clariant's financial results.

In October 2023, Shell brought a claim for damages before the court of Amsterdam against four companies, including Clariant, in relation to infringement of competition law on the ethylene purchasing market, which was sanctioned by the European Commission in July 2020. Another claim against the same companies was brought by a claim vehicle »Stichting Ethylene Claims« before the court of Amsterdam, seeking declaratory judgment of liability of the defendants for the same anticompetitive conduct. In 2025, BASF and TotalEnergies brought claims for damages before the court of Munich and Amsterdam respectively, against the same companies and in relation to the same matter. Clariant firmly rejects the allegations and will defend its positions in all proceedings. At this time, Clariant cannot assess if these legal proceedings will have a material impact on Clariant's financial results.

12. Shares for members of the Board of Directors and the Executive Steering Committee

	Number of shares granted	Value of shares granted in CHF	Number of shares granted	Value of shares granted in CHF
	for 2024	for 2024	for 2023	for 2023
Board of Directors	117 862	1 320 056	85 058	1 320 102
Executive Steering Committee	307 307	3 534 032	236 482	3 507 029

No options were granted to members of the Board of Directors or Executive Steering Committee for the years 2024 and 2023, nor did any members hold any options in those years.

13. Significant shareholdings of 3 % or more of total share capital

Based on the notifications received by Clariant and published by SIX Exchange Regulation, the following shareholders held more than 3% of voting rights in Clariant Ltd:

Shareholders	Voting rights 31.12.2024
SABIC International Holdings B.V., Sittard, The Netherlands, controlled by Saudi Arabian Oil Company, Saudi Aramco, P.O. Box 5000, Dhahran 31311, Kingdom of Saudi Arabia	31.50 %
Blue Beteiligungsgesellschaft mbH, Am Holzmaierfeld, 82064 Strasslach-Dingharting, Germany, and Maple Beteiligungsgesellschaft mbH, Am Holzmaierfeld, 82057 Icking, Germany, and NOWI Beteiligungsgesellschaft mbH, 82064 Strasslach-Dingharting, Germany ¹	5.16 %
UBS Fund Management (Switzerland) AG, Basel, Switzerland	5.01 %
BlackRock Inc., New York, United States	3.80 %

¹ According to a disclosure notification published on 18 December 2018, a group consisting of Konstantin Winterstein, 80333 Munich, Germany, and Elisabeth Prinzessin zu Sayn-Wittgenstein, 80333 Munich, Germany, was formed.

Shareholders	Voting rights 31.12.2023
SABIC International Holdings B.V., Sittard, The Netherlands, controlled by Saudi Arabian Oil Company, Saudi Aramco, P.O. Box 5000, Dhahran 31311, Kingdom of Saudi Arabia	31.50 %
BlackRock Inc., New York, United States	3.80 %
Blue Beteiligungsgesellschaft mbH, Am Holzmaierfeld, 82064 Strasslach-Dingharting, Germany, and Maple Beteiligungsgesellschaft mbH, Am Holzmaierfeld, 82057 Icking, Germany ¹	3.49 %
Standard Latitude Master Fund Ltd, Cayman Islands, controlled by David Winter, New York, USA, and David Millstone, Aspen, USA	3.05 %

¹ According to a disclosure notification published on 18 December 2018, a group consisting of Konstantin Winterstein, 80333 Munich, Germany, and Elisabeth Prinzessin zu Sayn-Wittgenstein, 80333 Munich, Germany, was formed.

Disclosure notifications during the 2024 financial year reported to the Stock Exchange Disclosure Office pursuant to Art. 120 of the Financial Markets Infrastructure Act (FMIA) as well as further information in relation to disclosure notifications can be found on the SIX Swiss Exchange reporting platform: www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html

14. Events subsequent to the balance sheet date

On 9 January 2025, BASF brought a claim for damages before the court against four companies, including Clariant. See → **note 11**, Contingent liabilities, for further information.

On 25 February 2025, TotalEnergies brought a claim for damages before the court against four companies, including Clariant. See → **note 11**, Contingent liabilities, for further information.

Appropriation of results

The Board of Directors proposes to appropriate the profit of 2024 of Clariant Ltd in the amount of CHF 172 million as follows:

Available earnings	in CHF m
Carried forward from previous year	-
Profit for the year 2024	172
Total available earnings	172
Appropriation	
Voluntary retained earnings as of 31 December 2024	1 249
Transfer to voluntary retained earnings	172
Voluntary retained earnings as of 1 January 2025	1 421
Balance to be carried forward	-

Proposed distribution through capital reduction by way of a par value reduction.

The Board of Directors proposes (in place of an ordinary dividend) a distribution through capital reduction by way of a par value reduction of CHF 0.42 per registered share, as a result of a reduction of the par value from CHF 1.76 to CHF 1.34 per registered share.

The proposed payout would reduce the share capital by CHF 139 million. The proposed payout of the par value reduction of CHF 0.42 is subject to approval by the ordinary General Meeting of shareholders and subject to the fulfillment of the necessary requirements and the entry of the share capital reduction in the Commercial Register of the Canton of Baselland.

If approved by the Annual General Meeting the payment will be made as soon as practicable, following the expiry of the one-month period pursuant to Article 653k of the Swiss Code of Obligations and the subsequent registration of the share capital reduction in the Commercial Register.

Report of the Statutory Auditor



Clariant Ltd, MuttENZ

**Statutory Auditor's Report
to the General Meeting on the
Financial Statements 2024**



Statutory Auditor's Report

To the General Meeting of Clariant Ltd, MuttENZ

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Clariant Ltd (the Company), which comprise the balance sheet as at 31 December 2024, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters



VALUATION OF SHAREHOLDINGS IN AND LOANS TO GROUP COMPANIES

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



VALUATION OF SHAREHOLDINGS IN AND LOANS TO GROUP COMPANIES

Key Audit Matter

The Company holds shareholdings in and loans to group companies that represent 94% of the total assets of its financial statements.

Participations and group company loans are valued at a maximum of the acquisition costs less necessary value adjustments, taking into account the general principle of individual valuation. Participations and group company loans are subject to annual impairment trigger testing.

Accordingly, management performs regular impairment assessments to determine the value of the shareholdings in and loans to group companies. The shareholdings and loans outstanding were considered significant due to their materiality in the context of the financial statements as a whole.

Our response

Our audit procedures included the following:

- We inspected the underlying agreements and other forms of documentation to verify the cost of the investments and agree to the general ledger.
- We assessed whether additional costs pertaining to these investments should be capitalized or expensed through our critical review of the supporting documentation available and inquiries performed.
- We assessed the impairment testing result by calculating an independent recoverable amount to compare with managements conclusion whether an impairment is needed. For impairments recognized, we verified and recalculated the amount needed and traced it to the accounting records.
- We further perform procedures over the dividend income by vouching to supporting documentation and other forms of evidence.

In addition, we validated the appropriateness and completeness of the related disclosures in the stand-alone financial statements.

For further information on VALUATION OF SHAREHOLDINGS IN AND LOANS TO GROUP COMPANIES refer to the following:

Note 2: Significant accounting policies

Note 4: Shareholdings in group companies



Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the Company, the compensation report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.



- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposal of the Board of Directors complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

Martin Rohrbach
Licensed Audit Expert
Auditor in Charge

Cyrill Kaufmann
Licensed Audit Expert

Basel, 27 February 2025

KPMG AG, Grosspeteranlage 5, CH-4052 Basel

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Forward-Looking Statements

Forward-looking statements contained herein are qualified in their entirety, as there are certain factors that could cause results to differ materially from those anticipated. Investors are cautioned that all forward-looking statements involve risks and uncertainty. In addition to the factors discussed above, among the factors that could cause actual results to differ materially are the following: the timing and strength of new product offerings; pricing strategies of

competitors; the company's ability to continue to receive adequate products from its vendors on acceptable terms, or at all, and to continue to obtain sufficient financing to meet its liquidity needs; and changes in the political, social, and regulatory framework in which the company operates or in economic or technological trends or conditions, including currency fluctuations, inflation, and consumer confidence, on a global, regional, or national basis.

Alternative Performance Measures (unaudited)

The following financial measurements are supplementary financial indicators. They should be considered in addition to, not as a substitute for, operating income, net income, operating cash flow, and other measures of financial performance and liquidity reported in accordance with International Financial Reporting Standards (IFRS).

EBITDA

- Earnings Before Interest, Taxes, Depreciation, and Amortization is calculated as operating income plus depreciation of PPE, impairment, depreciation of right-of-use assets, and amortization of intangible assets, and can be reconciled from the Consolidated Financial Statements as follows:

EBITDA (CONTINUING)

in CHF m	2024	2023
Operating income	440	282
+ Depreciation of PPE	165	165
+ Impairment	-30	89
+ Depreciation of right-of-use assets	46	51
+ Amortization of intangible assets	36	20
EBITDA	657	607

EBITDA before exceptional items

- is calculated as EBITDA plus expenses for restructuring, impairment, transaction-related, and other exceptional items, less impairment and gain on disposals.

EBITDA BEFORE EXCEPTIONAL ITEMS (CONTINUING)

in CHF m	2024	2023
EBITDA	657	607
+ Restructuring, impairment, transaction-related, and other exceptional items ^{1, 2}	-24	183
- Impairment (reported under restructuring, impairment, transaction-related, and other exceptional items)	30	-89
- Gain from the disposal of activities not qualifying as discontinued operations ²	-	-60
EBITDA before exceptional items	663	641

Operating income before exceptional items

- is calculated as operating income plus restructuring, impairment, transaction-related, and other exceptional items and gain on disposals.

OPERATING INCOME BEFORE EXCEPTIONAL ITEMS (CONTINUING)

in CHF m	2024	2023
Operating income	440	282
+ Restructuring, impairment, transaction-related, and other exceptional items ^{1,2}	-24	183
- Gain from the disposal of activities not qualifying as discontinued operations ³	-	-60
Operating income before exceptional items	416	405

¹ Restructuring, impairment, transaction-related, and other exceptional items for 2024: CHF 24 million income (2023: CHF 183 million expense), of which: Cost of goods sold: CHF 32 million income (2023: CHF 91 million expense); Selling, general, and administrative costs: CHF 10 million (2023: CHF 70 million); Research and development costs: CHF 2 million income (2023: CHF 22 million expense)

² Other exceptional items refer to material incidental costs or income resulting from an event outside the normal course of business.

³ Gain from the disposal of activities not qualifying as discontinued operations reported under »Selling, general, and administrative costs«

Return on invested capital

- is calculated by dividing Net Operating Profit Less Adjusted Taxes (NOPLAT) after exceptional items by the average net capital employed. NOPLAT is calculated by adjusting the reported operating result by the expected tax rate. Net capital employed also considers assumed operating cash and reported lease liabilities.

RETURN ON INVESTED CAPITAL (CONTINUING)

in CHF m	31.12.2024	31.12.2023
Operating income	440	282
- Adjusted by the expected tax rate (26 %)	-114	-73
Net operating profit less adjusted taxes	326	209
Total equity	2 508	2 180
- Cash, cash equivalents, and short-term deposits	-395	-593
- Assets held for sale	-12	-1
+ Current and non-current financial debts	1 692	1 098
+ Current and non-current lease liabilities	192	251
+ Operating cash (2 % of sales)	83	88
Net invested capital	4 068	3 023
Average net invested capital	3 546	3 171
Return on invested capital	9.2 %	6.6 %

Net debt

- is the sum of current and non-current financial debt less cash and cash equivalents, short-term deposits, and financial derivatives with positive fair values.

NET DEBT

in CHF m	31.12.2024	31.12.2023
Non-current financial debt	1 422	765
+ Lease liabilities	192	251
+ Current financial debt	270	333
- Cash and cash equivalents	-388	-488
- Short-term deposits	-7	-105
- Financial instruments with positive fair values	-	-1
Net debt	1 489	755

Indices

Introduction

Clariant reports in accordance with internationally recognized frameworks to create transparency and comparability. For 17 years, Clariant's reporting has been based on the Global Reporting Initiative (GRI). Since 2013, Clariant has committed to the United Nations Global Compacts (UNGC) and reports annually on its contribution to the 10 principles. Clariant's Management Report

also complies with the new non-financial reporting requirements of Art. 964b of the Swiss Code of Obligations. Additionally, the company publishes information on climate risks in line with the Task Force on Climate-related Financial Disclosures (TCFD). Clariant also reports in accordance with the guidelines of the Sustainability Accounting Standards Board (SASB).

Disclosures in accordance with Art. 964b Swiss Code of Obligations

✓ I Disclosures assured by KPMG

Art. 964b content requirement	Section
General information required to understand our business	→ Foundation of the Business
	→ Organizational structure
	→ Executive Steering Committee and Executive Leadership Team
Description of the business model	→ Long-term value for all stakeholders
Materiality Assessment	→ Materiality Assessment
Sustainability Management	→ General Disclosures
Energy	→ Climate Change
Environmental matters (incl. CO ₂ goals)	→ Climate Change
	→ Water
	→ Substances of Concern and Product Stewardship
	→ Biodiversity and Bio-Based Economy
Social issues	→ Sustainable Innovation and Technological Advances
Employee-related issues	→ Own Workforce
Respect for human rights	→ Own Workforce
Combating corruption	→ Business Conduct

Global Reporting Initiative Content Index

GRI Content Index

Reporting according to the Global Reporting Initiative (GRI) is integral to Clariant's Integrated Report 2024, providing comprehensive insights into sustainable value creation. For each material topic — as presented in the → **materiality matrix** — Clariant outlines a management approach according to the GRI Standards as well as the corresponding topic-specific GRI disclosures.

Statement of use: Clariant has reported in accordance with the GRI standards for the period of 1 January to 31 December 2024.

GRI 1: Foundation 2021

Disclosures	Location	Omission			External Assurance
		Requirement(s) Omitted	Reason	Explanation	
General disclosures					
GRI 2: General Disclosures 2021					
2-1 Organizational details	→ Publication Details → Clariant Locations				
2-2 Entities included in the organization's sustainability reporting	→ 25. Segment Information → 35. Important Subsidiaries				
2-3 Reporting period, frequency, and contact point	Annual, 1 January-31 December 2024, Point of contact for the Integrated Report: Bettina Siggelkow, → bettina.siggelkow@clariant.com				
2-4 Restatements of information	Any restatement of previously reported data is explained in a footnote under the respective disclosure.				
2-5 External assurance	→ Independent Limited Assurance Report				
2-6 Activities, value chain, and other business relationships	→ Core processes for value creation → ESRS S2: Workers in the Value Chain				
2-7 Employees	→ S1 Chapter I: Valuing Employees				
2-8 Workers who are not employees	→ S1 Chapter II: Health and Safety				
2-9 Governance structure and composition	→ Principles of Corporate Governance				
2-10 Nomination and selection of the highest governance body	→ Internal Organizational Structure				
2-11 Chair of the highest governance body	→ Günter von Au				
2-12 Role of the highest governance body in overseeing the management of impacts	→ Internal Organizational Structure				
2-13 Delegation of responsibility for managing impacts	→ Internal Organizational Structure				
2-14 Role of the highest governance body in sustainability reporting	→ Internal Organizational Structure				
2-15 Conflicts of interest	→ ESRS G1: Business Conduct				
2-16 Communication of critical concerns	→ ESRS G1: Business Conduct				

Disclosures	Location	Omission			External Assurance
		Requirement(s) Omitted	Reason	Explanation	
2-17 Collective knowledge of the highest governance body	→ Board of Directors				
2-18 Evaluation of the performance of the highest governance body	→ Internal Organizational Structure				
2-19 Remuneration policies	→ Compensation Principles and Structures → S1 Chapter IV: Diversity, Equity, and Inclusion				
2-20 Process to determine remuneration	→ Compensation Principles and Structures				
2-21 Annual total compensation ratio	→ Executive Steering Committee Compensation and Share Ownership 2024				
2-22 Statement on sustainable development strategy	→ Interview with the CEO				
2-23 Policy commitments	→ ESRS G1: Business Conduct				
2-24 Embedding policy commitments	→ A Purpose-Led Strategy				
2-25 Processes to remediate negative impacts	→ ESRS S2: Workers in the Value Chain				
2-26 Mechanisms for seeking advice and raising concerns	→ ESRS G1: Business Conduct				
2-27 Compliance with laws and regulations	→ ESRS G1: Business Conduct → ESRS E2: Substances of Concern and Product Stewardship				
2-28 Membership associations	→ Sustainable Innovation and Technological Advances → S1 Chapter IV: Diversity, Equity, and Inclusion → ESRS E1: Climate Change → ESRS E5: Circular Economy				
2-29 Approach to stakeholder engagement	→ A Purpose-Led Strategy				
2-30 Collective bargaining agreements	→ S1 Chapter I: Valuing Employees				
Material topics					
GRI 3: Material Topics 2021					
3-1 Process to determine material topics	→ ESRS 2: General Disclosures				→ KPMG CH
3-2 List of material topics	→ ESRS 2: General Disclosures				→ KPMG CH
Economic performance					
GRI 3: Material Topics 2021					
3-3 Management of material topics	→ ESRS 2: General Disclosures				
GRI 201: Economic Performance 2016					
201-1 Direct economic value generated and distributed	→ Long-term value for all stakeholders				
201-2 Financial implications and other risks and opportunities due to climate change	→ ESRS E1: Climate Change				
201-3 Defined-benefit plan obligations and other retirement plans	→ 22. Post-employment benefits				

Disclosures	Location	Omission		External Assurance
		Requirement(s) Omitted	Reason	
Market presence				
GRI 3: Material Topics 2021				
3-3 Management of material topics	→ S1 Chapter IV: Diversity, Equity, and Inclusion			
GRI 202: Market Presence 2016				
202-2 Proportion of senior management hired from the local community	→ S1 Chapter IV: Diversity, Equity, and Inclusion			→ KPMG CH
Procurement practices				
GRI 3: Material Topics 2021				
3-3 Management of material topics	→ ESRS S2: Workers in the Value Chain			
GRI 204: Procurement Practices 2016				
204-1 Proportion of spending on local suppliers	→ ESRS S2: Workers in the Value Chain			→ KPMG CH
Anti-corruption				
GRI 3: Material Topics 2021				
3-3 Management of material topics	→ ESRS G1: Business Conduct			
GRI 205: Anti-corruption 2016				
205-1 Operations assessed for risks related to corruption	→ ESRS G1: Business Conduct			→ KPMG CH
205-2 Communication and training about anti-corruption policies and procedures	→ ESRS G1: Business Conduct			
205-3 Confirmed incidents of corruption and actions taken	→ ESRS G1: Business Conduct			
Anti-competitive behavior				
GRI 3: Material Topics 2021				
3-3 Management of material topics	→ ESRS G1: Business Conduct			
GRI 206: Anti-competitive Behavior 2016				
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	→ ESRS G1: Business Conduct			→ KPMG CH
Tax				
GRI 3: Material Topics 2021				
3-3 Management of material topics	→ 10. Taxes			
GRI 207: Tax 2019				
207-1 Approach to tax	→ 10. Taxes			
207-2 Tax governance, control, and risk management	→ 10. Taxes			
207-3 Stakeholder engagement and management of concerns related to tax	→ 10. Taxes			

Disclosures	Location	Omission			External Assurance
		Requirement(s) Omitted	Reason	Explanation	
Materials					
GRI 3: Material Topics 2021					
3-3 Management of material topics	→ ESRS E5: Circular Economy				
GRI 301: Materials 2016					
301-1 Materials used by weight or volume	→ ESRS E5: Circular Economy				→ KPMG CH
301-3 Reclaimed products, and their packaging materials	→ ESRS E5: Circular Economy				
Energy					
GRI 3: Material Topics 2021					
3-3 Management of material topics	→ ESRS E1: Climate Change				
GRI 302: Energy 2016					
302-1 Energy consumption within the organization	→ ESRS E1: Climate Change				→ KPMG CH
302-2 Energy consumption outside of the organization	→ ESRS E1: Climate Change				
302-3 Energy intensity	→ ESRS E1: Climate Change				→ KPMG CH
302-4 Reduction of energy consumption	→ ESRS E1: Climate Change				
302-5 Reductions in energy requirements of products and services	→ ESRS E1: Climate Change				
Water and effluents					
GRI 3: Material Topics 2021					
3-3 Management of material topics	→ ESRS E3: Water				
GRI 303: Water and Effluents 2018					
303-1 Interactions with water as a shared resource	→ ESRS E3: Water				
303-2 Management of water discharge-related impacts	→ ESRS E3: Water				
303-3 Water withdrawal	→ ESRS E3: Water	303-3 b) breakdown of the total withdrawal from areas with water stress	Information unavailable/incomplete	Data not available	→ KPMG CH
303-4 Water discharge	→ ESRS E3: Water	303-4 c) breakdown of the total water discharge to areas with water stress	Information unavailable/incomplete	Data not available	→ KPMG CH
303-5 Water consumption	→ ESRS E3: Water				

Disclosures	Location	Omission			External Assurance
		Requirement(s) Omitted	Reason	Explanation	
Biodiversity					
GRI 3: Material Topics 2021					
3-3 Management of material topics	→ ESRS E4: Biodiversity and Bio-Based Economy				
GRI 304: Biodiversity 2016					
304-2 Significant impacts of activities, products and services on biodiversity	→ ESRS E4: Biodiversity and Bio-Based Economy				
Emissions					
GRI 3: Material Topics 2021					
3-3 Management of material topics	→ ESRS E1: Climate Change				
GRI 305: Emissions 2016					
305-1 Direct (Scope 1) GHG emissions	→ ESRS E1: Climate Change				→ KPMG CH
305-2 Energy indirect (Scope 2) GHG emissions	→ ESRS E1: Climate Change				→ KPMG CH
305-3 Other indirect (Scope 3) GHG emissions	→ ESRS E1: Climate Change				→ KPMG CH
305-4 GHG emissions intensity	→ ESRS E1: Climate Change				→ KPMG CH
305-5 Reduction of GHG emissions	→ ESRS E1: Climate Change				→ KPMG CH
305-6 Emissions of ozone-depleting substances (ODS)	→ ESRS E1: Climate Change				→ KPMG CH
305-7 Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	→ ESRS E1: Climate Change				→ KPMG CH
Waste					
GRI 3: Material Topics 2021					
3-3 Management of material topics	→ ESRS E5: Circular Economy				
GRI 306: Waste 2020					
306-1 Waste generation and significant waste-related impacts	→ ESRS E5: Circular Economy				
306-2 Management of significant waste-related impacts	→ ESRS E5: Circular Economy				
306-3 Waste generated	→ ESRS E5: Circular Economy				→ KPMG CH
306-4 Waste diverted from disposal	→ ESRS E5: Circular Economy				→ KPMG CH
306-5 Waste directed to disposal	→ ESRS E5: Circular Economy				→ KPMG CH

Disclosures	Location	Omission			External Assurance
		Requirement(s) Omitted	Reason	Explanation	
Supplier environmental assessment					
GRI 3: Material Topics 2021					
3-3 Management of material topics	→ ESRS S2: Workers in the Value Chain				
GRI 308: Supplier Environmental Assessment 2016					
308-1 New suppliers that were screened using environmental criteria	→ ESRS S2: Workers in the Value Chain				
308-2 Negative environmental impacts in the supply chain and actions taken	→ ESRS S2: Workers in the Value Chain				→ KPMG CH
Employment					
GRI 3: Material Topics 2021					
3-3 Management of material topics	→ S1 Chapter I: Valuing Employees				
GRI 401: Employment 2016					
401-1 New employee hires and employee turnover	→ S1 Chapter I: Valuing Employees				→ KPMG CH
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	→ S1 Chapter I: Valuing Employees				
401-3 Parental leave	→ S1 Chapter I: Valuing Employees				→ KPMG CH
Labor/management relations					
GRI 3: Material Topics 2021					
3-3 Management of material topics	→ S1 Chapter I: Valuing Employees				
GRI 402: Labor/Management Relations 2016					
402-1 Minimum notice periods regarding operational changes	→ S1 Chapter I: Valuing Employees	402-1 b) No mention in the collective bargaining agreements	Information unavailable/incomplete	Data not available	
Occupational Health and Safety					
GRI 3: Material Topics 2021					
3-3 Management of material topics	→ S1 Chapter II: Health and Safety				
GRI 403: Occupational Health and Safety 2018					
403-1 Occupational health and safety management system	→ S1 Chapter II: Health and Safety				
403-2 Hazard identification, risk assessment, and incident investigation	→ S1 Chapter II: Health and Safety				
403-3 Occupational health services	→ S1 Chapter II: Health and Safety				
403-4 Worker participation, consultation, and communication on occupational health and safety	→ S1 Chapter II: Health and Safety				
403-5 Worker training on occupational health and safety	→ S1 Chapter II: Health and Safety				
403-6 Promotion of worker health	→ S1 Chapter II: Health and Safety				

Disclosures	Location	Omission			External Assurance
		Requirement(s) Omitted	Reason	Explanation	
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	→ S1 Chapter II: Health and Safety				
403-8 Workers covered by an occupational health and safety management system	→ S1 Chapter II: Health and Safety				→ KPMG CH
403-9 Work-related injuries	→ S1 Chapter II: Health and Safety				→ KPMG CH
403-10 Work-related ill health	→ S1 Chapter II: Health and Safety	403-10 a) iii. main types of work-related ill health; b) ii. number of cases of recordable work-related ill health; iii. main types of work-related ill health	Information unavailable/incomplete (b ii. only aggregated for employees and supervised workers)	Data not available	→ KPMG CH
Training and education					
GRI 3: Material Topics 2021					
3-3 Management of material topics	→ S1 Chapter I: Valuing Employees				
GRI 404: Training and Education 2016					
404-1 Average hours of training per year per employee	→ S1 Chapter I: Valuing Employees				→ KPMG CH
404-2 Programs for upgrading employee skills and transition assistance programs	→ S1 Chapter I: Valuing Employees				
404-3 Percentage of employees receiving regular performance and career development reviews	→ S1 Chapter I: Valuing Employees				→ KPMG CH
Diversity and equal opportunity					
GRI 3: Material Topics 2021					
3-3 Management of material topics	→ S1 Chapter IV: Diversity, Equity, and Inclusion				
GRI 405: Diversity and Equal Opportunity 2016					
405-1 Diversity of governance bodies and employees	→ S1 Chapter IV: Diversity, Equity, and Inclusion				→ KPMG CH
405-2 Ratio of basic salary and remuneration of women to men	→ S1 Chapter IV: Diversity, Equity, and Inclusion				
Non-discrimination					
GRI 3: Material Topics 2021					
3-3 Management of material topics	→ S1 Chapter IV: Diversity, Equity, and Inclusion				
GRI 406: Non-discrimination 2016					
406-1 Incidents of discrimination and corrective actions taken	→ S1 Chapter IV: Diversity, Equity, and Inclusion				

Disclosures	Location	Omission		External Assurance
		Requirement(s) Omitted	Reason	
Freedom of association and collective bargaining				
GRI 3: Material Topics 2021				
3-3 Management of material topics	→ S1 Chapter I: Valuing Employees			
GRI 407: Freedom of Association and Collective Bargaining 2016				
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	→ S1 Chapter I: Valuing Employees			
Child labor				
GRI 3: Material Topics 2021				
3-3 Management of material topics	→ ESRS S2: Workers in the Value Chain			
GRI 408: Child Labor 2016				
408-1 Operations and suppliers at significant risk for incidents of child labor	→ ESRS S2: Workers in the Value Chain			
Forced or compulsory labor				
GRI 3: Material Topics 2021				
3-3 Management of material topics	→ ESRS S2: Workers in the Value Chain			
GRI 409: Forced or Compulsory Labor 2016				
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	→ ESRS S2: Workers in the Value Chain			
Supplier social assessment				
GRI 3: Material Topics 2021				
3-3 Management of material topics	→ ESRS S2: Workers in the Value Chain			
GRI 414: Supplier Social Assessment 2016				
414-1 New suppliers that were screened using social criteria	→ ESRS S2: Workers in the Value Chain			
414-2 Negative social impacts in the supply chain and actions taken	→ ESRS S2: Workers in the Value Chain			→ KPMG CH
Customer health and safety				
GRI 3: Material Topics 2021				
3-3 Management of material topics	→ ESRS E2: Substances of Concern and Product Stewardship			
GRI 416: Customer Health and Safety 2016				
416-1 Assessment of the health and safety impacts of product and service categories	→ ESRS 2: General Disclosures			
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	→ ESRS E2: Substances of Concern and Product Stewardship			→ KPMG CH
Marketing and labeling				
GRI 3: Material Topics 2021				
3-3 Management of material topics	→ ESRS E2: Substances of Concern and Product Stewardship			
GRI 417: Marketing and Labeling 2016				
417-1 Requirements for product and service information and labeling	→ ESRS E2: Substances of Concern and Product Stewardship			
417-2 Incidents of non-compliance concerning product and service information and labeling	→ ESRS E2: Substances of Concern and Product Stewardship			→ KPMG CH
417-3 Incidents of non-compliance concerning marketing communications	→ ESRS E2: Substances of Concern and Product Stewardship			→ KPMG CH
Customer privacy				
GRI 3: Material Topics 2021				
3-3 Management of material topics	→ ESRS S4: Customer Relationships and Dialogue			
GRI 418: Customer Privacy 2016				
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	→ ESRS S4: Customer Relationships and Dialogue			→ KPMG CH

Clariant-KPIs

Overview of KPI tables disclosed in Clariant's management report based on GRI or internally developed criteria – all assured by KPMG CH

KPI-Table	Section
Planet overview	→ ESRS 2: General Disclosures
Material impacts, risks and opportunities (IROs)	→ ESRS 2: General Disclosures
Sustainability portfolio classification	→ ESRS 2: General Disclosures
Material impacts, risks and opportunities (IROs) Related to climate change: IRO-1	→ ESRS E1: Climate Change
List of sites with highest risk exposure, based on assessment with MunichRe software and IPCC data	→ ESRS E1: Climate Change
Energy consumption	→ ESRS E1: Climate Change
GHG emissions disaggregated by scope 1, 2, and significant scope 3	→ ESRS E1: Climate Change
GHG scope 1 and 2 emissions breakdown	→ ESRS E1: Climate Change
Significant air emissions	→ ESRS E1: Climate Change
Material impacts, risks and opportunities (IROs) Related to pollution of water: IRO-1	→ ESRS E2: Pollution of Water
Wastewater discharge	→ ESRS E2: Pollution of Water
Material Impacts, Risks And Opportunities (IROs) Related to substances of concern and product stewardship: IRO-1	→ ESRS E2: Substances of Concern and Product Stewardship
Material impacts, risks and opportunities (IROs) Related to microplastics: IRO-1	→ ESRS E2: Microplastics
Material impacts, risks and opportunities (IROs) Related to water: IRO-1	→ ESRS E3: Water
Water withdrawal and intake	→ ESRS E3: Water
Material impacts, risks and opportunities (IROs) Related to biodiversity and bio-based economy: IRO-1	→ ESRS E4: Biodiversity and Bio-Based Economy
Material impacts, risks and opportunities (IROs) Related to sustainable innovation and technological advances: IRO-1	→ Sustainable Innovation and Technological Advances
Material impacts, risks and opportunities (IROs) Regarding resource use and circular economy: IRO-1	→ ESRS E5: Circular Economy
Materials used by weight or volume	→ ESRS E5: Circular Economy
Waste by type and disposal method	→ ESRS E5: Circular Economy
Material impacts, risks and opportunities (IROs) Related to own workforce: IRO-1	→ ESRS S1: Own Workforce
S1-6 – Characteristics of the undertaking's employees	→ S1 Chapter I: Valuing Employees
S1-6 – Further detailed breakdown by gender and by region	→ S1 Chapter I: Valuing Employees
S1-13 – Training and skills development metrics	→ S1 Chapter I: Valuing Employees
Employee breakdown by gender and region	→ S1 Chapter I: Valuing Employees
Employees receiving regular performance and career development	→ S1 Chapter I: Valuing Employees
Training hours	→ S1 Chapter I: Valuing Employees
New employee hires and employee turnover (GRI 401-1, ESRS S1-6)	→ S1 Chapter I: Valuing Employees
Parental leave	→ S1 Chapter I: Valuing Employees
People overview	→ S1 Chapter I: Valuing Employees
Employees covered by an occupational health and safety management system	→ S1 Chapter II: Health and Safety
Work-related injuries	→ S1 Chapter II: Health and Safety
Occupational accidents	→ S1 Chapter II: Health and Safety

Sustainability Accounting Standards Board Index

SASB Index

The Sustainability Accounting Standards Board (SASB) provides 77 Industry Standards to guide the disclosure of financially material sustainability information. By publishing a SASB Index in alignment with the Chemicals Standard, Clariant reports for the third time on the predefined material topics and their associated metrics for the typical company in an industry.

Topic	Accounting Metric	Code	References to chapters and sections of Clariant's Integrated Reporting 2024	Comments or references to further publicly available information
Greenhouse Gas Emission	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	RT-CH-110a.1	→ ESRS E1: Climate Change	1.4% of gross global Scope 1 emissions are covered under emissions-limiting regulations.
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	RT-CH-110a.2	→ ESRS E1: Climate Change	
Air Quality	Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O), (2) SO _x , (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)	RT-CH-120a.1	→ ESRS E1: Climate Change → ESRS E1: Climate Change → ESRS E1: Climate Change	No reporting of HAPs.
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	RT-CH-130a.1	→ ESRS E1: Climate Change	No reporting of total self-generated energy.
Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	RT-CH-140a.1	→ ESRS E3: Water	
	Number of incidents of noncompliance associated with water quality permits, standards, and regulations	RT-CH-140a.2	→ ESRS E3: Water	
	Description of water management risks and discussion of strategies and practices to mitigate those risks	RT-CH-140a.3	→ ESRS E3: Water	
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	RT-CH-150a.1	→ ESRS E5: Circular Economy	
Community Relations	Discussion of engagement processes to manage risks and opportunities associated with community interests	RT-CH-210a.1	→ ESRS E4: Biodiversity and Bio-Based Economy	
Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	RT-CH-320a.1	→ S1 Chapter II: Health and Safety	
	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	RT-CH-320a.2	→ S1 Chapter II: Health and Safety	
Product Design for Use-phase Efficiency	Revenue from products designed for use-phase resource efficiency	RT-CH-410a.1		Revenue not reported.
Safety & Environmental Stewardship of Chemicals	(1) Percentage of products that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, (2) percentage of such products that have undergone a hazard assessment	RT-CH-410b.1		(1) Not reported (2) 100 %
	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	RT-CH-410b.2	→ ESRS E2: Substances of Concern and Product Stewardship → Sustainable Innovation and Technological Advances	
Genetically Modified Organisms	Percentage of products by revenue that contain genetically modified organisms (GMOs)	RT-CH-410c.1	→ ESRS E2: Substances of Concern and Product Stewardship	
Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	RT-CH-530a.1	→ ESRS G1: Business Conduct → S1 Chapter III: Human Rights → ESRS E1: Climate Change → Financial risk management	
Operational Safety, Emergency Preparedness & Response	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)	RT-CH-540a.1	→ S1: Chapter II: Health and Safety	
	Number of transport incidents	RT-CH-540a.2		In 2023, there were no transport incidents.
Activity Metric	Production by reportable segment	RT-CH-000.A	→ Table Business Model → Business Unit Care Chemicals → Business Unit Catalysts → Business Unit Adsorbents & Additives	

United Nations Global Compact Index

UNGC Index

Clariant has been a member of the United Nations Global Compact (UNGC) since 2013 and reports on its contribution to the ten principles of the Global Compact in this Communication on Progress (COP).

Topic	Principles	References to chapters and sections of Clariant's Integrated Reporting 2024
Human Rights	1: Businesses should support and respect the protection of internationally proclaimed human rights; and	→ Human Rights → Workers in the Value Chain → Biodiversity and Bio-Based Economy
	2: make sure that they are not complicit in human rights abuses.	→ Human Rights
Labor	3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	→ Human Rights
	4: the elimination of all forms of forced and compulsory labor;	→ Human Rights
	5: the effective abolition of child labor; and	→ Human Rights
	6: the elimination of discrimination in respect of employment and occupation.	→ Diversity, Equity, and Inclusion → Human Rights
Environment	7: Businesses should support a precautionary approach to environmental challenges;	→ Climate Change → General Disclosures
	8: undertake initiatives to promote greater environmental responsibility; and	→ Corporate programs of resource efficiency and environmental protection
	9: encourage the development and diffusion of environmentally friendly technologies.	→ Biodiversity and Bio-Based Economy → Circular Economy → Substances of Concern and Product Stewardship
Anti-Corruption	10: Businesses should work against corruption in all its forms, including extortion and bribery.	→ Business Conduct

ESRS Disclosure Requirement Index

ESRS Content Index

Clariant is not legally required to report under the European Sustainability Reporting Standards (ESRS) for the 2024 financial year, but has voluntarily adopted these standards in its 2024 sustainability report. This index shows where to find the ESRS Disclosure Requirements (DRs) material for Clariant. Please note

that some DRs were omitted from the 2024 report. KPMG has provided assurance for the selected standards indicated in the external assurance column. Additionally, certain key DRs and data points will only be reported from 2025 onward.

Disclosures	Location	Omission			External Assurance
		Requirement(s) Omitted	Reason	Explanation	
General disclosures					
ESRS 2: General Disclosures					
BP-1 – General basis for preparation of sustainability statements	→ General basis for preparation of sustainability statements				
BP-2 – Disclosures in relation to specific circumstances	→ Disclosures in relation to specific circumstances				
GOV-1 – The role of the administrative, management and supervisory bodies	→ The role of the administrative, management and supervisory bodies				
GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	→ Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory board				
GOV-3 – Integration of sustainability-related performance in incentive schemes	→ Integration of sustainability-related performance in incentive schemes				
GOV-5 – Risk management and internal controls over sustainability reporting strategy	→ Risk management and internal controls over sustainability reporting strategy				
SBM-1 – Strategy, business model and value chain	→ Strategy, business model and value chain				
SBM-2 – Interests and views of stakeholders	→ Interests and views of stakeholders				
SBM-3 – Material impacts, risks and opportunities (IROs) and their interaction with strategy and business model	→ Material impacts, risks and opportunities (IROs) and their interaction with strategy and business model				
ESRS 2-IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	→ Description of the processes to identify and assess material impacts, risks and opportunities				
IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement	→ Disclosure Requirement Index				
Climate Change					
E-1: Climate Change					
EI-1 – Transition plan for climate change mitigation	→ Transition plan for climate change mitigation				
ESRS 2 SBM-3-EI – Material impacts, risks and opportunities and their interaction with strategy and business model	→ Material impacts, risks and opportunities and their interaction with strategy and business model				
ESRS 2 IRO-1-EI – Description of the processes to identify and assess material climate-related impacts, risks and opportunities	→ Description of the processes to identify and assess material climate-related impacts, risks and opportunities				
EI-2 – Policies related to climate change mitigation and adaptation	→ Policies related to climate change mitigation and adaptation				
EI-3 – Actions and resources in relation to climate change policies	→ Actions and resources in relation to climate change policies				
EI-4 – Targets related to climate change mitigation and adaptation	→ Targets related to climate change mitigation and adaptation				
EI-5 – Energy consumption and mix	→ Energy consumption and mix				→ KPMG CH
EI-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	→ Gross Scopes 1, 2, and 3 (total GHG emissions)				→ KPMG CH
E-7 – GHG removals and GHG mitigation projects financed through carbon credits	→ GHG removals and GHG mitigation projects financed through carbon credits				
EI-8 – Internal carbon pricing	→ Internal carbon pricing				
EI-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	→ Material physical and transition risks and potential climate-related opportunities and the related anticipated financial effects (partly EI-9, TCFD)				

Disclosures	Location	Omission		External Assurance
		Requirement(s) Omitted	Reason	
Pollution				
E2: Pollution				
ESRS 2 IRO-1-E2 – Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	→ Impacts, risks, and opportunities (IROs) related to pollution of water: IRO-1 → ESRS E2: Substances of Concern and Product Stewardship – Impacts, risks, and opportunities (IROs): IRO-1 → ESRS E2: Substances of Concern and Product Stewardship – Impacts, risks, and opportunities (IROs): IRO-1			→ KPMG CH
E2-1 – Policies related to pollution	→ E2-1 – Policies related to pollution → E2-1 – Policies related to SoCs and SVHCs → E2-1 –Policies related to microplastics			→ KPMG CH
E2-2 – Actions and resources related to pollution	→ E2-2 – Actions and resources related to pollution of water → E2-2 – Actions and resources related to Substances of Very High Concern → E2-2 – Actions and resources related to microplastics			
E2-3 – Targets related to pollution	→ E2-3 – Targets related to pollution of water → E2-3 – Targets related to Substances of Very High Concern → E2-3 – Targets related to microplastics			
E2-4 – Pollution of air, water and soil	→ E2-4 – Measuring pollution of water → E2-4 – Pollution of air, water, and soil			
E2-6 – Financial effects from pollution-related impacts, risks and opportunities	→ E2-6 Anticipated financial effects from material pollution-related risks and opportunities			
Water				
E3: Water				
ESRS 2 IRO-1-E3 – Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	→ Material risks, impacts, and opportunities (IROs) related to water: IRO-1			
E3-1 – Policies related to water and marine resources	→ E3-1 – Policies related to water			
E3-2 – Actions and resources related to water and marine resources	→ E3-2 – Actions and resources related to water			
E3-3 – Targets related to water and marine resources	→ E3-3 – Targets related to water			→ KPMG CH
E3-4 – Water consumption	→ E3-4 – Water consumption (including water withdrawals and water discharges)			
Biodiversity and Bio-Based Economy				
E4: Biodiversity and Bio-Based Economy				
ESRS 2 SBM-3-E4 – Material impacts, risks and opportunities and their interaction with strategy and business model	→ Material Impacts, Risks And Opportunities (IROs) Related To Biodiversity And Bio-Based Economy: IRO-1			
E4-1 – Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies, and opportunities	→ E4-IRO-1 – Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies, and opportunities			
E4-2 – Policies related to biodiversity and ecosystems	→ E4-2 – Policies related to biodiversity			
E4-3 – Actions and resources related to biodiversity and ecosystems	→ E4-3 – Measures related to biodiversity loss			
E4-4 – Targets related to biodiversity and ecosystems	→ E4-4 Targets related to biodiversity and ecosystems change			
E4-5 – Impact metrics related to biodiversity and ecosystems change	→ E4-5 – Impact metrics related to biodiversity and ecosystems change			
Circular Economy				
E5: Circular Economy				
ESRS 2 IRO-1-E5 – Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	→ E5-IRO-1 – Impacts, risks, and opportunities (IROs) regarding resource use and circular economy			→ KPMG CH
E5-1 – Policies related to resource use and circular economy	→ E5-1 – Policies related to circular economy			
E5-2 – Actions and resources related to resource use and circular economy	→ E5-2 – Actions related to resource use and circular economy			
E5-3 – Targets related to resource use and circular economy	→ E5-3 – Targets related to resource use and circular economy			
E5-4 – Resource inflows	→ E5-4 – Resource inflows			
E5-5 – Resource outflows	→ E5-5 – Resource outflows			

Disclosures	Location	Omission			External Assurance
		Requirement(s) Omitted	Reason	Explanation	
Own Workforce					
S1: Own Workforce					
ESRS 2 SBM-3-S1 – Material impacts, risks and opportunities and their interaction with strategy and business model	→ Material impacts, risks and opportunities and their interaction with strategy and business model				→ KPMG CH ¹
S1-1 – Policies related to own workforce	→ S1 Chapter I: Valuing Employees S1-Sub-subtopic training and skills development S1-1 – Policies related to training and skills development → S1 Chapter II: Health and Safety S1-1 Policies related to own workforce → S1 Chapter III: Human Rights S1-1 – Policies related to human rights in Clariant's own workforce → S1 Chapter IV: Diversity, Equity, and Inclusion S1-1 – Policies related to own workforce				→ KPMG CH ²
S1-2 – Processes for engaging with own workers and workers' representatives about impacts	→ S1 Chapter I: Valuing Employees S1-Sub-subtopic training and skills development, S1-2 – Processes for engaging with own workers and workers' representatives about impacts → S1 Chapter II: Health and Safety S1-2 Processes for engaging with own workers and workers' representatives about impacts → S1 Chapter IV: Diversity, Equity, and Inclusion S1-2 – Processes for engaging with own workers and workers' representatives about impacts				→ KPMG CH ³
S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns	→ S1 Chapter I: Valuing Employees S1-Sub-subtopic training and skills development S1-3 – Processes to remediate negative impacts, and channels for own workers to raise concerns → S1 Chapter II: Health and Safety S1-3 Processes to remediate negative impacts, and channels for own workers to raise concern (p. 148) → S1 Chapter IV: Diversity, Equity, and Inclusion S1-3 – Processes to remediate negative impacts, and channels for own workers to raise concerns				
S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	→ S1 Chapter I: Valuing Employees S1-Sub-subtopic training and skills development S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions → S1 Chapter II: Health and Safety S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions → S1 Chapter IV: Diversity, Equity, and Inclusion S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions				
S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	→ S1 Chapter I: Valuing Employees S1-Sub-subtopic training and skills development S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities → S1 Chapter II: Health and Safety S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing risks and opportunities → S1 Chapter IV: Diversity, Equity, and Inclusion S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities				
S1-6 – Characteristics of the undertaking's employees	→ S1 Chapter I: Valuing Employees S1-6 – Characteristics of the undertaking's employees		Para.50 (a) total number of employees by country		→ KPMG CH
S1-9 – Diversity metrics	→ S1 Chapter IV: Diversity, Equity, and Inclusion S1-9 – Diversity metrics				→ KPMG CH
S1-13 – Training and skills development metrics	→ S1 Chapter I: Valuing Employees S1-13 – Training and skills development metrics				
S1-14 – Health and safety metrics	→ S1 Chapter II: Health and Safety S1-14 – Health and safety metrics				→ KPMG CH
S1-17 – Incidents, complaints and severe human rights impacts	→ S1 Chapter III: Human Rights S1-17 – Incidents, complaints, and severe human rights impacts				

Disclosures	Location	Omission			External Assurance
		Requirement(s) Omitted	Reason	Explanation	
Workers in the value chain					
S2: Workers in the value chain					
ESRS 2 SBM-3-S2 – Material impacts, risks and opportunities and their interaction with strategy and business model	→ ESRS 2 SBM-3 Material impacts, risks, and opportunities and their interaction with strategy and business model (GRI 3-3)				
S2-1 – Policies related to value chain workers	→ S2-1 – Policies related to the value chain and its workers				
S2-2 – Processes for engaging with value chain workers about impacts	→ S2-2 – Processes for engaging with value chain workers about impacts				
S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns	→ S2-3 – Processes to remediate negative impacts; channels for value chain workers to raise concerns (GRI 414-2)				
S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	→ S2-4 – Taking action with respect to material impacts on value chain workers (GRI 414-2)				
Customer Relationships and Dialogue					
S4: Customer Relationships and Dialogue					
ESRS 2 SBM-3-S4 – Material impacts, risks and opportunities and their interaction with strategy and business mode	→ S4-IRO-1 – Impacts, risks, and opportunities (IROs)				
S4-1 – Policies related to consumers and end-users	→ Policies				
3-3 Management of material topics	→ S1 Chapter III: Human Rights				
S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end- users, and effectiveness of those actions	→ Actions				
Business Conduct					
G1: Business Conduct					
ESRS 2 GOV-1-G1 – The role of the administrative, supervisory and management bodies	→ ESRS 2 General Disclosures: GOV-1 – The role of the administrative, management, and supervisory bodies				
ESRS 2 IRO-1-G1 – Description of the processes to identify and assess material impacts, risks and opportunities	→ Material impacts, risks, and opportunities (IROs) related to business conduct				
G1-1 – Corporate culture and business conduct policies and corporate culture	→ G1-1 – Policies				
G1-2 – Management of relationships with suppliers	→ G1-2 – Actions				
G1-3 – Prevention and detection of corruption and bribery	→ G1-3 – Focus areas				
G1-4 – Confirmed incidents of corruption or bribery	→ G1-4 – Metrics				

¹ Only in relation to the sub-sub-topic »Health and safety«

² Only for S1 Chapter II: Health and safety

³ Only for S1 Chapter II: Health and safety

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